

# Engineering New Frontiers



**Integrated Annual Report**  
2023 - 24



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# Engineering New Frontiers

Across the key domains of **Mobility, Sustainability, and Hi-Tech** – the journey ahead is being driven by a desire for continuous innovation, unmatched excellence, and reliable solutions that can address both current and future needs.

With the pace of transformation accelerating and technology cycles shortening, there is a clear need to enhance our capabilities and competencies – ranging from cutting-edge AI to comprehensive chip-to-cloud expertise. The future will belong to those organizations that can both adapt to the evolving technology shifts and collaborate effectively to unlock cross-domain innovation.

L&T Technology Services (LTTS) has enjoyed enduring relationships with marquee global technology companies offering new-age and innovative solutions. Over the past year, LTTS has expanded its alliances with the world's leading hyperscalers, including Microsoft Azure, Google Cloud, Intel, AWS, and NVIDIA. Together, we are driving new successes across our customer ecosystems, while going deeper toward exciting technology frontiers to drive robust growth and scale. The forward momentum is strengthened further by a growing collaboration with leading centers of learning and R&D, enabling depth and sustainability across our offerings while nurturing the next frontiers of engineering talent.

As we continue to enhance our offerings and capabilities to become the strategic partner of choice across the Customer Lifecycle Journey, here's to **Engineering The Change**, together!



# About the Report

LTTTS is committed to continuous innovation and responsible, sustainable value creation for its stakeholders. In line with this commitment, we are pleased to introduce our inaugural Integrated Annual Report for FY24. This comprehensive report enables stakeholders to access financial as well as non-financial information. It highlights our processes, operations, governance, and performance across Environment, Social, and Governance (ESG) metrics. It also provides quantitative and qualitative insights into our relationships with the stakeholders, illustrating how our leadership, culture, and strategic initiatives address concerns and expectations within a dynamic operating landscape.

## Reporting Approach

### REPORTING PERIOD AND BOUNDARY

The report, published annually, covers material information relating to the performance and value-creation story of the Company's Indian and international operations from April 1, 2023 to March 31, 2024.

The GRI framework-related data provides details of our non-financial performance from April 1, 2023 to March 31, 2024. All non-financial disclosures are done on standalone basis except data on energy, water, and waste, which is collected from our 32 major offices in India and 8 major offices at international locations. Except 1 subsidiary, all of our subsidiaries operate from LTTTS' standalone premises.

### FINANCIAL AND NON-FINANCIAL REPORTING

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders, significantly influencing our ability to create value.

### REPORTING FRAMEWORK

This report aligns with the principles and guidelines of the:



The Global Reporting Initiative (GRI) Standards



United Nations Global Compact Principles (UNGCP)



United Nations Sustainable Development Goals (UN SDGs)



National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)



International Integrated Reporting <IR> framework of the IFRS Foundation

Indian Accounting Standards and International Financial Reporting Standards

The Companies Act, 2013 (and the rules made thereunder)

## Materiality Assessment

The content of this report is based on material topics that are critical to our long-term success and have been determined through a rigorous materiality assessment process. This methodical approach ensures our report focuses on areas of utmost importance to our sustainable growth and operational integrity.

## Responsibility Statement

The Board of Directors and executive management collectively affirm the accuracy and completeness of the data and information within this report. This statement underscores our commitment to transparency and accountability in all disclosures.

## Feedback and Suggestions

We maintain appropriate interaction channels with all our stakeholders and encourage them to approach us with suggestions. We sincerely appreciate your feedback and queries.

Reach us at: [investor@lts.com](mailto:investor@lts.com)

## Forward-looking Statement

Some information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position, results of operations, business plans, and prospects. These statements are generally identified by forward-looking words such as 'believe,' 'plan,'

'anticipate,' 'continue,' 'estimate,' 'expect,' 'may,' 'will,' or other similar words. Forward-looking statements are dependent on the assumptions or basis underlying them. We have chosen these assumptions or bases in good faith and believe they are reasonable in all material respects.

However, we caution that actual results, performances, or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether due to new information, future events, or otherwise.



FY24 HIGHLIGHTS

# Quantifying Frontier Impacts\*



### Financial Highlights

**₹96,473 Mn**

Revenue ▲ 9.4%

**₹16,474 Mn**

EBIT ▲ 7.9%

**₹13,037 Mn**

Profit After Tax ▲ 7.6%

**27%**

Return on Equity

### Operational Highlights

**1,296**

Patents Filed

**104**

Innovation Labs

**57**

of Global 100 R&D spenders as clients

**25** Countries

Global Presence

**23,800+**

Employees

**22**

Global Design Centres

### Social Highlights

**22%**

Women in our workforce

**14.7**

Average technical training hours per year per employee

**381**

Global customers

**57**

Customers from the list of Top 100 R&D Spenders

**GPTW**

Great Place to Work® certified

**₹228 Mn**

CSR spend

**77,070**

Beneficiaries of CSR programs

### Environment Highlights

**5,306.9**

Avoided CO<sub>2</sub> using renewable energy (in MtCO<sub>2</sub>e)

**1,27,495**

Water recycled (in KL)

**48.1**

Waste recycled (in MT)

**23,384**

Total energy consumption through renewable sources (in GJ)

**90,000+**

Saplings planted in FY24

### Governance Highlights

**Zero**

Instances of violation of anti-corruption policy

**63.9%**

Training coverage on Human Rights issues and policies

**Strong Corporate Governance Framework**

Continuously striving to enhance its standards

**Ethical, Fair and Transparent Business Practices**

**Anti-Bribery and Anti-Corruption**

Strong focus

# Founder Chairman's Message



Dear Shareholders,

We live in an age of impermanence. Nothing stays the same – the technology landscape, industry trends, geo-political equations, and heightened societal expectations. The consistent accomplishments of LTTS are even more salient when viewed in this context of change.

Your Company's efforts toward ensuring excellence have led to its sustained leadership of the ER&D domain. We are now a USD 1.2 billion revenue run rate company with a vision to cross USD 1.5 billion, and will continue to grow in size and scale. The acquisition of Smart World and Communication last year has already borne fruit, viz., a marquee USD 100 million deal win in cybersecurity.

## CHARTING NEW LANDSCAPES

Much of what your Company has achieved is in line with the vision that we had articulated soon after I took over at the helm two and half decades ago. Your Company today has built a reputation for delivering pioneering engineering and R&D solutions to a global clientele. This has been achieved by marrying deep engineering expertise with agile, innovative thinking – which has become

the hallmark of LTTS' operations and reflects the heritage of the parent Company.

As we forge ahead, it is vital that LTTS continues to strengthen and expand its customer engagement by actively pursuing opportunities beyond the immediate scope of work. The journey ahead will therefore be defined by a multi-pronged approach – from ensuring a closer alignment of our offerings

with market expectations, to unlocking new value across talent and technology, and delivering unmatched operational excellence. Realigning our focus areas around Mobility, Sustainability, and Hi-Tech is a key step in this direction.

## BECOMING FUTURE READY

Securing and retaining top-tier talent remains a major objective as we expand our footprint, notably with the development of a new strategic center in Vadodara and our expansion across major delivery hubs in Chennai and Mysuru. The focus on emergent domains such as software-defined vehicles, AI and cybersecurity, coupled with the continued upskilling of our engineers and forging new partnerships with hyperscalers promises to revolutionize our offerings across each of the focus areas.

LTTS has secured multiple awards and peer commendations – a clear indication of our industry-leading stance in AI and emerging technologies. Our leadership of the ER&D domain has been reaffirmed by leading analysts, including Zinnov and ISG, alongside prestigious accolades like the 'BIG Innovation Award' for IoT and the RoSPA Gold Health & Safety Awards for our smart city projects.

An organization's success is intrinsically linked to the spirit of its people. LTTS has been recognized as a 'Great Place to Work' in India and has won a similar recognition in Europe.

This exemplifies our commitment to establishing LTTS as a preferred employer for talented engineers worldwide.

## ENSURING ALL-ROUND EXCELLENCE

LTTS continues to be the ER&D industry bellwether. Our industry-leading performance in FY24 is built on the pillars of revenues of ₹96,473 million, a growth of 9.4% y-o-y, and net profit of ₹13,037 million, a 7.6% rise y-o-y. I remain confident that the sustained demand momentum across segments will accelerate and help strengthen our competitive positioning going ahead.

Scaling up our engagements with premier global clients and enhancing their core businesses remains our top priority. We will seek to deepen our engagements and expand their scope to cover new domains across industries.

In addition to business growth, LTTS remains steadfast in its dedication to foster an environment underscored by care, trust, and perpetual learning. This commitment is manifested through its CSR endeavors, aimed at addressing critical areas such as water development, healthcare provision in remote regions, and skill enhancement for the underprivileged. Such initiatives have touched millions of lives across the country, reinforcing LTTS' reputation as a company devoted to generating substantial goodwill through meaningful societal contributions.

## IN CONCLUSION

On a personal note, as most of you are already aware, I will be stepping down as the Founder Chairman of L&T Technology Services effective the 12th AGM of the Company. As I take a moment to reflect on the past, I feel grateful to have spearheaded the creation of the largest pureplay ER&D Services Company based out of India – driving the next frontiers of L&T's vision of growth and technology excellence.

I would also like to thank you, our shareholders for your continued and sustained trust in us. My best wishes to my colleagues on the Board and the LTTS leadership, led by Amit Chadha, for driving our growth journey across new frontiers.

With best wishes for a healthy and prosperous future.

**A. M. Naik**

**FOUNDER CHAIRMAN**

# CEO and Managing Director's Message



Dear Shareholders,

I am happy to present the first Integrated Annual Report for LTTTS. As the global economy evolves, technology cycles shorten, and customer demand patterns change faster than ever before, it is important that we continue to scale towards the next frontiers of growth.

FY24 was a landmark year for LTTTS. We crossed the USD 1.2 billion revenue run rate within 12 months of surpassing the USD 1 billion milestone, closed several first-of-its-kind engagements in new technology domains following our largest acquisition to date, and continued to expand in emerging areas such as AI and next-gen communications. Your Company's

diversified presence across key segments and geographies, combined with its core engineering DNA and innovation mindset, enabled profitable, sustainable, and inclusive growth across the board.

On behalf of the over 24,000 strong global LTTTS family, I thank you for your continued trust and support in this journey.

## NAVIGATING TOMORROW: GO DEEPER TO SCALE

As the global business landscape evolves and technology changes are compressed to three-year cycles, LTTTS is keenly aware of its position as the ER&D services industry bellwether. The emerging scenario is reflected across changing customer expectations, with greater demand for more

*The transformation of LTTTS into a focused, integrated, and streamlined organization, aligned with its robust customer success commitment, is an integral part of our "Go Deeper to Scale" strategy. This cohesive structure will enable faster decision making, better client intimacy and domain specialization, helping improve our innovation quotient and unlocking higher value for customers and employees as we continue to scale.*

*Moving forward, LTTTS will continue to strengthen its commitment toward being the strategic partner of choice across all stages of the Customer Life Cycle Journey – from the inception to every single touchpoint on the enterprise transformation roadmap.*

specific solutions and deep and intensive domain expertise. To address the emerging patterns evident across industries and segments and leverage the new growth opportunities identified, we have decided to simplify and streamline our organizational structure into three main segments – **Mobility, Sustainability, and Hi-Tech.** **Mobility** will encompass our Automotive, Commercial Vehicles and Aerospace verticals. The **Sustainability** segment will focus on Industrial Machinery & Building Technology, Electric Power & Utilities, FMCG and Oil & Gas. Our **Hi-Tech** segment will include MedTech, Semiconductors, Consumer Electronics, Hyperscalers, and the NexGen Comm verticals.

Leveraging identified commonalities across engineering capabilities and technology skills, we are also consolidating our technology focus into three overarching horizontals – **AI & Software Defined Everything (SDx), Embedded Systems, and Digital Manufacturing Solutions.** This strategic realignment will enable new value streams across our industry-leading digital assets, labs, and expertise, and deliver cutting-edge, multi-domain solutions for our global clientele.

## LEVERAGING SUSTAINABLE FOUNDATIONS FOR GROWTH

As the largest pure-play engineering services provider based in India, our operational

excellence and value creation model serves as a benchmark for the industry. During the fiscal year, we recorded annual revenues of USD 1,164 million, a growth of 7.0% y-o-y growth in constant currency. The broad-based growth, amidst a period defined by consistent demand softening and persistent global uncertainties, was led by our Transportation segment, followed by Telecom & Hi-Tech, Industrial Products, Medical Devices, and Plant Engineering. Driven by its unmatched quality, industry-leading excellence, and core engineering expertise across technologies, LTTTS also expanded its global revenue share, with double-digit growth in Europe.

The EBIT margin for the fiscal was at 17.1%, a reflection of our commitment toward ensuring robust and scalable operations. LTTTS grew its PAT by 7.6% to ₹1,304 crore, and registered a net profit margin of 13.5%. The Board of Directors, taking cognizance of the robust financials of the Company, have therefore deemed it fit to announce a final dividend of ₹33 per share, representing a dividend pay-out ratio of 41% for the year. Our ROE continues to be healthy at 27% which has been a consistent hallmark of our journey.

Our sustained growth trajectory was defined by several multi-million deal wins across geographies, including a marquee USD 100 million engagement in cybersecurity. We closed successfully on multiple projects

across industries and geographies, including several in the range of over USD 15 million. Over half of our large deal wins were in the category of over USD 15 million, underscoring the continued trust placed in us by our customers. This continued momentum of deal wins was also reflected in our growing partnerships with leading global hyperscalers and technology majors, and an expanding ecosystem for exploring new frontiers with major organizations, including one of the world's largest diversified energy companies.

LTTTS' journey forward, therefore, is built on robust foundations that enable us to align closely with evolving expectations and drive new value streams. The core of our operations continues to be strengthened by an intense focus on innovation, which has seen us file 1,296 patents to date. Of these, an impressive 54 are in the emerging domain of AI technologies, which I feel will be the cornerstone of sustained progress over the coming years. We have also gone from filing 50 patents a year to 50 per quarter, underscoring a sustained culture of innovation-led excellence across the LTTTS ecosystem.

**ENABLING EXCELLENCE: AN LTTTS PERSPECTIVE**

During the fiscal, several of our customers and global ER&D industry leaders were recognized at the Second Edition of the Digital Engineering Awards for their cutting-edge engineering and technology innovations – enabled by their long-standing partnership with LTTTS. Over 200 entries were received across nine categories from major stalwarts in new-age digital technologies. The submissions were evaluated by an independent peer-group panel led and managed by ISG. CNBC TV18 was the media partner for the event, with the Award finale in Dallas, Texas, USA.

As a responsible organization, we believe that excellence is achieved and sustained by being responsive to market trends and stakeholder feedback. The LTTTS Advisory Council, comprising of segment leaders, technology stalwarts, and industry practitioners is our beacon in this direction. Constituted during the fiscal year, our sessions and discussions have had a major impact on LTTTS' roadmap for navigating the future, helping drive new scale and sustained excellence.

Our achievements continued to be recognized on the global stage, with leading analyst firms and industry bodies acknowledging LTTTS' transformative contributions across the global engineering landscape. ISG, Zinnov, and Nelson Hall rated LTTTS as the leader in Digital Manufacturing, Digital Engineering Services, Intelligent Operations, and new technologies. Your Company's sustainability offerings were recognized by PTC, while Avasant rated LTTTS as leaders in Manufacturing Smart Industry Services 2023 RadarView. The continuous and sustained flow of high ratings and recognitions is a clear indication of our continuing commitment toward sustained excellence across all areas of operation.

Underscoring our belief toward enabling best-in-class employee experiences, LTTTS has been recognized as a Great Place to Work® for the second time in a row in India and in Poland for the

first time during the fiscal year. We scored high on parameters like credibility, respect, and pride, besides attracting a high overall participation from our employees. The responses collected through our annual employee survey, EMPulse, will continue to form the basis of our future plans for developing new areas of experience excellence and employee success.

I would like to take a moment to remind our stakeholders that as a responsible corporate citizen, LTTTS believes in the importance of industry-academia collaboration for unveiling the next big innovation paradigm. We partnered with IIT Hyderabad's Technology Innovation Hub on Autonomous Navigation (TiHAN) for fostering advancements in Autonomous Driving Safety Levels and Cellular Vehicle-to-Everything (CV2X) communications. IIT Madras has also recognized our efforts with the Impactful Co-Creation award. TECHgium, our premier open innovation challenge and the largest engineering hackathon in India, saw over 36,000 registrations this year and more than 4,400 submissions from the 500 plus participating institutes. The winners, who worked tirelessly with industry experts to solve real-world engineering challenges, reaffirm our belief in the youth of the country in scaling the future.

On this note, and on behalf of my colleagues and the global LTTTS family, allow me to express my

sincere gratitude once again for your support and encouragement as we continue to engineer new frontiers. Thank you, dear shareholder, for your continued trust and faith in us as we 'Go Deeper to Scale.'

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

**Amit Chadha**  
CEO & MANAGING DIRECTOR



The Winners and Jury at the Second Digital Engineering Awards with Amit Chadha, CEO & MD, L&T Technology Services, and Todd Lavieri, Vice Chairman, ISG



# Message from the Senior Management Team



**Abhishek Sinha**  
COO & Whole-Time Director

**Alind Saxena**  
President, Sales & Whole-Time Director

**Rajeev Gupta**  
Chief Financial Officer

## Dear Shareholders,

We are pleased to share our combined annual message in LTTS' first Integrated Annual Report. As emerging technologies reshape the global business landscape, LTTS remains committed to help you identify, scale, and sustain new avenues of business success. Leveraging industry-leading innovation and a core engineering DNA, your Company continues to be the preferred engineering partner to global clients, helping them drive cutting-edge transformation paradigms.

Amidst a global economy beset by headwinds across sectors, your Company has registered stellar growth across all its segments. We are now a USD 1.2 billion revenue rate company, with aspirations to reach USD 1.5 billion. LTTS' journey ahead is marked by sustained excellence across all its key segments, and we are grateful for your continued faith in our capabilities and offerings.



## GO DEEPER TO SCALE: MOBILITY, SUSTAINABILITY, AND HI-TECH

Technology cycles are shortening. As global demand patterns evolve in response to a marked shift in customer preferences and requirements, LTTS is committed to help you achieve, maintain, and strengthen robust growth trajectories.

To drive this vision we have realigned our business offerings across three main segments – **Mobility, Sustainability, and Hi-Tech**. The Mobility segment will encompass our Automotive, Commercial Vehicles, and Aerospace verticals; Sustainability will include Industrial Machinery & Building Technology, Electric Power & Utilities, FMCG, and Oil & Gas; while the Hi-Tech segment will focus on MedTech, Semiconductors, Consumer Electronics, Hyperscalers, and the NexGen Comm verticals.

Our technology focus is also being consolidated into three comprehensive horizontals – AI & Software Defined Everything (SDx), Embedded Systems, and Digital Manufacturing Solutions. We feel that this transition will help us in leveraging identified commonalities across engineering

capabilities and skills, unlocking new value streams in the process.

The strategic realignment journey is expected to drive the expansion of our industry-leading digital offerings, revitalize our state-of-the-art infrastructure and expertise, and help us deliver cutting-edge solutions and business excellence for our worldwide customer base.

## CHARTING THE FUTURE

At LTTS, our engineers continue to lead the way in driving sustainable innovation with over 1,296 patents filed to date. We have established cutting-edge labs, design centers, and expanded our hubs, notably in Chennai and Mysuru. These facilities leverage technology to accelerate time-to-market and unlock robust value paradigms.

Harnessing a range of key emerging technologies, including AI, IoT, and a Software-Everything-focused approach, we continue to create intelligent systems that benefit our customers and the environment – enabling more efficient operations and smarter resource management. Our innovative solutions help meet today's challenges and contribute to a sustainable and efficient future.

Our sustained commitment to operational excellence and disciplined capital allocation policy has continued to help us maintain a healthy growth, robust profitability, high return on equity and dividend payout ratio. This demonstrates our dedication to delivering sustainable value to our shareholders.

We remain focused on scaling LTTS to new heights of growth and innovation through expansion initiatives and strategic deal wins. By leveraging our resources effectively and forging strategic partnerships, Your Company continues to drive new heights of digital transformation and deliver innovative solutions that enhance value for our global clientele.

As we continue to navigate the dynamic business environment, we remain confident in our ability to uphold a robust and sustained trajectory of business success and deliver value across industries.

Together, we will continue to capitalize on new opportunities, successfully tackle challenges, and steer LTTS towards a future that is profitable, sustainable, and inclusive as we continue Engineering the Change for all our global stakeholders.

Regards,

**Abhishek Sinha**  
COO & WHOLE-TIME DIRECTOR

**Alind Saxena**  
PRESIDENT, SALES & WHOLE-TIME DIRECTOR

**Rajeev Gupta**  
CHIEF FINANCIAL OFFICER

ABOUT THE COMPANY

# Delivering Excellence Redefining Innovation Engineering the Change

As a publicly listed Larsen & Toubro Limited subsidiary, LTTS is the largest pure-play Engineering R&D (ER&D) services company based out of India. Our track record of groundbreaking inventions and innovations across industries and segments reflects a sustained commitment toward pushing the boundaries of technological advancement.

LTTS' expertise spans various domains, including engineering design, product development, smart manufacturing, and digitalization, impacting every facet of human life. We specialize in disruptive technology spaces across the customer lifecycle journey, including Software Defined Everything, Artificial Intelligence, Cybersecurity, Digital Factories and Autonomous Transport.

From pioneering the World's 1st Autonomous Welding Robot to developing innovative solutions like the Solar Connectivity Drone and the Smartest Campus in the World, LTTS continues to redefine the technology landscape, engineering the change for global customers across critical industries and sectors.



## Vision

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



## Mission

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



## Values

Every action of ours, every decision we make, and every future growth area at LTTS, is governed by these core values that we hold:

BEING PURPOSEFUL | ETHICS & INTEGRITY | CARING

A CULTURE OF LEARNING | RESULTS WITH ACCOUNTABILITY

## Engineer at Heart

A PASSION FOR PURPOSEFUL INNOVATION |

RESPECT AND INTEGRITY IN EVERY WALK OF LIFE |

CONSTANT CURIOSITY AND A LOVE OF LEARNING

# Our Pillars of Success: 6-Dimensional Glide Path

Our strategy is built around preparing for the future. It includes:



## Focusing on Industry-Leading Growth

LTTS uses its extensive engineering heritage and expertise in various industries to make strategic investments in emerging technologies. This helps us build stronger partnerships with customers and partners worldwide. As a pure-play engineering services company, our technology-driven approach reinforces our commitment to industry-leading growth.



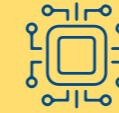
## Driving Customer Centricity

We prioritize our customers' success by leveraging our profound innovation capabilities across industries. LTTS partners with global organizations to facilitate cutting-edge success models, drive transformative processes and products, and elevate overall customer satisfaction.



## Ensuring People Engagement

At LTTS, we embrace a culture centred around being an 'Engineer at Heart.' We foster and support individuals with curiosity, passion for engineering, and dedication to solve complex challenges. Through industry-leading up-skilling and cross-skilling programs, along with other employee-centric initiatives, we are reshaping the frontiers of people engagement.



## Enhancing the Technology Quotient

Our company culture promotes continuous ideation, focused experimentation, and cutting-edge solutions. To drive meaningful outcomes, LTTS invests in state-of-the-art lab infrastructure to spur the development of innovative solutions. This commitment inspires our engineers to file more patents and elevate our technology quotient.



## Leveraging a Sustainable Operating Model

LTTS strives for consistent growth through a robust operations playbook designed to drive our resilient expansion journey and realize our Vision. We align our investment pathways with identified growth areas to ensure a sustainable operating model across our global operations.



## Enabling Environmental, Social, & Governance (ESG)

As a responsible corporate citizen, we are dedicated to minimizing our environmental impact, maximizing social outreach, and offering sustainable solutions to customers for their transition to a net-zero future.





**HEAD QUARTERS**  
Vadodara, India



**REGISTERED OFFICE**  
L&T House, N.M. Marg,  
Ballard Estate, Mumbai

**▲ INDIA**

- Mumbai
- Pune
- Vadodara
- Bengaluru
- Mysuru
- Chennai
- Hyderabad
- Kochi
- Faridabad
- Delhi

**▲ USA**

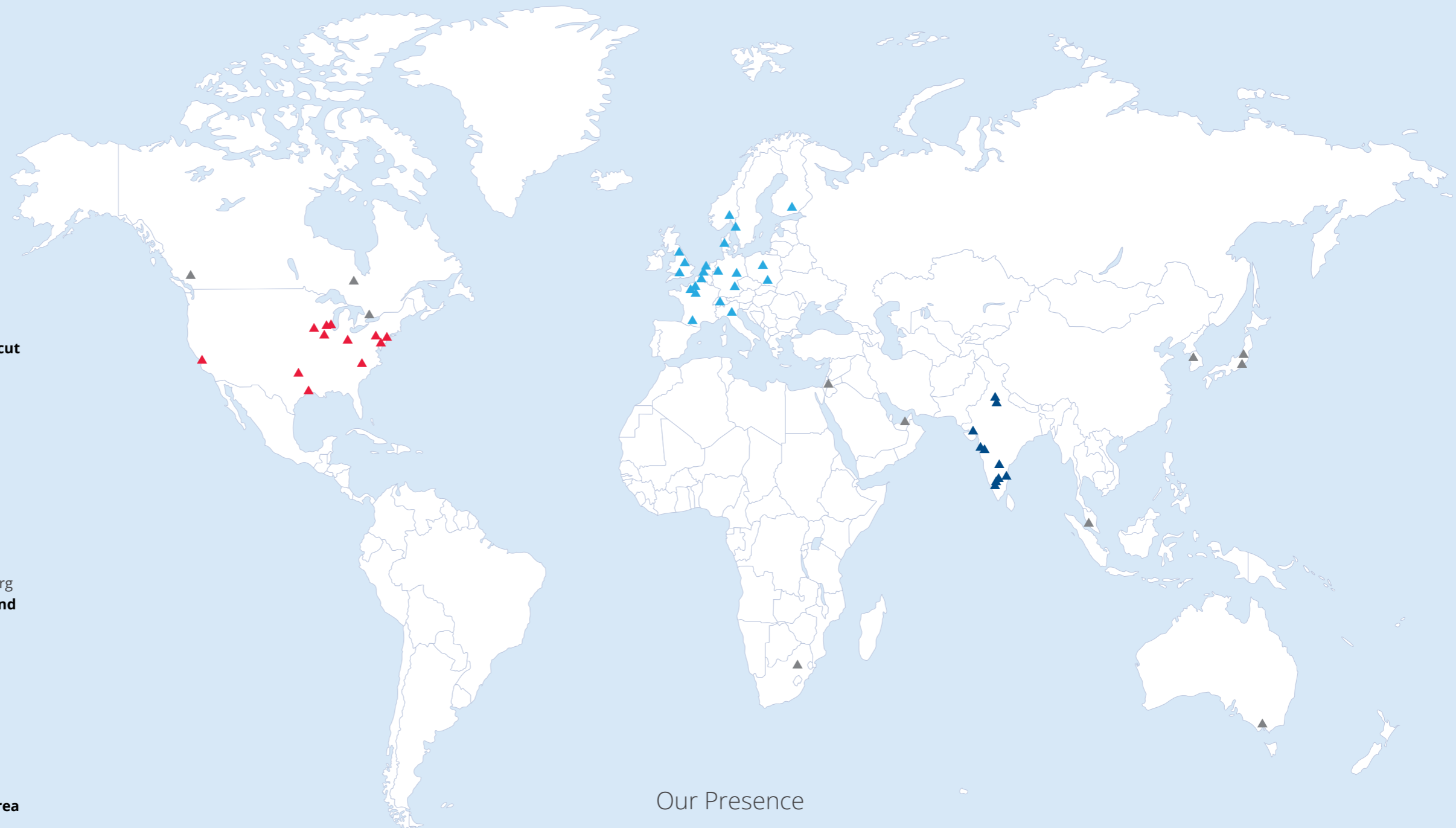
- California**  
Santa Clara
- Illinois**  
Peoria  
Rockford
- Iowa**  
Bettendorf
- New Jersey**  
Edison
- Ohio**  
Dublin
- Texas**  
Plano  
Houston  
Midland
- Connecticut**  
Windsor
- Michigan**  
Troy

**▲ EUROPE**

- Belgium**  
Brussels
- Denmark**  
Copenhagen
- Finland**  
Espoo
- France**  
Paris  
Toulouse
- Germany**  
Leipzig  
Munich  
Frankfurt
- Italy**  
Milan
- Netherlands**  
Hague  
Eindhoven
- Norway**  
Forenbu
- Poland**  
Krakow  
Warszawa
- Sweden**  
Gothenburg
- Switzerland**  
Zurich
- United Kingdom**  
London

**▲ REST OF THE WORLD**

- Australia**  
Melbourne
- Canada**  
Ontario
- China**  
Shanghai
- Israel**  
Jerusalem
- Japan**  
Tokyo  
Koto, Tokyo  
Tochigi
- Malaysia**  
Darul Ehasn
- Singapore**
- South Africa**  
Gauteng
- South Korea**  
Seoul
- Taiwan**  
Taipei
- UAE**  
Abu Dhabi



**Our Presence**

Headquartered in India, L&TTS has a widespread presence in **25** countries, **22** global design centers, **28** global sales offices, and **104** innovation labs. It serves **381** global customers, including **57** of the world's top ER&D spenders.

## Key Differentiators

Our differentiation lies in our deep-rooted engineering expertise, commitment to innovation, and ability to offer end-to-end solutions across multiple domains.



### Engineering DNA

Our foundation is built on a rich heritage of engineering excellence. We continuously focus on embracing emerging technologies and methodologies



### Multi-domain Expertise

We have expertise across Transportation, Industrial Products, Telecom & Hi-Tech, Plant Engineering, and Medical Devices, catering to a large customer base



### State-of-the-art Research Labs

Our 104 innovation labs are equipped with cutting-edge technologies, fostering an environment of research and development across various engineering fields



### Translating Innovation to Engineering

We have filed 1,296 patents, reflecting our prowess in transforming innovative ideas into tangible engineering solutions that propel the industry forward



### Marquee Customer Base

90% repeat business from 381 global clients, including 57 of the top 100 R&D spenders globally, underscores our reputation and trust in the market

## Innovating Tomorrow's Sustainable Frontiers



### Digital Engineering and Consulting

- Artificial Intelligence
- Cybersecure
- Immersive Experiences
- Industry 4.0
- Product Consulting
- Sustainability Engineering
- Sustainable Smart World
- 5G



### Product Engineering

- Software Engineering
- Embedded Engineering
- Mechanical Design
- Testing & Validation



### Manufacturing Engineering

- Smart Manufacturing
- Supply Chain Engineering
- Manufacturing & Planning
- Manufacturing Execution



### Plant Engineering

- CapEx Project E/EPCM Services
- Operational Excellence
- Plant Sustainance & Management
- Material & Parts Management
- Regulatory Compliance Engineering

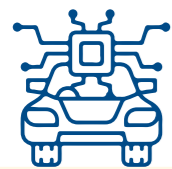


# Industries We Serve

L&T Technology Services (LTTS) is Engineering the Change, offering niche digital solutions across diverse sectors and delivering specialized engineering and R&D services.

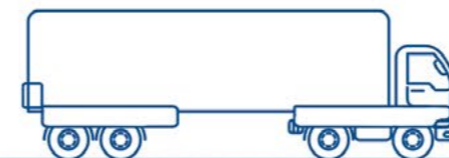
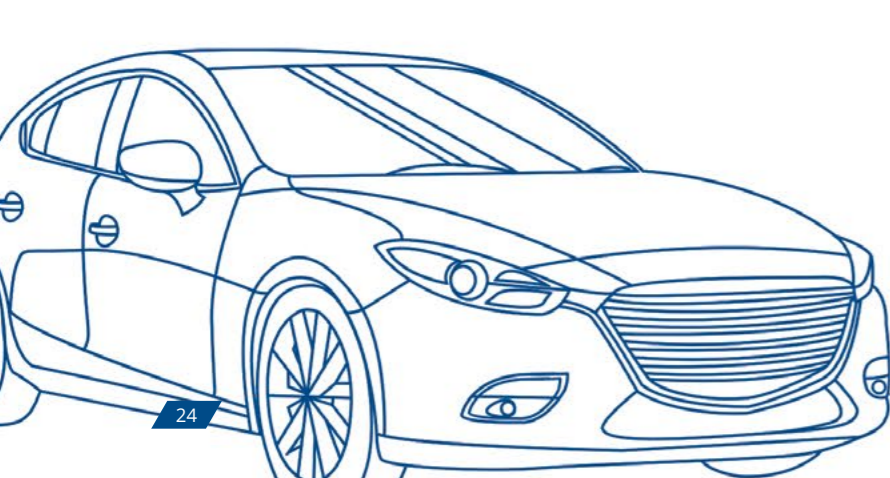
Our business segments are strategically aligned with global industry trends and customer needs, ensuring we remain at the forefront of technological innovation.

Our core competencies in engineering and technology drive each segment. Our commitment to excellence across these segments enables us to maintain a marquee customer base and affirm our position as a global engineering and R&D services leader position.



## Transportation

Our Transportation segment partners with OEMs and Tier 1 suppliers across Aerospace, Automotive, Rail, Commercial Vehicles, and Trucks & Off-highway segments. We deliver comprehensive services from concept to manufacturing and sourcing support, helping develop cost-effective vehicles and enhancing transportation technology.



### TECHNOLOGY TRENDS



SDx



Electrification and Hybrids



Vehicle SOC

### INVESTMENT AREAS



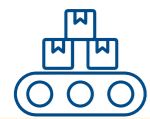
- Software-defined vehicles, mobility services, autonomous driving
- Remanufacturing, asset autonomy and remote operation, electrification and hybridization, automation, and AI

### CUSTOMER SUCCESS



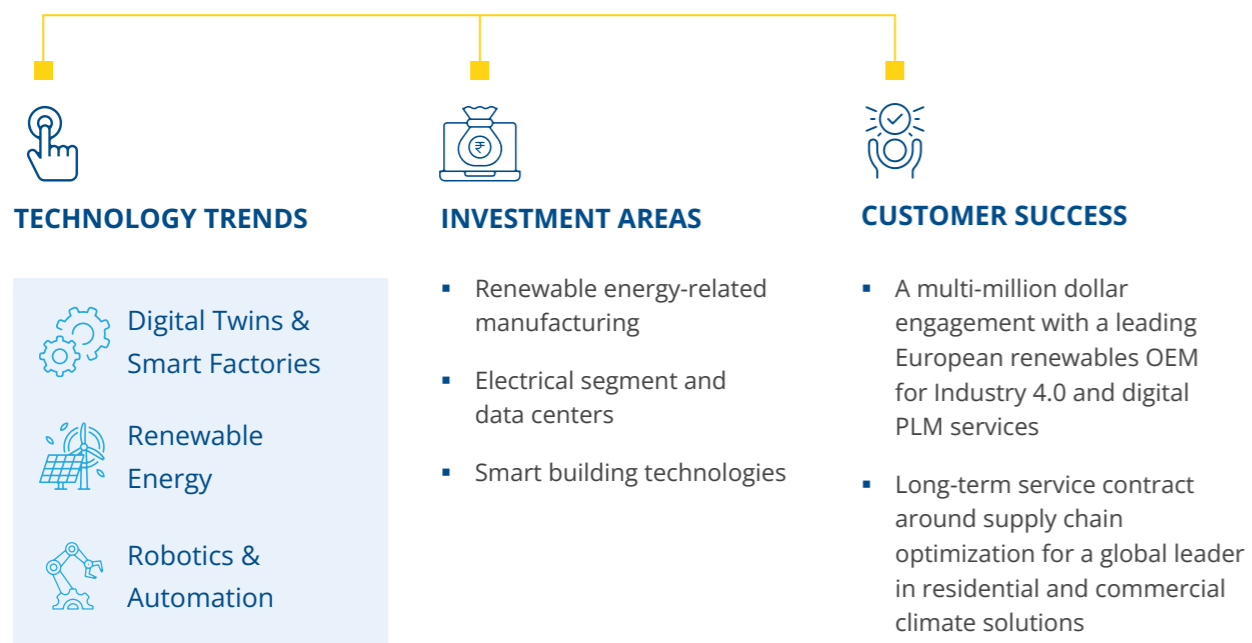
- Engineering design, vehicle platform software, electrification, and computer-aided engineering for a leading European automaker
- 100-member Offshore Development Center (ODC) in India for a leading agricultural and construction equipment maker
- Multi-year, USD 15 million engagement with a leading aerospace & defense OEM for engineering services





## Industrial Products

The Industrial Products segment collaborates with OEM customers across building automation, home, and office products, energy, process control, and machinery. Offering end-to-end product development, we leverage our expertise across software, electronics, connectivity, mechanical engineering, industrial networking protocols, UI/UX, test frameworks, and enterprise control solutions.



## Telecom and Hi-tech

Serving OEM/ODMs, chipset vendors, telecom carriers, and ISVs, our Hi-tech Communications and Media segment delivers end-to-end embedded software design and development, hardware platform design and development, product maintenance, enhancement, testing and validation, system integration, and field implementation services for communication solutions and systems.






## Plant Engineering

Our Plant Engineering segment provides comprehensive engineering services to plant operators worldwide, spanning the chemical, consumer-packaged goods (FMCG), and energy & utility sectors. We offer various services, from initial design to operational efficiency improvements, ensuring sustainable and efficient plant operations.



### TECHNOLOGY TRENDS

-  Plant Digital Twin
-  AI for P&ID
-  Decarbonization & Carbon Capture



### INVESTMENT AREAS

- Open-source plant engineering software, cloud-connected products and technologies that support digitalization
- Green tech, renewables, and automation



### CUSTOMER SUCCESS

- Multi-year contract for a greenfield speciality chemical plant in the Middle East for a leading regional petrochemical manufacturer
- A multi-year deal with a global oilfield services provider for a software center of excellence to drive their digital transformation
- Engineering managed services project from a leading European fragrance, flavor ingredients, and nutrition-maker, to support their CapEx program in France and Switzerland



## Medical Devices

The Medical Devices Engineering segment is dedicated to revolutionizing healthcare delivery by providing product development solutions across a range of devices, spanning Class I II, and III. With services in concept design, embedded systems, hardware and software, mechanical engineering, application software, value analysis, manufacturing engineering, and regulatory compliance, we cover diagnostics, life sciences, surgical, cardiovascular, home healthcare, general medical, and other devices.



### TECHNOLOGY TRENDS

-  Tele-medicine & RPM
-  Wearables & Fitness Trackers
-  Robotics: Surgery & Medical Procedures



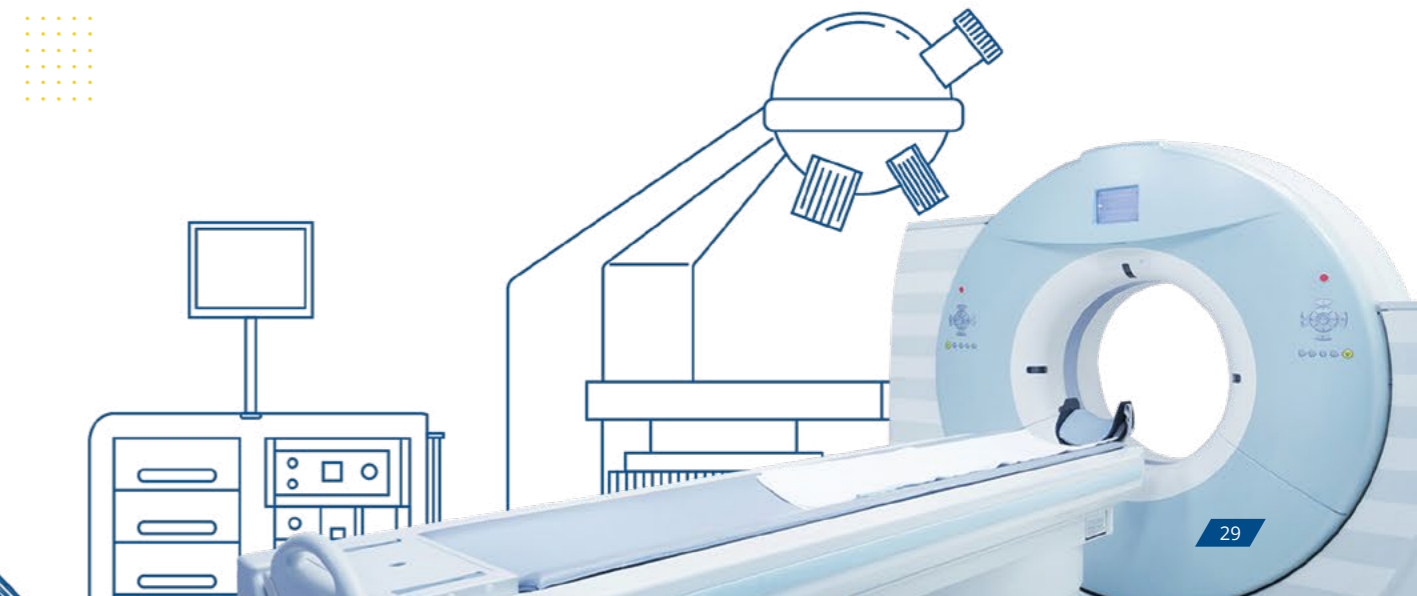
### INVESTMENT AREAS

- Long-range wireless networking technologies, AI, cloud, cutting-edge healthcare infrastructure with specialties in diagnostic imaging
- Digital technologies focusing mainly on interoperability & data integration, home care & monitoring, AR/VR in healthcare



### CUSTOMER SUCCESS

- Partnering with a leading healthcare technology provider for large scale part to print verification activities for medical devices
- Test engineering partner for a leading global healthcare major to drive their next-gen platform development and integration, and ensure a faster time to market
- Design and development of a next-gen Digital Surgery Platform for a major global healthcare company







## Smart World

Our Smart World Business Unit specializes in providing global connected intelligence solutions. Founded in 2016, as a part of L&T, its expertise covers smart spaces, connectivity, and cybersecurity. Focusing on sustained innovation excellence, the new digital solutions and offerings from the team is helping transform the technologies landscape and driving efficiency, connectivity, and intelligence across segments.



### TECHNOLOGY TRENDS

Public Cybersecurity

Secure, Digitally Interconnected, Smart, and Safe Cities

Private Networks and Connectivity



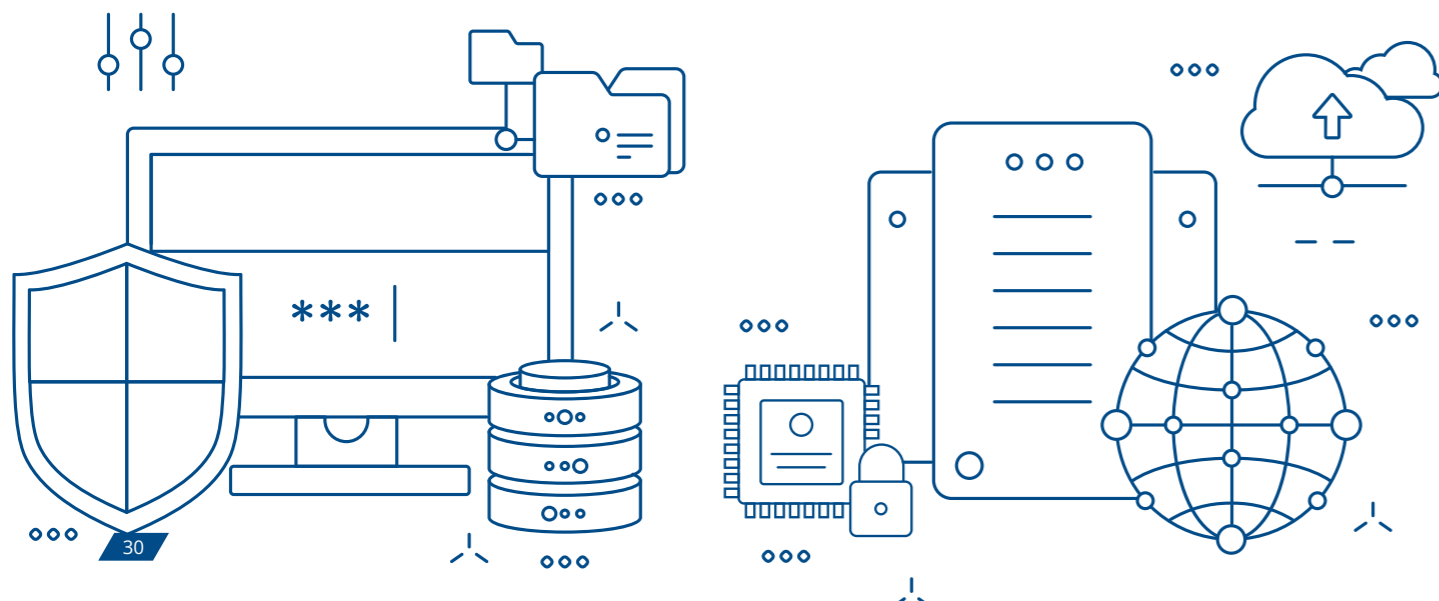
### INVESTMENT AREAS

- SOC/NOC Centers
- Digital Threat Analytics Centre (DTAC)



### CUSTOMER SUCCESS

- A USD 10 million engagement in North America for superior end-to-end technology stack across wireless and 5G communications
- First-of-its-kind program in India worth around USD 100 million (₹800 crore) from Maharashtra State Cyber Department, for advanced cybersecurity solutions for the State and enhancing public safety against cyber threats



# Success Stories



## Strengthening Cybersecurity for a Robust and Reliable Future

LTTS has won a first-of-its-kind program in India, worth around USD 100 million (₹800 crore), from the Maharashtra State Cyber Department, under the Government of Maharashtra. The initiative involves designing a sophisticated cybersecurity system and establishing a state-of-the-art, fully equipped, Cybersecurity and Cybercrime Prevention Centre to address cybercrimes and enabling investigations by leveraging AI and other cutting-edge digital forensic tools.

Following the successful acquisition of Smart World and Communication at the start of the fiscal year, the current initiative aligns closely with LTTS' vision of developing secure, digitally-interconnected, smart, and safe cities. The provision of premier cybersecurity and digital forensic solutions, consolidated under one umbrella offering, is a key aspect of this focus.

The engagement also encompasses:

- 1** A Digital Threat Analytics Centre (DTAC) paired with a Centre of Excellence (COE)
- 2** A Central Emergency Response Team (CERT) to deal with incident response and investigation
- 3** A state-of-the-art Security Operations Centre (SOC) fortified by AI & ML technologies, with a skilled cyber team to protect critical infrastructure



## Transforming Operational Excellence in the Energy Sector

Leveraging its extensive domain expertise in driving engineering and operational excellence across the Oil & Gas (O&G) domain, LTTS successfully closed a multi-year partnership with bp plc, one of the world's largest diversified energy companies.

The collaboration underscores LTTS' domain expertise in the Dynamic Energy segment, focusing on engineering and technology solutions to drive next-gen productivity improvements across the board. The partnership, focusing on LTTS' multi-decade experience in engineering, manufacturing services, digital and enterprise data management, will seek to address the key challenges faced by BP across its global operational spectrum.

As a multi-year engagement, the focus areas would include engineering for projects, turnarounds, maintenance improvements, technical writing, engineering data management and other relevant services for driving new sustainability initiatives.



## Revolutionizing Automotive Infotainment with Digital Twin Technologies

LTTS is supporting Marelli, a leading mobility technology supplier in redefining the landscape of automotive infotainment and information cluster design through groundbreaking Digital Twin solutions. Marelli – supported by LTTS – has drastically streamlined its automotive software development processes, minimizing prototype costs and heralding a major step toward the development of Software Defined Vehicles (SDVs).

Built on Amazon Web Services (AWS) with the support of LTTS, Marelli's Digital Twin provides a virtual replica of the entire car electric-electronic architecture — from information clusters to infotainment, and from Zone Control Units to the vehicle body. Leveraging LTTS' Digital Cockpit, which runs on the latest generation Snapdragon® Cockpit Platform from Qualcomm Technologies, Inc. and LTTS' cloud-based virtualization solutions, Marelli's Digital Twin streamlines software development and prototype creation. In turn, this helps in cutting costs by up to 30% and accelerating timelines up to a staggering 70%.

# Corporate Governance



At LTTS, we prioritize our corporate governance practices. We believe in the principles of transparency, accountability, responsibility, compliance, ethics, values, and trust.

Our ultimate goal is to maximize value for all stakeholders, including investors, employees, shareholders, customers, suppliers, the environment, and the community. We understand the importance of ethical conduct, integrity, and values in maintaining the trust of our stakeholders. Hence, we have robust systems and procedures that ensure adherence to ethical standards, transparency, and accountability.

## Our Philosophy

At LTTS, corporate governance is a reflection of our values and culture. We see governance as an ongoing commitment, continuously striving to elevate standards.

**1** We uphold adherence to best practices, regularly enhancing and embracing emerging trends.

**2** Our governance framework includes a comprehensive Code of Conduct, distinguishing between employees, management, and Board members, with specific guidelines for Non-Executive and Independent Directors in line with statutory requirements.

**3** We emphasize professional management, empowerment, and meritocracy in decision-making, ensuring integrity and excellence across our operations.

## Board Demographics

|   |   |   |
|---|---|---|
| <b>6</b><br>Independent Directors           | <b>3</b><br>Executive Directors                     | <b>3</b><br>Non-Executive Directors                     |
| <b>12</b><br>Directors                      | <b>50%</b><br>Independence rate                     | <b>16.67%</b><br>Women representation                   |
| <b>95%</b><br>Board meeting attendance rate | <b>62.75</b><br>Average age of Directors (in years) | <b>71.92</b><br>Average tenure of Directors (in months) |



## Board Composition



**Sitting (left to right):** Ms. Aruna Sundararajan (Independent Director), Mr. S. N. Subrahmanyam (Vice Chairman), Mr. A. M Naik (Founder Chairman), Mr. Amit Chadha (CEO & Managing Director), Mr. Narayanan Kumar (Independent Director)

**Standing (left to right):** Mr. Alind Saxena (President, Sales & Whole-Time Director), Ms. Apurva Purohit (Independent Director), Dr. Keshab Panda (Non-Executive Director), Mr. Luis Miranda (Independent Director), Mr. R. Chandrasekaran (Independent Director), Mr. Sudip Banerjee (Independent Director), Mr. Abhishek Sinha (COO & Whole-Time Director)

- |  |   |  |
|--|---|--|
| <p><b>01. MR. A. M. NAIK</b><br/>Founder Chairman<br/><b>NRC</b></p>                   | <p><b>02. MR. S. N. SUBRAHMANYAN</b><br/>Vice-Chairman</p>                        | <p><b>03. MR. AMIT CHADHA</b><br/>CEO &amp; Managing Director<br/><b>RMC</b></p>       |
| <p><b>04. MR. ABHISHEK SINHA</b><br/>COO &amp; Whole-Time Director</p>                 | <p><b>05. MR. ALIND SAXENA</b><br/>President, Sales &amp; Whole-Time Director</p> | <p><b>06. DR. KESHAB PANDA</b><br/>Non-Executive Director<br/><b>SRC / CSRC</b></p>    |
| <p><b>07. MR. NARAYANAN KUMAR</b><br/>Independent Director<br/><b>NRC / AC</b></p>     | <p><b>08. MS. APURVA PUROHIT</b><br/>Independent Director<br/><b>SRC / AC</b></p> | <p><b>09. MR. SUDIP BANERJEE</b><br/>Independent Director<br/><b>CSRC / NRC</b></p>    |
| <p><b>10. MR. R. CHANDRASEKARAN</b><br/>Independent Director<br/><b>RMC / CSRC</b></p> | <p><b>11. MR. LUIS MIRANDA</b><br/>Independent Director<br/><b>AC</b></p>         | <p><b>12. MS. ARUNA SUNDARARAJAN</b><br/>Independent Director<br/><b>SRC / RMC</b></p> |

- |  |   |                    |
|--|---|--------------------|
| <b>AC</b> Audit Committee                      | <b>CSRC</b> Corporate Social Responsibility Committee | <b>Chairperson</b> |
| <b>NRC</b> Nomination & Remuneration Committee | <b>RMC</b> Risk Management Committee                  | <b>Member</b>      |
| <b>SRC</b> Stakeholders Relationship Committee |   |                    |

## Board of Directors

The Board of Directors' combined experience and guidance pioneer the Company's strategic vision, foster innovation, and facilitate sustainable growth.

### Mr. A. M. Naik FOUNDER CHAIRMAN

Mr. A. M. Naik is the Founder Chairman of L&T Technology Services (LTTS). He is also the Chairman Emeritus of L&T – the parent company that he has served for over five decades.

Mr. Naik is credited with initiating the process of articulating a new vision for the Company with unprecedented weightage for IT and technology-related services. He is the architect of a transformation that saw the organization re-structure its portfolio, focusing on carefully curated business lines, accelerating the pace of growth, and boosting shareholder value many times over. In recognition of his role in propagating the development of technical and vocational skills, the Government of India appointed Mr. Naik

Chairman of the National Skill Development Corporation. He is the recipient of some of the most prestigious national and international awards, and has won recognition from academia, professional associations and 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.

Mr. Naik is the Honorary Consul General of Denmark. He was conferred the Danish Knighthood by Her Majesty Queen Margrethe – 2008 and a further honour, the Order of the Dannebrog – Knight First class in 2015. Over the years, Mr. Naik has been the recipient of many national honours, including

the Padma Bhushan (2009) and Gujarat Garima (2009), followed by the Padma Vibhushan (2019). He has won Lifetime Achievement Awards from virtually every major media house, including The Economic Times, CNBC, and NDTV Profit.

A committed, outcome-oriented philanthropist, Mr. Naik was instrumental in setting up the Larsen & Toubro Public Charitable Trust. In his personal capacity, he has set up six schools, adopted over 40 and played a major part in the setting up and expansion of a 'Vaidik' school. He has also set up five hospitals in South Gujarat and Mumbai, including a cancer hospital which was inaugurated by the Prime Minister of India.

## Mr. S. N. Subrahmanyam

### VICE-CHAIRMAN

Mr. S. N. Subrahmanyam (SNS) is the Chairman & Managing Director of Larsen & Toubro, a multi-billion-dollar conglomerate, spanning across Engineering, Infrastructure, Information Technology and Financial Services. He also holds diverse leadership positions as Chairperson of L&T Finance Holdings Ltd., Vice Chairman of LTIMindtree and L&T Technology Services, and Chairman of L&T Metro Rail (Hyderabad) Limited.

SNS, over the years, has played a pivotal role in guiding the Company's infrastructure business to become the largest in India and among the biggest globally. Now, he is focused on driving L&T's diverse business interests towards new heights by leveraging the power of digitalization, technology, transition to green energy, and fostering a people-centric culture. This multi-pronged approach has already started pivoting L&T into a tech-driven engineering solutions and services powerhouse.

Hailing from Chennai, SNS embarked on his professional journey with L&T in 1984 as a project planning engineer with a degree in civil engineering from the National Institute of Technology, Kurukshetra and a postgraduate degree in business management from Symbiosis Institute of Business Management, Pune. He furthered his education with an Executive Management Program from the London Business School. Mentored by industry stalwarts, he took on roles of increasing responsibility across various business verticals and joined the L&T Board in 2011.

Notable achievements under SNS's leadership include the

execution of diverse projects like the Statue of Unity, ITER, Dual Feed Crackers, Offshore Platforms, K9 Vajra, Atal Setu, Ayodhya Ram Mandir, in the offing Bullet Train and more – each recognized for being the 'tallest', 'largest', 'longest', 'smartest', 'most complex', or 'first' in their respective categories. His entrepreneurial mindset propelled L&T into untapped geographies, including the Middle East, Africa, and ASEAN, establishing the Company's credentials globally. This has led to L&T being recognized among Asia's Most Honored Companies by Institutional Investor, the Company of the Year by Business Standard in 2020, among the world's best employers on the Forbes' list and one of India's Best Employers among Nation-Builders in 2023 by the Great Place to Work® (GPTW).

SNS himself has garnered numerous accolades. He won the Eminent Engineer Award from the Engineering Council of India in 2024. Apart from being featured on the cover of Fortune magazine's October 2023 edition as India's Best CEO, he is also the winner in the Infrastructure & Engineering category of the Business Today-PwC India's Best CEOs ranking in March 2022, was ranked 8th in the Construction Week Power 100 Ranking for 2022 and was honored as the Infrastructure Person of the Year in 2012. In 2020, he achieved the Top CEO (Sell Side) and the 3rd Best CEO (Overall) in the All-Asia Executive Team Survey conducted by Institutional Investor and recognized as the CEO of the Year by the leading Indian news channel, CNBC-Awaaz. His exemplary leadership was also

recognized with the Emergent CEO Award in 2019, and he received the Leading Engineering Personality award from the Institution of Engineers (India) in 2014.

SNS holds prominent positions within various industry bodies, construction institutions, and councils, showcasing his influential presence in these domains. As one of nine founding members of the Climate Finance Leadership Initiative India, he actively contributes to bringing global scale and influence to this significant initiative. Additionally, he serves as the regular Honorary Chairperson of the Board of Governors at the National Institute of Technology - Rourkela, a position bestowed upon him by the Education Ministry. In February 2021, he was appointed by the Union Ministry of Labor & Employment as the Chairman of the National Safety Council for two years. In this capacity, he guided the council in playing a crucial role in ensuring workplace safety under the new Occupational Safety, Health, and Working Conditions Code, 2020 (OSH Code, 2020).

Beyond his professional pursuits, SNS embodies a diverse range of interests that reveal the multi-faceted dimensions of his personality. A cricket aficionado and a passionate runner, he emphasizes the importance of physical activity through his daily walks and runs. Notably, his appreciation extends beyond sports and fitness, as he also finds solace and passion in the world of western classical music.

## Mr. Amit Chadha

### CEO & MANAGING DIRECTOR

Mr. Amit Chadha is the Chief Executive Officer & Managing Director at L&T Technology Services (LTTS), responsible for providing business & technology leadership, market direction and strategic vision to drive the company's performance.

An influential leader in the engineering services industry for over 25 years, and one of the early proponents of engineering & information technology outsourcing services from India, Amit has amassed a wealth of international experience spanning a variety of geographies and is a trusted strategic advisor to clients on Engineering and R&D best practices.

Amit was previously Deputy CEO & Whole-Time Director, running the gamut of business operations, delivery and sales & marketing at LTTS, and preparing the technology roadmap for the company's future. He led LTTS' executive management team that oversaw the organization's business and strategy implementation.

Amit 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.

Amit is the sole ER&D sector leader in the elite NASSCOM Executive Council (IT/ITeS), guiding NASSCOM's industry charter, helping foster out-of-the-box innovation, and promoting Intellectual Property creation in India's tech industry.

He joined LTTS 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 LTTS leadership team, Amit 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 in 2016.

His career which spans over two decades in core engineering

& information technology outsourcing, is marked with significant achievements. Amit has managed P&L for multiple Business Units, spearheaded organization-wide strategic initiatives and led business development and relationship management activities worldwide.

Amit is an electrical & electronics engineer and has been honored with the Distinguished Alumni Award for Leadership in Corporate World, Industry, Academia and Research Institutions by his alma mater, BIT Mesra.

Amit has done an Advanced Management Program in Business Leadership from INSEAD, France. He has also done a Global Business Leadership Executive Program with Harvard Business School Publishing.

Amit is an avid reader of both biographies and fiction and encourages employees to nurture and expand their minds through reading. He has written extensively on technology, leadership and sustainable development. Amit is currently based out of Washington DC.

**Mr. Abhishek Sinha**  
**COO & WHOLE-TIME DIRECTOR**

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

A professional with over two decades of industry experience, Abhishek has a demonstrated track record in business leadership on 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 teams respect him for his commitment to driving results and transforming concepts to reality.

Prior to joining LTTS, Abhishek 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, Abhishek was the Vice-President and Global Head for Product Engineering Services (PES) at KPIT.

After graduating in engineering from Banaras Hindu University (now IIT-BHU), Abhishek joined Infosys in 1993 and worked till 2013. During his tenure & leadership, the ER&D business at Infosys witnessed one of the fastest growth in its business.

**Mr. Alind Saxena**  
**PRESIDENT, SALES & WHOLE-TIME DIRECTOR**

Mr. Alind Saxena is President, Sales & Whole-Time Director at L&T Technology Services (LTTS). He is responsible for driving topline growth, strategic business development and creating new revenue streams for the Company, while managing strong customer connects and large deal pipelines.

With the support of globally diverse teams spread across continents, he has spearheaded the expansion of LTTS into important markets.

In his earlier role, as Chief Sales Officer, Alind had been instrumental in steering LTTS to

its current position as a leading global engineering services provider helping Fortune 500 customers across the world.

Also, Alind was closely associated with the manufacturing industry in domains such as automotive, aerospace, oil and gas, industrial products, telecom and medical devices.

With three decades of industry experience, Alind has held several leadership positions in multinational organizations. A technologist with very strong business acumen, Alind has worked out of Asia, Europe, and North America.

Alind is a core member of the Leadership Council of L&T Technology Services. He is a graduate from the Indian Institute of Technology, Kanpur, and certified in leadership from INSEAD and Harvard Business School. He also completed the Senior Executive Program (SEP) from London Business School. He is an active member of STEM and presides over several educational councils at his local district.

Alind resides in Chicago with his wife, son, and daughter.

**Dr. Keshab Panda**  
**NON-EXECUTIVE DIRECTOR**

Dr. Keshab Panda is a Non-Executive Director on the Board of L&T Technology Services Limited (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 Committee.

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, he was appointed as the Chief Executive; Dr. Panda was later appointed as the Chief Executive Officer and Managing Director of L&T Technology Services 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 the CII to recognize L&T Technology Services as one of the most innovative Indian companies in the Services category.

Dr. Panda obtained graduate degree in Aeronautical Engineering from Anna University, Chennai, and a post graduate degree in Aerospace Engineering from Indian Institute of Science, Bengaluru. He obtained his Doctor of Philosophy from the Indian Institute of Technology,

Mumbai 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 received distinguished alumnus award from Indian Institute of Science in 2000 and Indian Institute of Technology in 2022.

He 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 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 L&T Technology Services Limited.

A graduate in electronics and communication engineering from the University of Madras, he is a fellow member of the Indian National Academy of Engineering and The Institution of Electronics and Telecommunication Engineers. He is the Chairman, Group Corporate Board of The Sanmar Group, a multinational

conglomerate headquartered in Chennai, and engaged in the business of chemicals, engineering and shipping.

He has been and is on the Board of various public companies like Airtel, L&T and has vast experience in various sectors.

He is a past President of the Confederation of Indian Industry and is the Chairman of the Indo-Japan Chamber of Commerce and Industry.

He is also involved in areas of social welfare and education. He is the President of Bala Mandir Kamaraj Trust, Managing Trustee of The Indian Education Trust, Vice President & Trustee - Treasurer of the World Wide Fund for Nature-India and President of VisionSpring Foundation. He is the Honorary Consul General of Greece in Chennai.

## Mr. Sudip Banerjee

### INDEPENDENT DIRECTOR

Mr. Sudip Banerjee is an Independent Director of our Company.

He obtained a graduate degree in Arts (honours 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 our Company, he held the position

of Chief Executive Officer of L&T Infotech Limited between 2008-2011. He 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 was an Independent Director of LTI from 2017-2022. He was a Director of US company StarTek Inc between 2022 and 2024. He 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 also a member of the Executive Council of Nasscom during 2000-2002 and again from 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 our 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 organizations.

She is also an Independent Director at LTI Mindtree Ltd.,

Navin Fluorine International Ltd., and Marico Ltd. and is the Co-Founder of Aazol Ventures Pvt Ltd., a consumer products company in the social impact sector working with self-help groups, rural communities and women micro-entrepreneurs.

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!' and is deeply involved in the DEI space.

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 holds a Bachelor's degree in Science (Physics) and completed her PGDM from IIM, Bangalore, where she also is a Distinguished Alumni Awardee. She was a state-level hockey player and played for Tamil Nadu State and Tamil Nadu University.

## Mr. R. Chandrasekaran

### INDEPENDENT DIRECTOR

Mr. Chandrasekaran Ramakrishnan has more than 34 years of experience in the field of information technology. He retired as the Executive Vice-Chairman of Cognizant, India in March 2019. He serves as an Independent Director on the Board of PNB Housing Finance Limited, LTI Mindtree Limited, NSEIT Limited and Aujas Networks (subsidiary of NSEIT). He is also part of the Chairman's Council, NASSCOM.

He 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, USD 16 billion+ in revenue, and establishing the global delivery footprint.

After earning his engineering degree from Regional Engineering College, Trichy (National Institute of Technology), he started his career with Ashok Leyland, where he spent four years. After his MBA from Indian Institute of Management Bangalore in 1985, he joined TCS, where he held positions of increasing

responsibility and stature, including stints in the UK and the US.

He is very passionate about education and is on the Advisory Board of Thiagarajar College of Engineering, Madurai. 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 of the Board & Co-Founder of the Indian School of Public Policy. He is also Chairman of the Centre for Civil Society and CORO and a Co-Founder of Take Charge, a mentoring program for Catholic youth in Mumbai.

Luis spends his time connecting dots with his wife, Fiona; using their networks to help the 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. He is also on the Board of Educate Girls. At the University of Chicago, he is a Trustee of the University of Chicago Trust in India, member

of the Global Leaders Group and the Advisory Council of the Rustandy Center for Social Sector Innovation at Chicago Booth and member of the Society Advisory Committee of the Leadership & Society Initiative. Luis is Chairman of ManipalCigna Health Insurance and Senior Advisor at Morgan Stanley. He is also an advisor to L&T SuFin.

He has been involved in setting up two companies - HDFC Bank and IDFC Private Equity and two non-profits - Indian School of Public Policy and Take Charge. 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, IDR and Spontaneous Order. Luis 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. He has received the distinguished alumni award from Chicago Booth, HR College and St Joseph's Boys High School.

Fiona and Luis live in Mumbai and have two children who are following their passions. Their daughter is in the performing arts and their son is doing research with the Inuit in the Arctic Circle.

**Ms. Aruna Sundararajan**  
INDEPENDENT DIRECTOR

Ms. Aruna Sundararajan is a retired officer of the Indian Administrative Service. She served as the Secretary to the Government of India in the Ministries of Steel, IT and Telecom; and retired as Chairperson of the Digital Communications Commission in July 2019.

During her tenure, Ms. Sundararajan played a pioneering role in steering various important tech policies and initiatives; across the domains of telecom and hardware manufacturing, e-governance, digital payments, data protection, cyber security and tech start-ups.

Post her retirement, Ms. Sundararajan serves on the Boards of leading companies including Delhivery, Info Edge, India's National Bank of Infra Financing and Development (NabFID) and Cochin International Airport. She is also an active member of a couple of tech mentoring and angel financing initiatives.

Organizational policies

At LTTS, we strive to cultivate a culture of transparency, accountability, and ethical behavior. Our policies are formulated to direct our operations and promote robust corporate governance. It lays the foundation for clear communication and fosters productive collaboration between various business functions.

As part of our commitment to responsible business practices, we uphold the following international conventions in our Company:



| Environment   | Social   | Governance                       |
|---|--|----------------------------------|
| Health, Safety & Environment and Social Accountability Policy |  |                                  |
| Corporate Social Responsibility Policy                        |  |                                  |
|   | Human Resources Policy                                   |                                  |
|   | Diversity & Inclusion Policy                             |                                  |
|   | Policy for Protection of Women's Rights at the Workplace |                                  |
|   |  | Whistle Blower Policy            |
|   |  | Risk Management Policy           |
|   |  | Related Party Transaction Policy |



## Code of Conduct

Our workplace values prioritize accountability, fairness, and adherence to moral principles outlined in our Code of Conduct (CoC). All personnel, including Board members, must continuously uphold these values.

The following policies also complement the Code of Conduct and reflect the ethics, transparency, and reliability upheld by the L&T Group.

- **Anti-corruption Policy**
- **Prohibition of Bribery**
- **Prohibition of Human Trafficking, Slavery, and Bonded and Forced Labor**
- **Optimal use of natural resources**
- **Prevent pollution and reduce waste generation**

We expect associates to maintain high professional standards, and non-compliance is addressed through a disciplinary process. Suppliers must adhere to our Supplier Code of Conduct, promoting human rights, environmental protection, and legal compliance. We hold SA 8000 accreditation for social accountability and support clients in achieving safety compliance through ISO 26262 standards.

**63.9%**

Training coverage on human rights issues and policies

**ZERO**

Instances of violation of anti-corruption policy

### HUMAN RESOURCES POLICY

We are committed to upholding ethical and global human resources practices. We strongly believe in maintaining high standards of governance and ethics, encouraging continuous learning, offering equal opportunities, ensuring a safe and respectful workplace free from any form of harassment, providing effective mechanisms to address grievances, respecting the rights of our employees, and strictly prohibiting any human rights violations.

### DIVERSITY & INCLUSION POLICY

Our Company is committed to providing equal opportunities and a harassment-free workplace that promotes diversity and inclusion. We implement fair employment practices and have a formal system for confidential complaint reporting. We expect everyone to share our commitment to diversity and inclusion and offer support for small-scale supplier training.

### HEALTH, SAFETY & ENVIRONMENT & HUMAN RIGHTS POLICY

We are dedicated to maintaining the highest standards of health, safety, and environmental practices, safeguarding our resources and promoting the well-being of our employees. We place a strong emphasis on compliance with social accountability standards and strive to improve our management systems continuously. Our policy showcases our commitment to our environment conservation targets while setting expectations for the Company to act on various initiatives.

### WHISTLE-BLOWER POLICY

Our whistle-blower policy actively promotes and enables employees to disclose apprehensions regarding immoral conduct, fraudulent activities, and breaches of the Company's Code of Conduct. The policy ensures robust safeguards against any kind of retaliation for individuals who use it, and it additionally allows direct access to the Chairman of the Audit Committee.

### PROTECTION OF WOMEN IN THE WORKPLACE

We have set up an Internal Complaints Committee (ICC) to handle matters concerning sexual harassment. To ensure women's safety in the workplace, the Prevention of Sexual Harassment (POSH) policy applies to all employees, whether permanent, contractual, or temporary. We regularly conduct training sessions and awareness campaigns to prevent unfair practices and educate employees about their rights within the organization.

### PREVENTION OF INSIDER TRADING

Our framework includes a set of policies and procedures designed to scrutinize and resolve instances of leaked or suspected leaked Unpublished Price Sensitive Information (UPS), aligning closely with the SEBI guidelines for preventing insider trading. The Information Leakage Investigation Committee is responsible for conducting thorough inquiries and implementing necessary measures as warranted in such cases.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR policy governs the Company's philanthropic activities, which focus on six areas: education, environment, health, skill development, water, and sports for the disabled. These initiatives are implemented either directly as programs, projects, or activities, or through the implementation partner registered with MCA.

### RELATED PARTY TRANSACTIONS

We strictly follow a systematic process for regularly examining and overseeing transactions involving related parties, as outlined by relevant statutes. The Audit Committee approves all related party transactions, meticulously ensuring the absence of any materially significant transactions that may conflict with the Company's interests.





## Cybersecurity

Our commitment to sustainability and business excellence revolves around establishing and maintaining a robust and reliable cybersecurity framework. LTTS prioritizes the safeguarding of its data assets and fostering a secure digital ecosystem for ensuring a sustainable future. Through a combination of stringent measures and ongoing investments, we enhance the resilience of our systems to counter potential threats, ensuring a safe digital environment for all stakeholders.

### Our Policy

LTTS' approach towards cybersecurity begins with prioritizing the security of confidential information by implementing a comprehensive privacy policy. Our Cybersecurity Policy applies to all stakeholders, including LTTS employees and third-party entities involved in collecting, processing, retaining, transferring, disclosing, and destroying personal data obtained on our behalf. We understand the significance of safeguarding sensitive information and continually strive to enhance our cybersecurity framework to ensure the protection of our stakeholders' data.

### Our Approach

Our information assets play a vital role in the success of the business. As we remain committed to safeguarding the confidentiality, integrity, and availability of our customers' and our organization's information assets through the adoption of suitable technologies and processes.

At LTTS, we have implemented a comprehensive governance program to manage cybersecurity risks. The program includes multiple layers of controls, proactive threat detection and response, and strict policies and processes. The Company is certified against the ISO 27001:2013 standard, and independent audit firms have assessed it for TISAX.

## Key Functions

The cybersecurity function at LTTS is dedicated toward ensuring the security and resilience of our services against all potential cyber threats and data privacy breaches. It employs a comprehensive framework to address information security and privacy requirements throughout the organization. Key components of the function include:

**1**

A comprehensive Information Security Management System (ISMS) including formulating, updating, and executing policies, processes, and controls for preventive, detective, and corrective measures

**2**

Identity, device, and data protection with conditional access policies for identity, device, location and application restrictions, multi-factor authentication, and data protection

**3**

Security Operations Centre (SOC) for monitoring of IT systems and infrastructure for threat detection, response, and prevention

**4**

Managed defense by team of experts for proactive threat hunting, red teaming, breach and attack simulations, and vulnerability assessments

**5**

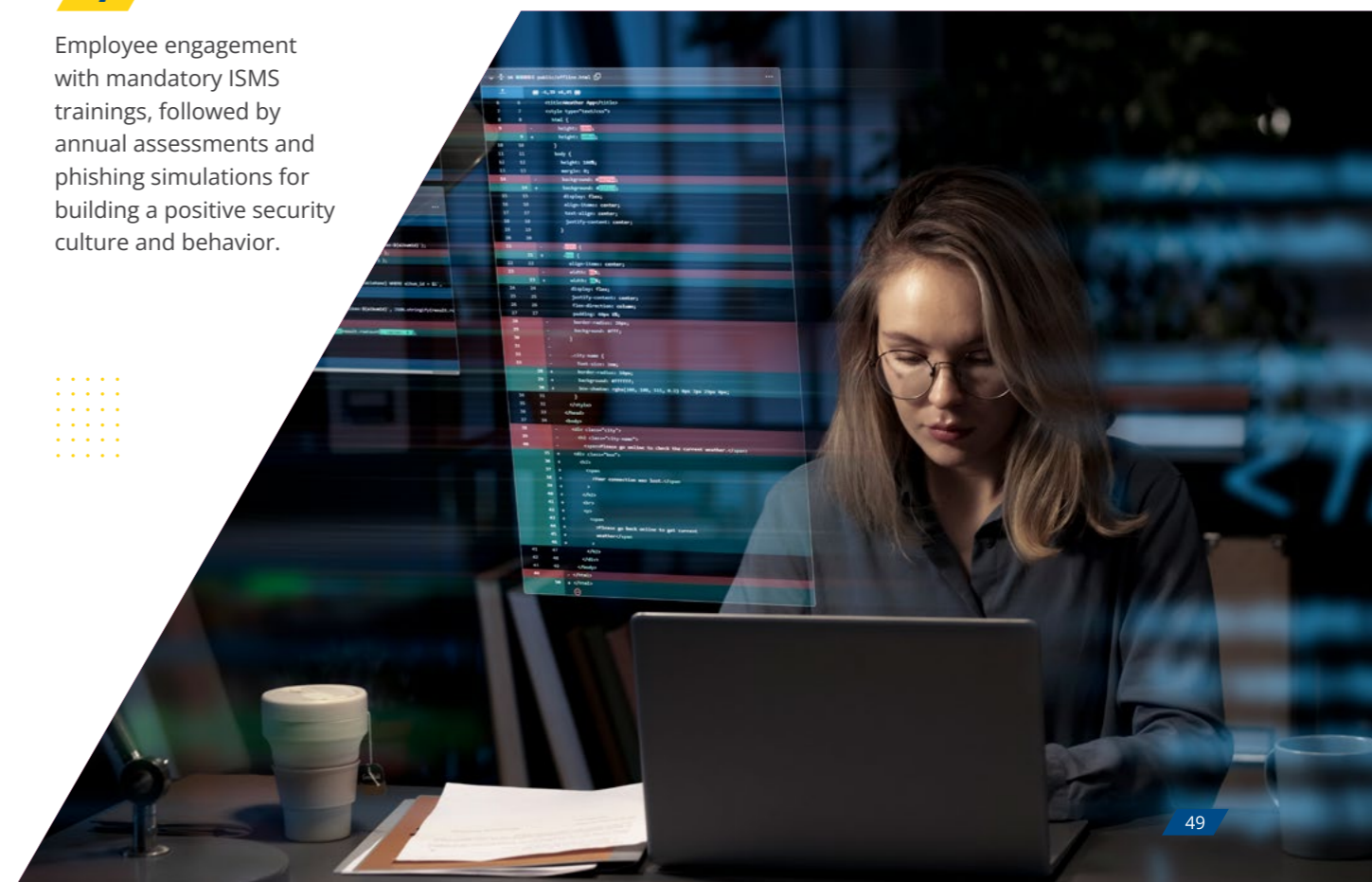
Brand, deep and dark web monitoring

**6**

IT resilience via business continuity, disaster recovery, and incident response simulations

**7**

Employee engagement with mandatory ISMS trainings, followed by annual assessments and phishing simulations for building a positive security culture and behavior.



## Data Privacy

LTTTS acknowledges the importance of safeguarding the personal data of all internal and external stakeholders.

### Our Approach

LTTTS has a robust global data privacy framework to safeguard personal data and manage current and emerging contractual obligations. Our approach includes regulatory governance compliance practices, addressing governance requirements through data privacy compliance that adheres to generally accepted standards for safeguarding privacy. Additionally, data privacy policies and procedures are implemented and updated regularly.

### Key Features of Data Privacy Governance

- Conducting data privacy impact assessments for high-risk processes.
- Maintaining records of processing activities for both controller and processor functions.
- Monitoring the contractual obligations of third parties, including vendors and customers.
- Implementing a personal data breach response and mitigation plan.
- Conducting comprehensive due diligence processes for vendors.

### Employee Awareness and Training

LTTTS emphasises employee awareness of privacy, which includes mandatory privacy training for all employees and role-based training for those handling personal data. Communication channels, including emails, video messages, and quizzes, are utilised to increase employee awareness of privacy risks.

### Joint Periodic Privacy Audits

Periodic privacy audits are performed jointly with external consultants to identify and mitigate any gaps.



### Privacy Compliance Management

A formal process of privacy compliance management operates at the organizational level.

### Privacy by Design

LTTTS has embedded privacy by design as a backbone for developing new systems and applications.

### Oversight by Data Protection Officer

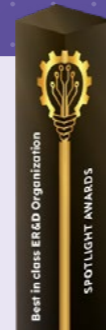
A Data Protection Officer oversees the Privacy Policy and program, supported by a global team spanning various departments. Senior leadership and the Board of Directors receive regular updates on key privacy issues.



# Championing Excellence Across Diverse Frontiers



Recognized as a 'Great Place to Work' for second time in a row in India, and in Poland for the first time. LTTS scored high on parameters like credibility, respect, and pride, as well as high overall participation from employees.



LTTS won the best-in-class ER&D organization in the 3rd edition of **NASSCOM Spotlight Awards**. Nasscom awarded LTTS for Process Innovation in Automating Literature Screening using AI and product innovation in automatic recovery circuit breaker.



Three smart city projects of LTTS received the prestigious **RoSPA Gold Health & Safety Awards**



Recognized as **Sustainability Partner of the Year** by PTC for LTTS' ESM solution built on PTC platform



**Top 25 Innovative Companies** in India by CII



LTTS CEO and MD, Amit Chadha, honored as **Corporate Leader of the Year 2023** by the Indo American Chamber of Commerce



**Aveva Global Alliance Partner of the Year Award** for delivering the highest business growth for Aveva



**ETCFO Award** for Leadership in Sustainability



**Best Technology firm in D&I Award** from Analytics India



**Big Innovation Award** for innovation in IoT for Edge Management Framework (EDGYneer)



Winner of the **Golden Peacock Award** for ESG

OPERATING ENVIRONMENT

# Shaping the ER&D Landscape Through Innovation and Digital Transformation

Globally, Engineering Research & Development (ER&D) spending has accelerated post-pandemic due to the growing demand for increased digital innovation, technological disruptions, and a shift towards digital transformation, registering a 7-8% CAGR growth from 2020 to 2023. The megatrends driving this growth are digital engineering, climate & sustainability, AI augmentation and service orientation. The key sectors are experiencing technology disruption and require investment in ER&D across their operations paradigm, from new product solutions to operating model transformation.

ER&D spending is expected to grow globally from USD 1.5 to USD 1.8 trillion in 2023 to USD 2.5 to USD 3.3 trillion in 2030, growing at a CAGR of 8-9%. ER&D spending is significant in regions/countries like Japan, South Korea, Germany, France, the United Kingdom, and the Nordics, along with the largest market, the US. The engineering services industry in India remains the major sourcing destination with USD 45 billion spent in 2023 and is poised for a remarkable growth trajectory, with a potential spend of USD 130 -170 billion in 2030.



## Harnessing this Robust Opportunity

LTTs has proactively collaborated with industry leaders to develop solutions that address some of the world's most vital environmental and societal challenges. For instance, LTTs has partnered with AT&T to participate in the Connected Climate Initiative, which aims to reduce greenhouse emissions by one gigaton by 2035 through IoT, 5G, and edge-computing technologies.

LTTs has collaborated with Marelli to bring forth innovative Digital Twin solutions help simplify the software development procedures while reducing the expenses incurred in prototyping. Similarly, in the medical sector, our association with NVIDIA has resulted in the introduction of state-of-the-art software-defined architectures for medical devices comprising AI/ML models that can efficiently detect, identify, and classify polyps, thus marking a significant advancement in this field.

## Impediments Faced by the Indian ER&D Ecosystem

The ER&D industry in India faces stiff competition from emerging countries such as Thailand, Malaysia, Thailand, Colombia and Bulgaria. The industry is grappling with skill shortages, keeping pace with ever-evolving technologies like IoT, AI and cloud computing, and adapting to new markets with diverse cultures and regulations.

Amidst all this, the industry faces intense competition, leading to price pressures and struggling to maintain quality and safety standards. The regulatory framework needs to evolve, and to add to the mix, education and training have been identified as areas of concern. Education and training play a crucial role in the field of ER&D. With the ever-evolving technological advancements, it is essential for professionals working in this field to stay up-to-date with the latest developments.

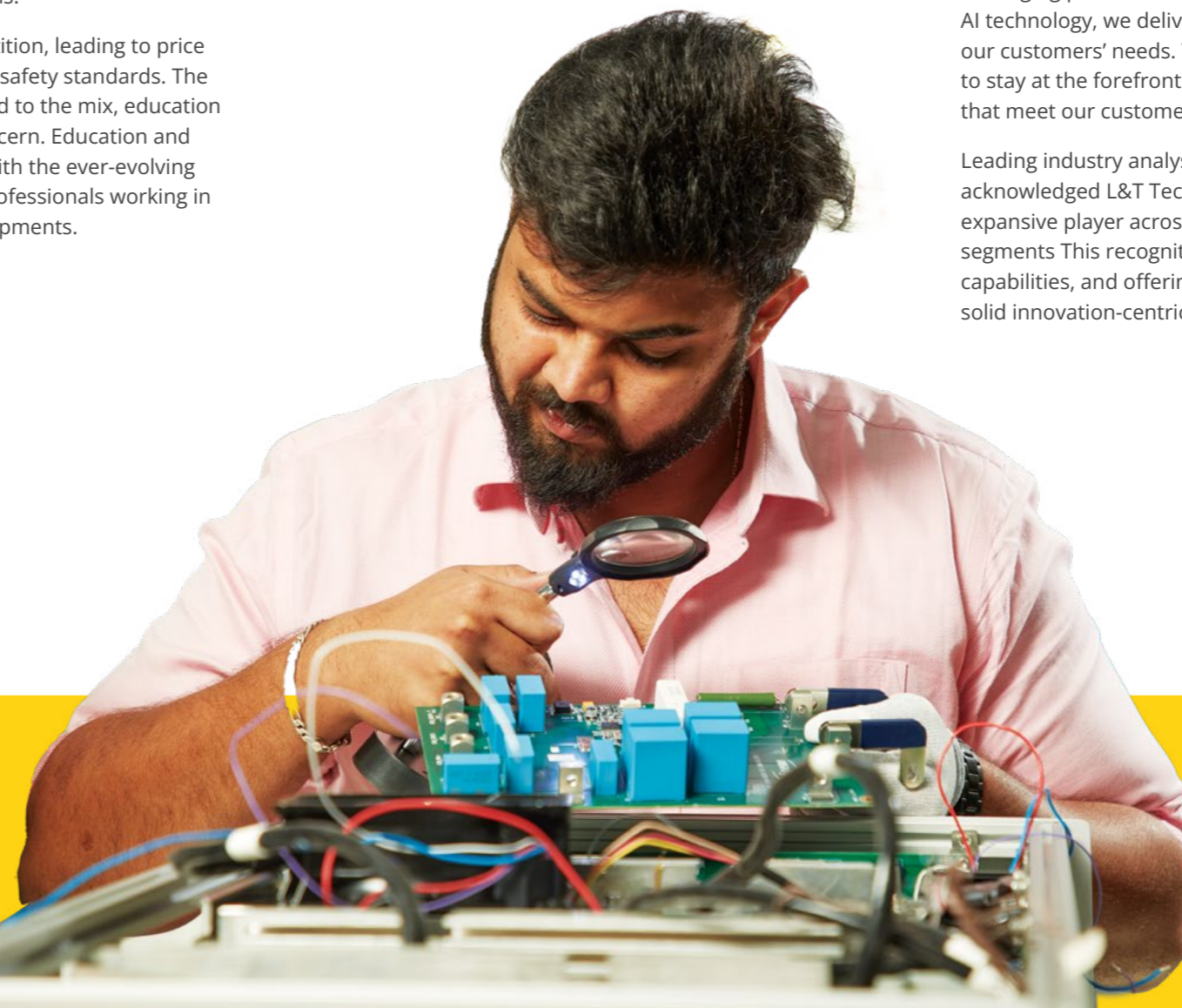
## Overcoming Challenges with Localized Innovation

LTTs is committed to addressing the challenges and opportunities presented by the Indian engineering services industry. As a leading global ER&D services provider, we recognize the importance of localized innovation in meeting the unique needs of the Indian market. To address this, we have established ER&D centres in India and other locations like Krakow, Poland, enabling us to create solutions tailored to our customers' needs. Investing in our employees and hiring locally are our top priorities at LTTs.

At LTTs, we believe that a skilled workforce aligned with the Indian context is critical to delivering innovative solutions that meet our customers' needs. That is why we prioritize continuous employee training and work closely with academic institutions to foster collaboration and develop a pipeline of talent-ready individuals to meet the industry's needs. We also recognize the importance of cooperation with government agencies to promote and support the Indian engineering services industry.

Digital transformation is also one of our top priorities to stay ahead of the curve in the rapidly evolving engineering services industry. By leveraging platforms like DevX, powered by Google Cloud's generative AI technology, we deliver cutting-edge AI-powered solutions tailored for our customers' needs. This focus on digital transformation enables us to stay at the forefront of the industry, providing cutting-edge solutions that meet our customers' needs.

Leading industry analysts, including Zinnov, ISG, and Nelson Hall, have acknowledged L&T Technology Services Limited as an established and expansive player across leading digital engineering and manufacturing segments. This recognition is due to LTTs's exceptional solutions, capabilities, and offerings, blending advanced infrastructure with a solid innovation-centric portfolio.



# Business Model



## Financial Capital

- Revenue (₹ in Mn): **96,473**
- Net Profit Margin: **13.5%**
- Net Worth (₹ in Mn): **53,478**
- Return on Equity: **27%**

## Human Capital

- No. of employees: **23,800+**
- Average hours of soft skill trainings per employee: **8.3**
- Average hours of technical skills trainings per employee: **14.7**

## Intellectual Capital

- Investment in R&D: **2% of gross revenue**
- No. of employees in R&D team: **20,000+**
- No. of tie-ups with external research firms: **12**

## Social Capital

- Total CSR spend (₹ in Mn): **228**
- Direct sourcing from MSMEs/ small producers: **30.6%**

## Natural Capital

- Energy savings via additional LED lighting installation (in kWh): **27,180**
- Total water consumed (in KL): **2,79,191**
- Saplings planted (in No.s.): **90,989**

### MISSION

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

### VALUES

- Being Purposeful
- Ethics & Integrity
- Caring
- A Culture of Learning
- Results with Accountability

### BUSINESS SEGMENTS

- Transportation
- Telecom & Hi-Tech
- Industrial Products
- Plant Engineering
- Medical Devices

### ENGINEERING AND DIGITAL SERVICES ACROSS

- Products
- Manufacturing
- Operations
- Consultancy

- Consolidated Revenues from Operations (₹ in Mn): **96,473**
- EBIT (₹ in Mn): **16,474**
- Operating Cash Flow (₹ in Mn): **14,928**
- Earnings per Share (₹): **123.34**
- Profit After Tax (₹ in Mn): **13,037**
- Repeat business: **90%**

- % of Employees with tenure of over 10 years: **15%**
- % of Women in workforce: **22%**
- Great Place to Work® accredited**
- Lost Time Injury Frequency Rate (LTIFR) (hours/million): **0**

- No. of patents filed during the year: **206**
- No. of customer processes digitalized: **25+**

- No. of beneficiaries: **77,070**
- Customer ratings as satisfied, very satisfied or delighted: **88%**

- Scope 1+2 carbon emission reduced (MTCO<sub>2</sub>e): **7.4%**
- Total water recycled/reused: **45.7%**
- Total water discharged (in KL): **1,344**
- Overall waste disposed (in MT): **168.1**
- Paper and paper-based packaging material recycled/reused (in MT): **12.8**



STAKEHOLDER ENGAGEMENT

# Nurturing Trust Through Transparency

To achieve shared success, stakeholder engagement is a crucial aspect of our sustainability approach. Collaborating with stakeholders, including customers, employees, investors, suppliers, and communities is essential. By engaging with these groups, we can determine our material topics and shape our sustainability strategy. We emphasize their perspectives to ensure our actions align with their expectations, ultimately leading to meaningful and impactful outcomes.



## CUSTOMERS

Our customers are important to us, and we believe building relationships with them is essential for our success. By listening to their feedback and needs, we can tailor our business plans to meet their expectations. We strive to provide high-quality products and services that encourage our customers to return and recommend us to others. By fostering loyalty through exceptional customer service, we hope to build a strong and lasting relationship with each of our customers.

### KEY CONCERNS

- Better services
- Competitive pricing and product quality
- Optimizing environmental performance

### MODE OF ENGAGEMENT

- Customer meets
- Annual report
- Quarterly report
- Customer satisfaction surveys
- Customer experience centers



## EMPLOYEES

Our employees are the driving force behind our success. With over 24,000 highly skilled individuals, we recognize the importance of their well-being and prioritize their upskilling to ensure they remain engaged and motivated in their work. Their commitment and dedication are integral to our ability to provide exceptional services to all our stakeholders.

### KEY CONCERNS

- Ethical practices
- Employee safety and well-being
- Work-life balance and career growth

### MODE OF ENGAGEMENT

- Transparent performance management systems
- Skill development, career development and welfare initiatives
- Inter-departmental and in-house magazines
- Townhalls
- Celebratory events





 **PARTNERS AND SUPPLIERS**

Partners and suppliers are crucial to the success of our operations. They provide essential support through subcontracting, equipment supply, services, and technical expertise. Without their contributions, delivering quality solutions to our clients' expectations would be difficult.

|   |   |
|---|---|
| <p><b>KEY CONCERNS</b></p> <ul style="list-style-type: none"> <li>▪ Strong partnerships</li> <li>▪ Fair business practices</li> <li>▪ Governance</li> </ul> | <p><b>MODE OF ENGAGEMENT</b></p> <ul style="list-style-type: none"> <li>▪ Supplier workshops and conferences</li> <li>▪ Supplier location visits</li> <li>▪ Annual report/ Sustainability report</li> </ul> |
|---|---|

 **COMMUNITIES**

We are committed to supporting underprivileged communities by investing in targeted initiatives and resource mobilization. Our efforts aim to drive positive change and socio-economic development in these communities. Through education, healthcare, and environmental initiatives, we aim to create a sustainable and long-lasting impact on the lives of people in these communities. We are proud of our work in supporting underprivileged communities and will continue to utilize our resources and expertise to make a difference.

|   |   |
|---|---|
| <p><b>KEY CONCERNS</b></p> <ul style="list-style-type: none"> <li>▪ CSR engagement activities</li> <li>▪ Contribution to environmental betterment</li> <li>▪ Sustainable impact on communities</li> </ul> | <p><b>MODE OF ENGAGEMENT</b></p> <ul style="list-style-type: none"> <li>▪ CSR initiatives</li> <li>▪ CSR reports and other communication channels</li> <li>▪ Collaboration with implementing partners</li> <li>▪ Field visits and direct interactions with beneficiaries</li> </ul> |
|---|---|



 **INVESTORS AND SHAREHOLDERS**

Shareholders and investors play a crucial role in the financial success of our company. Their contributions provide essential resources that enable us to achieve our goals. They can influence our business plans by exercising their voting rights and actively participating in our decision-making processes. Their steadfast support is pivotal in driving our growth and success.

|  |   |
|--|---|
| <p><b>KEY CONCERNS</b></p> <ul style="list-style-type: none"> <li>▪ Growth and profitability</li> <li>▪ Operational efficiency</li> <li>▪ Future expansion strategies</li> </ul> | <p><b>MODE OF ENGAGEMENT</b></p> <ul style="list-style-type: none"> <li>▪ Annual report</li> <li>▪ Quarterly report</li> <li>▪ Media</li> <li>▪ Website</li> <li>▪ Annual General Meeting</li> <li>▪ Investor Conference and Roadshows</li> </ul> |
|--|---|

 **REGULATORS/GOVERNMENT AUTHORITIES**

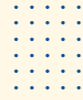
We adhere to all the regulations in the countries where our Company operates.

|   |   |
|---|---|
| <p><b>KEY CONCERNS</b></p> <ul style="list-style-type: none"> <li>▪ Transparency and ethics</li> <li>▪ Regulatory compliance</li> <li>▪ Timely and transparent reporting</li> </ul> | <p><b>MODE OF ENGAGEMENT</b></p> <ul style="list-style-type: none"> <li>▪ Regulatory compliance reporting</li> <li>▪ Industry bodies' memberships</li> <li>▪ Stock exchange filings</li> <li>▪ Annual reports</li> <li>▪ Quarterly reports</li> <li>▪ Media</li> <li>▪ Website</li> </ul> |
|---|---|

**MATERIALITY ASSESSMENT**

# Our Approach to Materiality

Our approach to identifying the top material issues arises from acknowledging the importance of creating value for all our stakeholders and assimilating their interests and expectations to frame strategic input for our business operations.



## Materiality Determination Process

At LTTS, materiality determination is based on a comprehensive process that includes an internal process combined with external benchmarking with peers and global sustainability standards. This helps us understand issues relevant to our stakeholders over short, medium, and long terms. We recognize that the determination of material issues is not static and evolves dynamically over time, depending on the growth of our organization and stakeholder expectations.

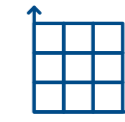
### Determination Process



Identifying a universe of relevant ESG topics based on previous material issues, peer reviews, sectoral benchmarking, media scans, and material topics identified by leading ESG frameworks and rating agencies (GRI, MSCI, EcoVadis, CDP, DJSI's CSA weights).

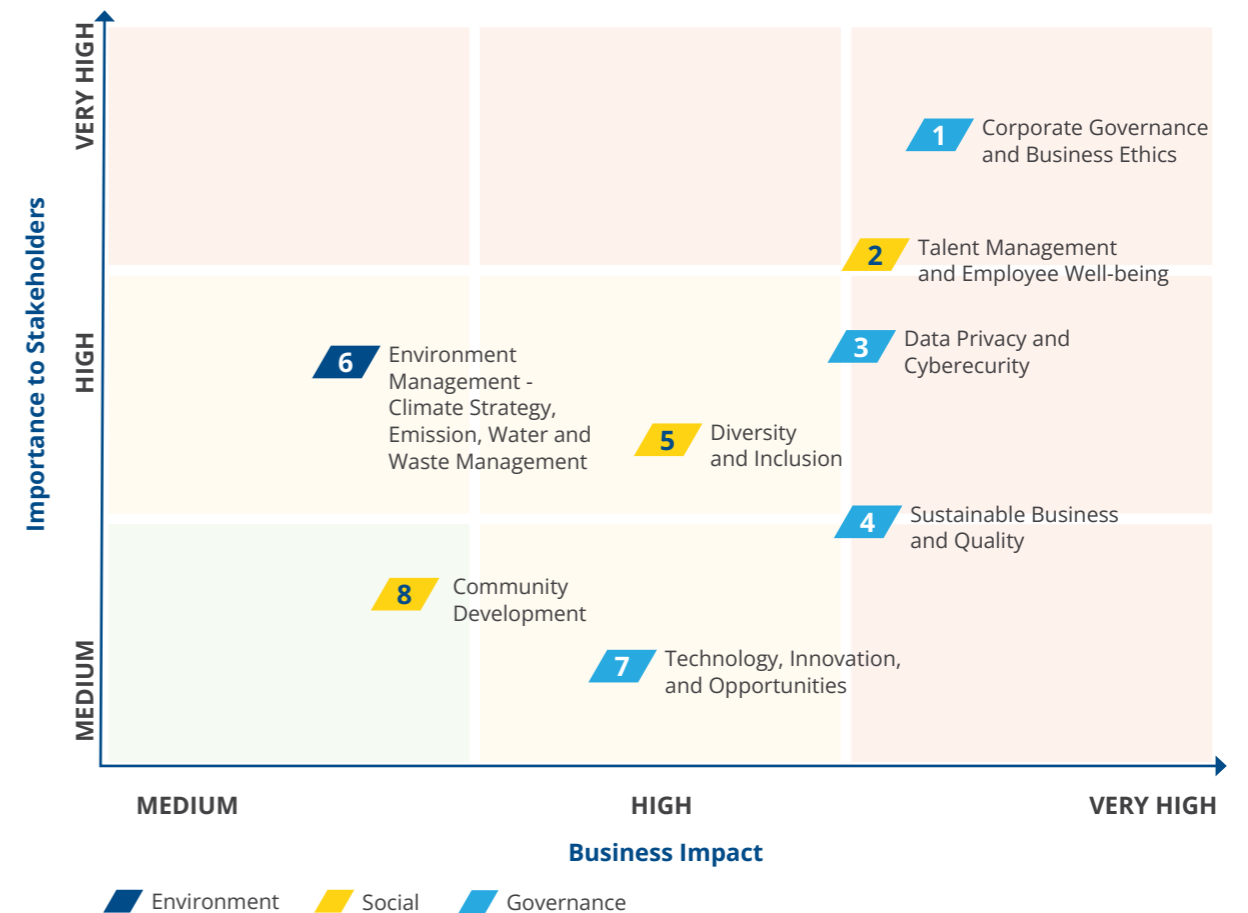


Collation of inputs via management surveys and C-suite interviews with representatives of our stakeholders.



Analysis of responses, determining weights for stakeholder groups, categorizing themes into sub-topics, and harmonizing them into a materiality matrix.

### MATERIALITY MATRIX



## Key Material Topics

|   | Description  | Key Performance Indicator  |
|---|--|--|
|  <p><b>BUSINESS ETHICS AND CORPORATE GOVERNANCE</b></p> <p><b>Risk</b></p> <p><b>GRI Indicator</b>   <b>Capitals Impacted</b><br/>2-22 to 2-28   FC   HC   SRC<br/>2-1 to 2-30</p>                           | <p>Business ethics involves establishing ethical guidelines, complying with local and international laws, and transparent tax management to ensure the Company operates with integrity and social responsibility.</p> <p>Corporate governance encompasses the structure and processes that guide decision-making and operations of the Company. This includes Board remuneration, ownership structure, and accounting practices. Evaluating corporate governance ensures transparency, accountability, and alignment with ethical standards.</p> | <ul style="list-style-type: none"> <li>Employee Code of Conduct and other policy training/awareness</li> <li>Enforcement of various policies, viz., Anti-Corruption and Anti-bribery policy, Data Privacy, Code of Conduct, among others</li> <li>Resolution of complaints/ grievances of all stakeholders</li> <li>Board structure and committees for enhanced transparency</li> <li>Risk management framework and governance processes</li> <li>Stakeholder communication</li> <li>Brand management and investments in responsible businesses</li> </ul> |
|  <p><b>TALENT MANAGEMENT AND EMPLOYEE WELL-BEING</b></p> <p><b>Opportunity / Risk</b></p> <p><b>GRI Indicator</b>   <b>Capitals Impacted</b><br/>403-1 to 403-10   HC   SRC   FC   IC<br/>404-1 to 404-3</p> | <p>The strategic approach to managing the company's workforce includes learning and development programs, employee engagement initiatives, talent attraction and retention strategies, and overall efforts to optimize human resources for organizational success.</p> <p>The company's efforts and initiatives are aimed at protecting employees from physical and mental harm, promoting well-being, and cultivating a positive workplace culture.</p>   | <ul style="list-style-type: none"> <li>Talent retention strategies</li> <li>Training coverage of topics including EHS (Environment, Health, and Safety), soft skills, technical skills</li> <li>Recording and disclosure of total training hours and attendees</li> <li>Talent development and retention programs, leadership development programs</li> <li>Measures for employee well-being, health, safety, and motivation</li> <li>Eliminating hazards and reducing risks in office infrastructure</li> </ul>   |
|  <p><b>DATA PRIVACY AND CYBERSECURITY</b></p> <p><b>Risk</b></p> <p><b>GRI Indicator</b>   <b>Capitals Impacted</b><br/>418-1   SRC   HC   FC   IC</p>   | <p>It involves evaluating the company's measures to protect sensitive information, customer data, personally identifiable information, and intellectual property from unauthorized access and cyber threats while ensuring compliance with data protection regulations.</p>  | <ul style="list-style-type: none"> <li>Policies for data collection, retention, protection, and privacy</li> <li>Redressal mechanism</li> <li>Data breaches metrics and response</li> <li>IT security and management</li> </ul>  |
|  <p><b>TECHNOLOGY, INNOVATION, AND OPPORTUNITIES</b></p> <p><b>Opportunity</b></p> <p><b>Capitals Impacted</b><br/>FC   IC   HC   NC   SRC</p>   | <p>Developing innovative technologies and digital solutions to enhance efficiency and deliver high-quality products/ services for customers.</p> <p>Evaluating potential growth areas and market expansion strategies. Assessing emerging markets, analyzing consumer trends, and devising business scale-up initiatives to capitalize on opportunities for increased market share and revenue growth.</p>   | <ul style="list-style-type: none"> <li>Investments in transformative technology</li> <li>Performance in sectors: <ul style="list-style-type: none"> <li>Electric Autonomous and Connected Vehicles (EACV)</li> <li>Nex-Gen Communications</li> <li>AI &amp; Digital Products</li> <li>Digital Manufacturing</li> <li>MedTech</li> <li>Sustainability</li> </ul> </li> </ul>  |

|  | Description  | Key Performance Indicator   |
|--|--|---|
|  <p><b>SUSTAINABLE BUSINESS AND QUALITY</b></p> <p><b>Opportunity</b></p> <p><b>GRI Indicator</b>   <b>Capitals Impacted</b><br/>201-1 to 201-4   FC   SRC   IC   HC</p>  | <p>Addressing financial strength, profitability, and value-creation within the Company's operations. This includes strategies for managing growth, costs, and delivering value to shareholders.</p> <p>It encompasses providing technically sound, user-friendly software solutions on time, maintaining transparent communication, adapting to changes, and offering comprehensive support to meet or exceed client expectations.</p>   | <ul style="list-style-type: none"> <li>Direct economic value generated and distributed</li> <li>Customer complaints and grievances redressal</li> <li>Customer satisfaction score</li> <li>Alignment of quality management process with ISO 9001 standards</li> </ul>   |
|  <p><b>DIVERSITY AND INCLUSION</b></p> <p><b>Opportunity/ Risk</b></p> <p><b>GRI Indicator</b>   <b>Capitals Impacted</b><br/>405-1 to 405-2   HC   SRC   IC   FC</p>   | <p>Ensuring equal opportunity for all employees and beneficiaries, regardless of characteristics such as gender, economic &amp; social background, physical ability, etc.</p>  | <ul style="list-style-type: none"> <li>Diversity metrics</li> <li>Employee engagement and appreciation programs</li> <li>Training and skill development</li> <li>Performance appraisal and incentives</li> </ul>  |
|  <p><b>ENVIRONMENTAL MANAGEMENT — CLIMATE STRATEGY, EMISSION, WATER AND WASTE MANAGEMENT</b></p> <p><b>Opportunity/ Risk</b></p> <p><b>GRI Indicator</b>   <b>Capitals Impacted</b><br/>305-1 to 305-7   NC   SRC   FC   IC<br/>302-1 to 302-5<br/>306-1 to 306-5<br/>303-1 to 303-5</p> | <ul style="list-style-type: none"> <li>Strategic planning, implementation and continuous improvement of initiatives and measures aimed at mitigating climate change and enhancing climate resilience within LTTS</li> <li>Strategic control and reduction of Greenhouse gases (GHG) and pollutant emissions from the Company's operations, products, and supply chain</li> <li>Environmental, economic, and regulatory implications of the Company's energy consumption include its carbon footprint and alignment with stakeholder expectations</li> <li>Acknowledging the importance of waste reduction and responsible disposal of waste generated by LTTS' operations</li> <li>Monitoring of the Company's water usage and addressing its potential impact on water resources</li> </ul> | <ul style="list-style-type: none"> <li>CDP disclosures and ratings</li> <li>Financial implications and other risks and opportunities due to climate change</li> <li>GHG emissions reduction across Scope 1, 2, and 3 emissions</li> <li>Emission reduction targets</li> <li>Business offerings in renewable energy</li> <li>Retrofitting energy inefficient equipment</li> <li>Segregation, recycling, and reuse of materials; disposal of hazardous materials</li> <li>E-waste management</li> <li>Zero Waste to Landfill initiatives</li> <li>Composting food waste at owned locations</li> <li>Management of water consumption &amp; discharge</li> <li>Water recycling and reuse</li> </ul> |
|  <p><b>COMMUNITY DEVELOPMENT</b></p> <p><b>Opportunity</b></p> <p><b>GRI Indicator</b>   <b>Capitals Impacted</b><br/>201-1 to 201-4   SRC   FC   HC   NC</p>   | <p>The Company's engagement with local communities, involving initiatives that contribute positively to the community, transparent communication, and collaborative efforts to address community concerns.</p>   | <ul style="list-style-type: none"> <li>CSR projects and spending</li> <li>Coverage of CSR activities based on identified focus areas</li> <li>CSR impact assessment</li> <li>Partnerships for achieving CSR goals</li> <li>Community relations and redressal mechanisms</li> <li>Volunteering benefits</li> </ul>   |

FINANCIAL CAPITAL

# Forging Financial Foundations: Engineering Robust Growth

At LTTS, our commitment to excellence drives us to prioritize the development of a resilient financial capital framework. We firmly believe in the prudent utilization of financial resources to propel our growth trajectory sustainably. Our strategic approach ensures that we have ample financial capital to navigate the ever-evolving landscape successfully.

Over the past years, LTTS has demonstrated a strategic allocation of resources, investing wisely in capacities and capabilities to seize emerging opportunities for expansion and progress. During the year we opened 5 new innovation labs and expanded our delivery centers in 3 cities thereby positioning ourselves to capitalize on future growth prospects.

Through our steadfast commitment to financial prudence and strategic investment, we are determined to propel LTTS towards robust growth. Furthermore, as we embark on engineering new frontiers, we actively cultivate a culture of innovation and sustainability.

MATERIAL TOPICS



SDG LINKAGES



GRI INDICATORS MAPPED

201-1, 201-4

KEY HIGHLIGHTS

**₹96,473 Mn**

▲ 9.4%

Revenue

**₹16,474 Mn**

▲ 7.9%

EBIT

**₹13,037 Mn**

▲ 7.6%

Profit after Tax (PAT)

**27%**

Return on Equity



### KEY PERFORMANCE INDICATORS

## Performance Snapshot Over Five Years



LTTs has consistently delivered robust performance highlights, reflecting a comprehensive view of our financial health and operational excellence.

#### REVENUE FROM OPERATIONS



#### EARNINGS PER SHARE



#### EBIT



#### EBIT MARGIN



#### PROFIT AFTER TAX (PAT)



#### PROFIT AFTER TAX (PAT) MARGIN



#### RETURN ON EQUITY



#### DIVIDEND PER SHARE



## Direct Economic Value Generated, Distributed and Retained

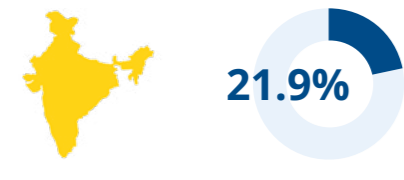
| Financial Metrics (₹Mn)  | FY22         | FY23          | FY24          |
|--|--------------|---------------|---------------|
| <b>Economic Value Generated</b>  |              |               |               |
| <b>Revenues</b>  |              |               |               |
| a) Net sales by business   | 65,697       | 88,155        | <b>96,473</b> |
| b) Revenue from financial instruments (includes cash received as interest on financial loans, as dividends from shareholdings, as royalties, and as direct income generated from assets) | 791          | 1,238         | <b>1,336</b>  |
| c) Revenues from the sale of assets include physical assets and intangibles  | 5            | 16            | <b>163</b>    |
| d) Other Income  | 728          | 779           | <b>574</b>    |
| <b>Economic Value Distributed</b>  |              |               |               |
| Operating Costs - payments to suppliers, non-strategic investments, royalties, and facilitation payments   | 15,043       | 24,238        | <b>27,985</b> |
| Employee wages and benefits - total monetary outflows for employees (current payments, not future commitments)   | 36,505       | 46,308        | <b>49,298</b> |
| <b>Payments to providers of capital - all financial payments made to the providers of the organization's capital</b>   |              |               |               |
| a) Dividends to all shareholders   | 3,633        | 3,167         | <b>4,967</b>  |
| b) Interest payments made to providers of loans  | 403          | 408           | <b>491</b>    |
| <b>Payments to government</b>  |              |               |               |
| a) Tax (corporate, income, property, etc.)   | 3,486        | 4,696         | <b>4,975</b>  |
| b) Community investments - voluntary contributions and investment of funds in the broader community (including donations)  | 171          | 202           | <b>228</b>    |
| <b>Economic Value Retained</b>   | <b>9,606</b> | <b>12,164</b> | <b>13,063</b> |
| <b>Significant Financial Assistance from the Government</b>  |              |               |               |
| Other grants   | 60           | 23            | <b>60</b>     |

Geography-wise Revenue (%) Breakup for FY24

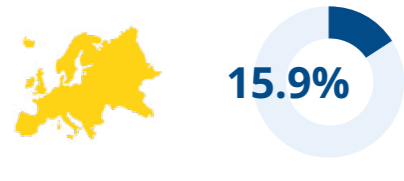
**North America**



**India**



**Europe**



**ROW**



Business Segment-wise Revenue (%) Breakup for FY24

**Transportation**



**Telecom and Hi-Tech**



**Industrial Products**



**Plant Engineering**



**Medical Devices**



Shareholder value creation

LTTs strives for sustained value creation for investors by delivering consistent revenue growth, strategic investment and sound corporate governance. To uphold transparency, we actively engage in open communications with investors through channels such as quarterly Earnings calls, ongoing one-to-one & group interactions, Analyst engagements, and the Annual General Meeting. Our commitment to transparency extends to our disclosure practices as well.

Distribution of value created through Financial Capital

LTTs distributes dividends in alignment with its policy, ensuring compliance and approval for both final & Interim dividends. For the year ended March 31, 2024, LTTs declared a total dividend of ₹ 50 per share comprising of interim dividend of ₹ 17 and proposed final dividend of ₹ 33. This translates to a record high payout of 41% for the year.

**Details of Our Dividend Distribution Policy are Available at**

<https://www.ltt.com/sites/default/files/investors/corporate-gov/pdf/dividend-distribution-policy.pdf>



HUMAN CAPITAL

# Empowering Diversity: Engineering Inclusive Growth

## Engineer at Heart ❤️

LTTS is excited to set new standards of success across multiple sectors. Our incredible workforce is the backbone of our vision, and we are proud to cultivate a new-age, people-centric culture driving us towards a sustainable future. We understand the power of inclusivity in all aspects of talent development and are committed to recognizing and appreciating each individual's unique value to our team.



MATERIAL TOPICS



SDG LINKAGES



GRI INDICATORS MAPPED

201-3, 403-1, 403-2, 403-3, 403-5, 403-6, 403-9, 403-10, 401-1, 401-3, 404-1, 404-2, 404-3, 405-2

KEY HIGHLIGHTS

**24,000+**  
Employees Globally

**22%**  
Women in Workforce

**Great Place to Work®**  
certified

At LTTS, we are building a sustainable and inclusive work environment that empowers our employees and drives innovation. Our people strategy is focused on digital transformation, diversity, and inclusion. We continue to drive sustainable growth and operational excellence through adoption of digital technologies. We are committed to creating a brighter future for our workforce comprising over 24,000 Engineers at Heart and all other stakeholders.

**M. Lakshmanan**  
CHRO

## LTTS People Strategy for Sustainable Growth

At LTTS, we highly value our people, as they drive our organization's consistent achievements and set new industry benchmarks. We are committed to creating a work culture that prioritizes employee well-being, encourages innovation, and promotes agile decision-making. Our Human Resource Policy statement reinforces our dedication to these principles, which empowers our team members to pursue greater professional and personal success and prepares us for future opportunities.

Our approach to people management goes beyond traditional practices. We integrate sustainable growth paradigms, emphasizing equality, diversity, and inclusivity within our workforce. We foster a culture of continuous learning and growth, offering our employees comprehensive training and upskilling opportunities. We understand the importance of work-life balance and strive to create an environment where our team members can thrive personally and professionally.

Guided by robust people management policies, we facilitate career advancement based on merit, utilizing competency-based hiring practices. We support our employees' career progression through regular appraisals and personalized development plans, providing avenues for personal growth. Our team has grown significantly while maintaining a lower attrition rate. To further augment our Human Resource functions, we are leveraging digital technologies in the workplace to promote transparency and provide equal opportunities.

**24,043**  
Employees

**78.5%**  
Employees receiving performance and career development review



## HR Metrics

| Total Number of Employees FY24 | Male          | Female       | Total         |
|--------------------------------|---------------|--------------|---------------|
| <b>By Employee Category</b>    |               |              |               |
| Permanent employees            | 16,750        | 4,521        | 21,271        |
| Contract employees             | 2,109         | 663          | 2,772         |
| <b>By Region</b>               |               |              |               |
| India                          | 16,386        | 4,838        | 21,224        |
| Overseas                       | 2,473         | 346          | 2,819         |
| <b>By Age</b>                  |               |              |               |
| Less than 30 years             | 8,383         | 3,270        | 11,653        |
| 30 years - 50 years            | 9,924         | 1,859        | 11,783        |
| More than 50 years             | 552           | 55           | 607           |
| <b>Total Employees</b>         | <b>18,859</b> | <b>5,184</b> | <b>24,043</b> |

| Total Number of New Hires by Category, Region, Age, and Gender | Male         | Female       | Total        |
|--|--------------|--------------|--------------|
| <b>By Employee Category</b>                                    |              |              |              |
| Permanent employees  | 5,004        | 1,165        | 6,169        |
| Contract employees   | 1,912        | 601          | 2,513        |
| <b>By Region</b>   |              |              |              |
| India  | 6,140        | 1,649        | 7,789        |
| Overseas   | 776          | 117          | 893          |
| <b>By Age</b>  |              |              |              |
| Less than 30 years   | 3,748        | 1,311        | 5,059        |
| 30 years - 50 years  | 2,930        | 442          | 3,372        |
| More than 50 years   | 238          | 13           | 251          |
| <b>Total Hires</b>   | <b>6,916</b> | <b>1,766</b> | <b>8,682</b> |





| Total Number of New Hires Leaving the Organization in the Reporting Period by Category, Region, Age and Gender | Male       | Female     | Total      |
|--|------------|------------|------------|
| <b>By Employee Category</b>  |            |            |            |
| Permanent employees  | 361        | 106        | 467        |
| Contract employees   | 60         | 28         | 88         |
| <b>By Region</b>   |            |            |            |
| India  | 333        | 120        | 453        |
| Overseas   | 88         | 14         | 102        |
| <b>By Age</b>  |            |            |            |
| Less than 30 years   | 191        | 91         | 282        |
| 30 years - 50 years  | 196        | 42         | 238        |
| More than 50 years   | 34         | 1          | 35         |
| <b>Total number of new employee hires leaving the organization in the reporting period</b>                     | <b>421</b> | <b>134</b> | <b>555</b> |

| Total Employee Turnover by Category, Region, Age, and Gender | Male         | Female       | Total        |
|--|--------------|--------------|--------------|
| <b>By Employee Category</b>                                  |              |              |              |
| Permanent employees  | 4,016        | 1,141        | 5,157        |
| Contract employees   | 242          | 76           | 318          |
| <b>By Region</b>   |              |              |              |
| India  | 3,853        | 1,144        | 4,997        |
| Overseas   | 405          | 73           | 478          |
| <b>By Age</b>  |              |              |              |
| Less than 30 years   | 1,852        | 718          | 2,570        |
| 30 years - 50 years  | 2,275        | 488          | 2,763        |
| More than 50 years   | 131          | 11           | 142          |
| <b>Total Employee Turnover</b>                               | <b>4,258</b> | <b>1,217</b> | <b>5,475</b> |

## LTTTS Engagement Framework

At LTTTS, employee engagement is a top priority in fostering a positive work environment that encourages collaboration, innovation, and growth.



### WELL-BEING

- Mental well-being
- Psychological and social counselling



### RESPECT

- Engagement with extended families
- Strengthening relationships



### INNOVATION

- Catalyst for creativity and futuristic mindset
- Participation in decision-making



### CAMARADERIE

- Socialise and network
- Sense of belonging
- Personal talent excellence



### PRIDE

- Celebrating and publicising competencies
- Fostering healthy competitions



### RECOGNITION

- Celebrating and spotlighting proficiencies
- Fostering a culture of appreciation and recognition

## Certified Great Place to Work® — Again!



At LTTTS, we continue to endeavor to improve our employee engagement and are happy to report that we are a Great Place to Work Certified™ in India and Poland for the year 2023-24. In Poland, we have been rated among the Top 10 Great Places to Work®. Our employee participation rate in the survey continues to be above 80%.

## Strategic Talent Management

At LTTTS, we prioritize talent management to attract, develop, and retain exceptional individuals. We foster a culture of growth and empower our employees to reach their full potential.

### TALENT ACQUISITION – A COMMITMENT TO DIVERSITY

Building a diverse and inclusive workforce is at the core of our talent acquisition strategy. We believe in equal opportunities for all, irrespective of gender, ethnicity, LGBTQ+ status, or physical disability. Our recruitment process focuses on attracting candidates from diverse backgrounds and skill sets, ensuring a well-rounded team.

### STRATEGIC PARTNERSHIPS

To cater to the dynamic ER&D industry, we aim to attract candidates with specialized skills and qualifications. Our strategic partnerships with leading educational institutes enable us to address project-specific hiring needs efficiently. Collaborating with our partners, we offer curriculum reviews, pre-onboarding training, and student engagement programs, ensuring a seamless transition from academia to industry.

### GROWTH OPPORTUNITIES FOR EMPLOYEES

We have employee-centric policies, skill enhancement programs, rewards and recognition schemes, and engagement programs that encompass technical and non-technical aspects. These initiatives encourage our employees to reach their full potential and thrive.

### Comprehensive Training & Development

We aim to enhance individual development and effectiveness by creating a thriving learning culture through strategic alignment, thorough diagnosis, and targeted interventions. These initiatives support the organization's commitment to employee growth and talent development.

### Training and Upskilling

|                                  | Male   | Female | Grand Total | Total Training Hours per Category | Average Hours of Training per Year per Employee |
|----------------------------------|--------|--------|-------------|-----------------------------------|---|
| <b>Soft skills training</b>      |        |        |             |                                   |   |
| Permanent Employees              | 16,750 | 4,521  | 21,271      | 1,87,262                          | 8.8   |
| Other than Permanent             | 2,109  | 663    | 2,772       | 13,200                            | 4.8   |
| <b>Technical skills training</b> |        |        |             |                                   |   |
| Permanent Employees              | 16,750 | 4,521  | 21,271      | 335,726                           | 15.8  |
| Other than Permanent             | 2,109  | 663    | 2,772       | 16,796                            | 6.1   |

**14.7** Hours  
Average Technical Skills Training

**8.3** Hours  
Average Soft Skills Training



### Global Engineering Academy: Empowering Technical Excellence

The Global Engineering Academy (GEA) was established in 2020 to support LTTS' strategic business objectives. The academy is committed to providing employees with comprehensive technical education and competency development programs. GEA's ultimate vision is to become a compelling 'Business Partner' of choice, delivering value to our internal and external customers through cutting-edge technology education with a service mindset.

The Academy focuses on technology education for young and experienced talent. As a strategic differentiator for LTTS, GEA combines engineering and technology education with scalable systems, processes, and state-of-the-art facilities. By prioritizing continuous learning and professional growth, GEA ensures that our engineers stay up-to-date with the latest technological advancements, enabling us to deliver exceptional solutions to our clients.

Through GEA, we equip our engineers with the skills and knowledge to excel in their roles and drive innovation. The Academy's dedication to continuous learning and professional growth helps our employees stay at the forefront of technological advancements, ensuring we deliver exceptional solutions to our clients.

### BUILDING BLOCKS OF GEA



Corporate Education Team

**25+**

Full-time Faculty with PhDs and Masters-Applied Education



Laboratories for Applied Education

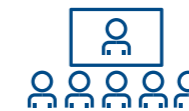
**Domain-Specified**

3000+ Engineers Completed AI/GenAI Skills Programs



University Partnerships

**Global Strategic to Verticals**



World-class Training Facilities at Centres

**5 Clusters**

Mysuru, Bengaluru, Vadodara, Chennai and Poland



Customer-Specific Academies

**Scale & Alignment**

Partnership Focused



Digital Learning

**Platforms**

Blended Education Delivery, Assessment



Corporate University Processes

**ISO Certified**

Periodically Audited

**70%**

of workforce got upskilled or cross-skilled at least in one new skill

**30%**

female colleagues completed GENESIS - our campus to corporate training

**200+**

top leaders covered in 'Leading with AI', as part of GenAI academy

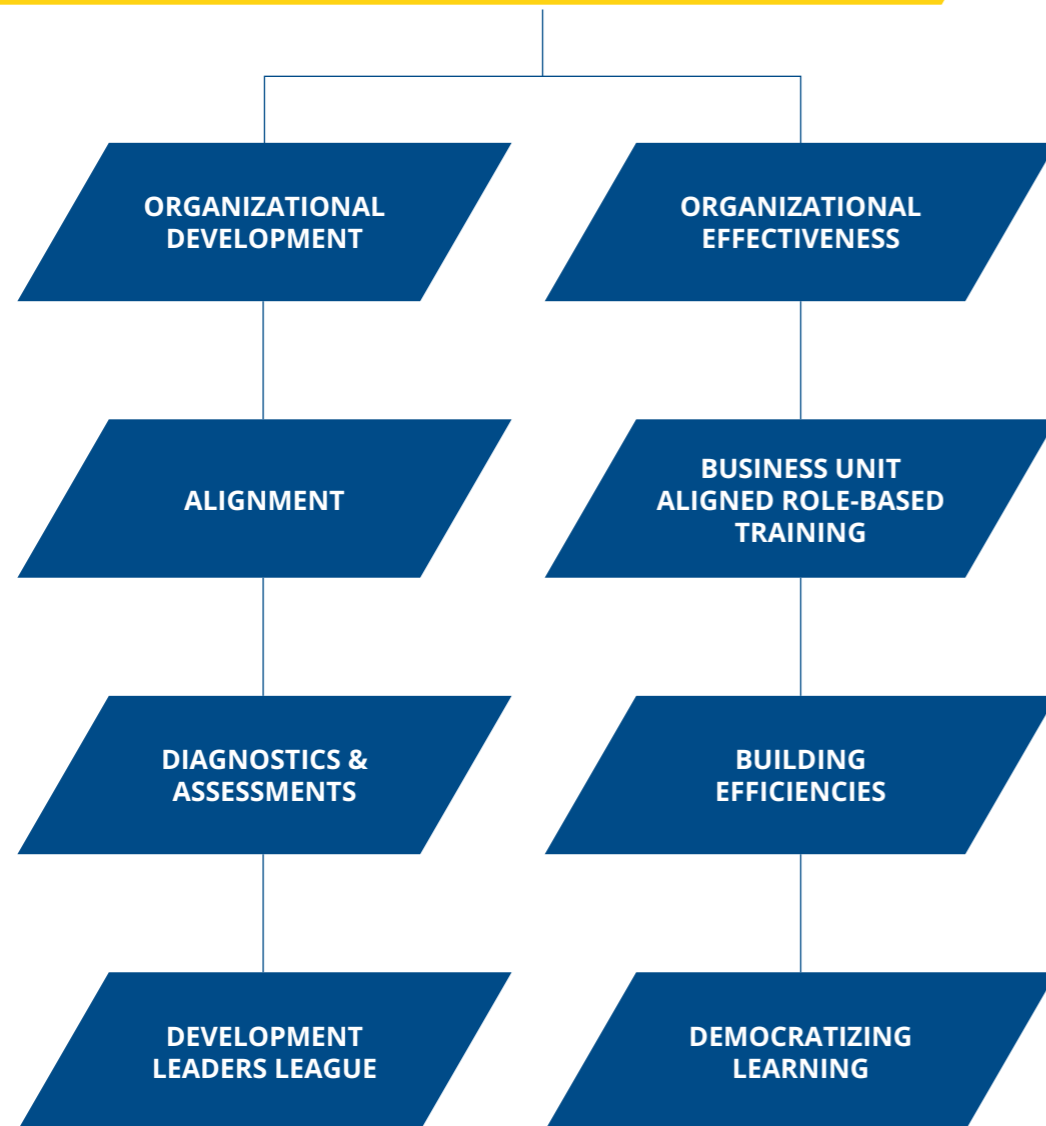
**3000+**

engineers completed AI/GenAI skill programs

### EXTERNAL TIE-UPS AND PARTNERSHIPS



## Organization Development & Effectiveness



## AVATAR: LTTS Culture Journey

Project Avatar is a transformative initiative that aims to define, institutionalize, and deploy the LTTS Culture Manifesto, which includes the organization's culture, vision, mission, and values. Through this structured intervention, the values and the associated behaviors that LTTS stands for have been clearly defined and encouraged. The Culture Manifesto has been communicated to over 24,000 employees through in-person and online sessions. The goal is to build cohesiveness among every LTTSite about what culture will look like behaviorally by embedding the value behavioral expectations in the employee life cycle, including hiring, performance expectations, leadership development, and rewards and recognition. The initiative's success will be measured by its sustainability, gauged by a positive **'needle movement' in culture**, identified through culture audits, feedback, and data analysis.

## ALTUM: Succession Planning Framework

Career progression is a significant aspect of employee growth at LTTS. We have introduced a structured succession planning framework called Altum, another illustration of our unwavering commitment to our employees' career progression.

As part of Altum, we have implemented 'Executive Coaching'- handpicked C-suite industry veterans work with key leadership talent and help them define their growth charter towards the future of inclusive and profitable growth. We have also launched a structured mentoring framework across levels where in-house leaders (including CXOs) serve as mentors and undertake a one-on-one mentoring exercise with potential talent over a year.

The Altum framework also offers a structured approach to leadership development, including coaching, mentoring, project alignment, measures of success, and more. This ensures that the grooming of potential talent pool aligns with the organization's strategic objectives. Regular reviews and feedback loops govern the coaching and mentoring journey, ensuring alignment throughout.



## Architecture for Development

At LTTS, our Architecture for Development is based on two distinct career paths — project/leadership stream and technical stream.

**Leaders League** aims at creating a clique of future leaders who are ready to take on greater responsibilities ahead. The focus is to leverage this pool to fill up internal leadership positions and sustain this talented pool through a differentiated approach by continuous development and career progression.

**Tech League** aims at providing a platform for technology aspirants and experts to showcase and realize their technical expertise, and to provide such technical talent with enhanced career and growth opportunities. This initiative will create a commando force of leaders who are hardened to win deals, engage customers, groom talent and demonstrate thought leadership in the technical stream.

## Star Squad

The Star Squad program aims to enhance the scalability of the Leaders League framework and expand the talent pool through a two-pronged approach. The objectives of the program are as follows:

**Broadening the Talent Framework:** The program seeks to broaden the talent framework by including more high-potential individuals. By expanding the scope of the talent pool, the program aims to increase its size to 20%. This involves identifying individuals with the potential to excel in project management and who are interested in pursuing a managerial track.

**Engage and Retain High Potentials:** The Star Squad program focuses on engaging and retaining high-potential individuals by providing them with focused development opportunities and exposure. The objective is to create an environment that supports their growth and nurtures their potential, increasing their motivation and commitment to the organization.

**Scope:** The Star Squad program identifies and nurtures individuals who aspire to progress on the project management track. The program aims to identify and develop high-potential individuals with a keen interest in project management and provide them with the necessary support and opportunities for growth.



## ASCENT (Building Future Sales Leaders)

ASCENT aims to develop a strong sales pipeline by nurturing individuals with domain knowledge, competence, and passion for sales. The program focuses on role-readiness and seamless integration into the sales function, ultimately contributing to the organization's sales growth and success.

### Journey Framework

The ASCENT program provides a structured framework to support the development of future sales leaders. The framework typically includes the following components:



## SAMVAAD

SAMVAAD is a program designed to provide a platform for unfiltered feedback, exchange of perspectives, and a ground-up view of concerns and challenges within an organization. It aims to reassure trust, transparency, and bond between higher management and the larger team, while reinforcing the demonstration of LTTS values. SAMVAAD also seeks to facilitate a paradigm shift from an operational to a strategic mindset within the organization. The objectives of SAMVAAD are as follows:

**Reassure Trust, Transparency, and Bond:** The program aims to build and maintain trust, transparency, and a strong bond between higher management and the larger team. By providing a platform for open communication and unfiltered feedback, SAMVAAD creates an environment where concerns and challenges can be addressed effectively.

**Operational to Strategic Mindset:** SAMVAAD aims to foster a shift in mindset from an operational focus to a strategic one. By encouraging discussions on strategic topics and providing a platform for sharing perspectives, the program helps employees broaden their horizons and think strategically about their roles and responsibilities.

### Process:

The SAMVAAD program follows a structured and focused process, including pre-session actions, feedback and closure sessions, and a feedback loop for continuous improvement. The process involves various stakeholders at different levels within the organization:

**CSO, CHRO & CXOs:** These senior executives participate in SAMVAAD sessions to engage with employees, listen to their feedback, and address their concerns.

**N-1 & N-2 (to BU, Sales & Enabling Heads):** SAMVAAD sessions involve engagement with the next level of management to ensure effective communication and alignment.

**CEO:** The CEO plays a key role in SAMVAAD, participating in sessions to provide guidance, share the organization's vision, and reinforce the values.

**COO, CXOs, CDO, BU & Sales Head Shadows:** These individuals, including Heads of Business Units and Sales, actively participate in SAMVAAD sessions to gain insights, address concerns, and provide support.

**All Balance Employees:** SAMVAAD aims to include all remaining employees, conducting multiple sessions to ensure widespread participation and engagement.

The program is structured in phases, with a focus on continuous improvement and action. The process includes structured focus group discussions, action closures, and feedback from participants to address identified issues and drive positive change.

By promoting open communication, trust, and transparency, SAMVAAD aims to create an inclusive environment where employees' perspectives are valued, concerns are addressed, and the organization can continuously improve and align with its vision, mission, and values.

## The Individual Development Plan (IDP)

The Individual Development Plan is a systematic approach to Organization Development (OD) planning that ensures alignment with business priorities and integration with the Business Leaders' strategies. Internal learning consultants facilitate the IDP process by collaborating closely with Business Managers to recognizing the learning requirements emerging from the business context. By aligning the IDPs with business priorities, incorporating capacity development programs, and assessing the success of learning initiatives, the IDP process guarantees that organizational development endeavors efficiently contribute to accomplishing business objectives and the growth of individuals within the organization.

## Diversity & Inclusion

In FY24, we reinforced the significance of diversity and inclusion through the Diversity and Inclusion Policy. Additionally, we have implemented various initiatives and policies to cultivate a diverse and inclusive workplace.

### D&I Interventions at LTTS



#### TOP MANAGEMENT'S COMMITMENT

The top management champions diversity and inclusion, and the Board governance regularly assesses the success of our initiatives.



#### RECRUITMENT & REPRESENTATION

Special recruitment drives and increased women's representation in conferences, seminars, and leadership roles promote inclusivity and recognition.



#### WOMEN EMPOWERMENT SERIES

Empowering women at all career levels through tailored events and sessions for professional growth.



#### GENDER SENSITISATION

Promoting respect, inclusivity, and understanding through gender sensitization sessions for all employees.



#### WOMAN WELLNESS CENTRE

Private spaces for diverse employee needs, including stress relief and maternal care, available at women's wellness centers in Bangalore, Mysore, Vadodara, and Chennai.



#### WOMEN'S LEADERSHIP DEVELOPMENT

Nurturing the growth and advancement of women employees with high potential through a dedicated development framework.



#### PREVENTION OF SEXUAL HARASSMENT

Ensuring a safe and inclusive workplace through a robust POSH and Internal Complaints Committee (ICC). Upskilling and awareness programs are provided to ICC members and employees.



#### SPECIAL CIRCUMSTANCES LEAVE AND SABBATICAL POLICIES

Supporting employees with policies for addressing urgent personal matters and offering sabbaticals for personal and professional development.

**22%**  
Female Workforce

**32**  
Specially-abled Employees

### Zero Violations in Critical Metrics

**ZERO**  
INCIDENCES OF:

- Discrimination
- Risk of Freedom of Association & Collective Bargaining Rights
- Child Labor
- Forced/compulsory labor
- Violation of indigenous people's rights

# Wings

## Campaign

Our Wings campaign focuses on gender diversity and inclusion, aiming to create an environment that supports women's recruitment, advancement, and retention. It provides opportunities for women to realize their potential and achieve their aspirations.

### Framework for Employee Development



### Hiring

**Special Women Recruitment Drive**

**Exclusive Women Referral Programs**

**Boomerang: Ex-Employee Recall Program**

**Branding: Social Media & Campus**



### Retention

**Part Time Working Policy**

**Flexible Working Hours Policy**

**POSH Policy & Creation of ICC Across Locations**

**Bundle of Joy**

**Maternity Leave & Benefits Policy**

**Reimbursement of Maternity Expenses in Complicated Cases**

**Sabbatical Policy**

**Special Circumstances Leave Policy**

**Women's Day: Celebrating Womanhood**

**Policy for Safe & Comfortable Travel for Expecting Mothers**



### Development

**Women Empowerment Series - Focus on Early, Mid & Executive Stage**

**Unlock Your Potential Early & Mid-stage**

**Developing Women Leaders (WLDP & W-LEAD)**

**Mentoring**

**Representation in Conferences & Seminars on D&I**

**Gender Sensitization Sessions for All Employees**



### Hiring

#### SPECIAL WOMEN RECRUITMENT DRIVES

During campus recruitment, we prioritize the hiring of women candidates. We have designated specific women's campuses where we actively seek to recruit talented women professionals.

#### EXCLUSIVE WOMEN REFERRAL PROGRAM

We established a referral program focused on female candidates. This program encourages our employees and recruitment partners to refer qualified women candidates, particularly during Women's Day festivities, to increase the representation of women in our workforce.

#### BOOMERANG POLICY

Our Boomerang policy is designed for former women employees who took a career break and wish to return to our organization. We provide opportunities for them to rejoin their previous employment and continue their professional journey with us.



### Retention

In addition to our Retention policies, such as sabbatical leave, flexible working hours, and part-time options, we have special initiatives tailored to support the specific needs of our women employees.

#### MATERNITY LEAVE AND BENEFITS

Supporting expecting mothers with comprehensive maternity benefits, including wellness centers, extended leave, safe travel policies and creche facility to mothers with children.

#### BUNDLE OF JOY

Celebrating parenthood of employees.

#### SAFE AND COMFORTABLE TRAVEL

We prioritize fostering a healthy work-life balance by supporting expectant women employees, including safe travel arrangements and enabling a smooth transition back to work. We also offer encouragement and assistance to pregnant employees eager to return to their roles, ensuring their motivation is sustained.

|               | Employees entitled to parental leaves | No. of employees that took parental leave | Total number of employees who returned to work in the reporting period after parental leave ended | Total number of employees who returned to work after parental leave ended and were still employed 12 months after their return to work | Return to work | Retention rates |
|---------------|---------------------------------------|---|---|--|----------------|-----------------|
| <b>Male</b>   | 8,476                                 | 782                                       | 778   | 692  | 99.5%          | 88.9%           |
| <b>Female</b> | 1,973                                 | 301                                       | 148   | 128  | 49.2%          | 86.5%           |



## Development

### UNLOCK YOUR POTENTIAL

This program targets early to mid-level female employees of LTTS to enhance their leadership skills and provide insights into business aspects like risk management, decision-making, and self-expression, supporting their career success.

### W-LEAD PROGRAM

This program is designed for women professionals in executive and mid-level positions. It seeks to address career obstacles faced by women and groom them as future leaders within LTTS. It includes mentorship, guidance from internal mentors and external speakers, and support and guidance throughout the participants' professional journeys.

### WINGS EMPOWERMENT SERIES

A series comprising workshops conducted every quarter for female employees. These workshops focus on the overall development of women and cover various aspects of personal and professional growth. External speakers and facilitators are engaged to bring diverse perspectives and expertise to these workshops.

### GENDER SENSITIZATION SESSIONS

These sessions are organized regularly for all employees, regardless of gender. The purpose is to raise awareness and knowledge about gender-related issues, roles, stereotypes, and expectations within the organization. By fostering a

better understanding of gender dynamics, these sessions aim to promote a more inclusive and gender-balanced workplace.

### LIGHTHOUSE

Lighthouse initiative supports young and aspiring women by offering them an opportunity to be mentored by senior women leaders. Provide mentees the opportunity to connect in meaningful ways with someone whose past experience can help them navigate careers and life. It allows women employees to focus on their professional development and personal growth.

### TRUST TALK

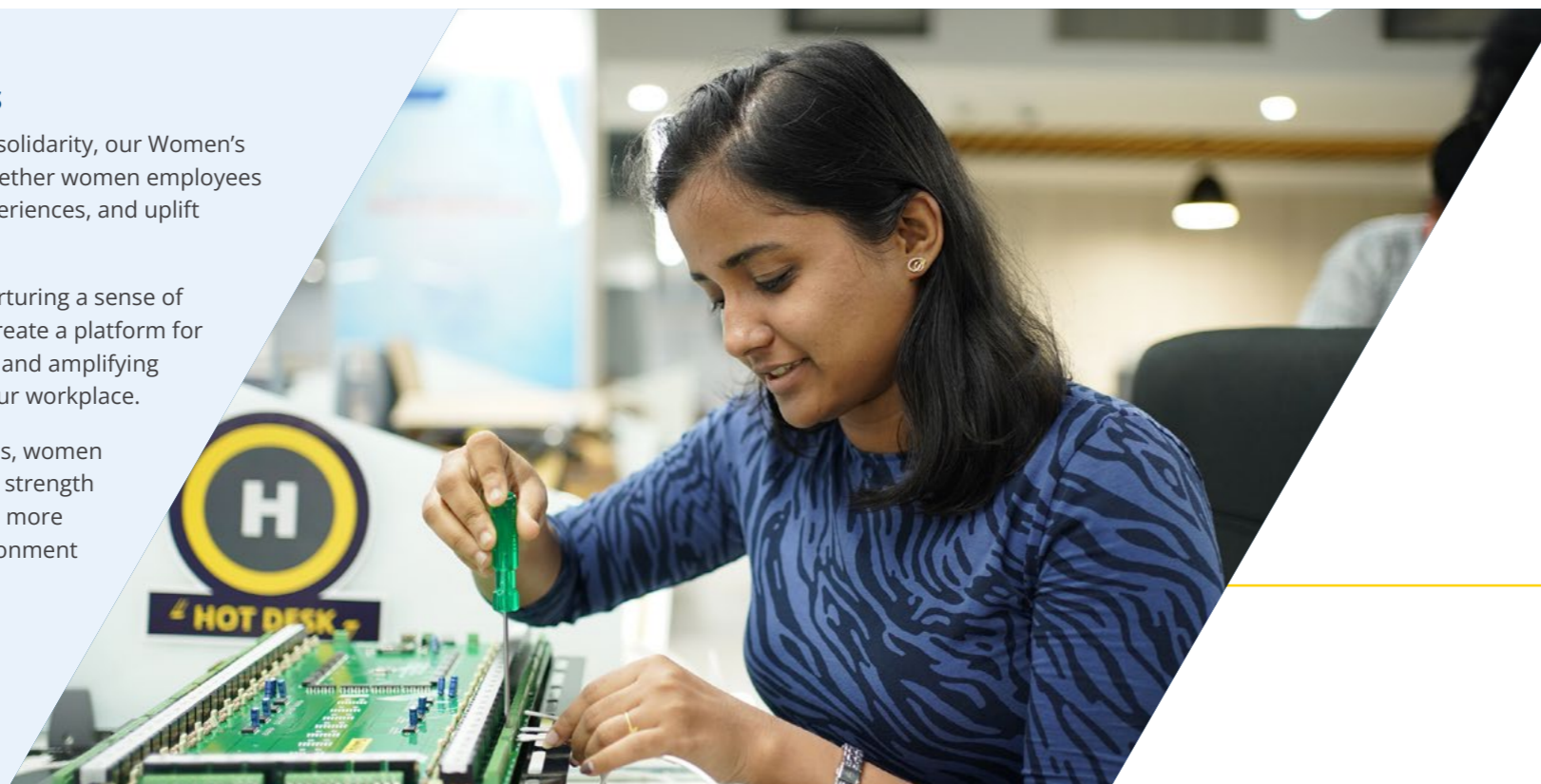
The IC members at the location meet the young women in small cohorts and conduct these sessions to instill confidence and build open communication and trust.

### WOMEN RESOURCE GROUPS AS CATALYSTS FOR PROGRESS

In the spirit of empowerment and solidarity, our Women's Resource Groups (WRGs) bring together women employees to connect, share their unique experiences, and uplift one another.

These groups serve as a haven, nurturing a sense of camaraderie and support. WRGs create a platform for networking, fostering deep bonds, and amplifying voices for gender equality within our workplace.

Through these vibrant communities, women find inspiration, resilience, and the strength to drive positive change, creating a more inclusive and nurturing work environment for everyone.



## Employee Benefits

We prioritize the well-being and satisfaction of our employees by offering a range of employee benefits and implementing policies that promote work-life balance.

**100%**

Eligible employees covered under retirement benefits such as Provident Fund (PF), Gratuity, and Employee's State Insurance (ESI)



### MEDICAL CARE

To ensure their health and well-being, we offer medical care benefits to all employees, including part-timers and contract workers.



### PENSION FUNDS AND RETIREMENT PROVISIONS

We offer pension funds and retirement provisions to our permanent and full-time employees, ensuring their financial security in their post-work years.



### DISABILITY INSURANCE

We provide disability insurance coverage to support employees in the event of illness or injury that may prevent them from working.



### LIFE INSURANCE

We provide life insurance coverage to our employees, offering financial protection for their loved ones in the event of unfortunate circumstances.



### PARENTAL LEAVE

Our employees, including mothers and fathers, are eligible for parental leave to support them during the important milestones of starting or expanding their families.



### DYNAMIC WORK ENVIRONMENT

Our offices are equipped with cutting-edge and ergonomic infrastructure, fostering a dynamic work atmosphere that promotes productivity and employee satisfaction.

In addition to these employee benefits, we have implemented several policies to create a supportive work environment, encourage work-life balance, and assist employees in achieving their personal and professional goals. These include a Part-time Working Policy, a Sabbatical Policy, a Flexible Working Hours Policy, a Special Circumstances Leave Policy, and Gift a Leave policy, among others.

## Health and Well-being

Ensuring the well-being of our employees is paramount. LTTS has implemented an Occupational Health and Safety Management System, adhering to ISO 45001:2018 standards. Our integrated EHS Management System is accredited by international certification bodies, reflecting our commitment to health and safety.

At LTTS, the focus on health and well-being is evident through the following initiatives:



### ON-CALL DOCTOR AND HEALTH CLINIC

LTTS has medical support provisions on campus. A doctor-on-call and an OPD health clinic at the Vadodara and Mysore campuses ensure that employees can access medical assistance and receive necessary healthcare services conveniently.



### WELLNESS SYSTEM

LTTS has implemented a comprehensive wellness system that incorporates best practices to promote the overall well-being of employees. This system likely includes various initiatives, such as health promotion programs, stress management resources, and access to healthcare services.



### POLICIES FOR WORK-LIFE BALANCE

LTTS values work-life balance and has policies in place that prioritize employees' personal well-being alongside their professional commitments. These initiatives contribute to employee satisfaction and overall organizational success.

## Holistic Employee Well-being Initiatives

### EMPOWERING PHYSICAL WELLNESS

**Vigor:** The internal team developed an app for regular reminders to take short breaks during sedentary work.

**Annual health check-up:** Annual health check-ups are scheduled for employees and spouses to prioritize their health and well-being.

**Famba:** Virtual Zumba sessions for employees and families promote full-body workout and active participation.

**Extended leave/Insurance:** Supporting female employees with extended maternity leave and additional insurance for complicated pregnancies.

**Insurance coverage for life-threatening diseases:** Providing additional medical insurance coverage to support employees battling critical illnesses.

### EMPOWERING EMOTIONAL AND SPIRITUAL WELLNESS



#### i-Call

Promoting improved mental health through an anonymous helpline for employees to seek support for work-related or personal issues.



#### Globally Empowering Mental Health (GEMS)

Partnering with the Employee Wellbeing Assistance Program, we offer support and resources to employees and their families, fostering a judgment-free environment for addressing mental health issues.



#### Wellness with Yoga

We partnered with a renowned yoga training center to conduct a workshop on meditation, breathing techniques, yoga, and mindfulness. These sessions aimed to enhance our employees' physical, mental, and spiritual well-being.



#### Expert Talks

Experienced healthcare consultants were invited to share scientific information on stress management and healthy living, providing valuable insights to our employees.

## Hazard Identification and Risk Assessment (HIRA)

At LTTS, we prioritize hazard identification and risk assessment to meet health & safety standards and compliance requirements. We evaluate hazards and risks through the HIRA process and conduct regular inspections, internal audits, and management review meetings. Mock drills are performed to measure emergency preparedness and effectiveness of response plans and procedure. Unsafe conditions and acts are measured through near misses, safety inspections, tracking safety metrics like incident rates. Mitigation plans and controls are implemented to eliminate identified hazards and risks. We further have processes for employees to report work-related hazards and improve our systems.

# ZERO

Fatalities for all employee categories in FY24

# ZERO

Lost time injury cases for all employee categories in FY24





INTELLECTUAL CAPITAL

# Engineering the Change with Innovation Excellence

At LTTS, we meet evolving global customer expectations by leveraging state-of-the-art technologies and cutting-edge innovation. These twin engines of innovation and technology empower us to unlock synergies, tackle challenges, and capitalize on the global digital revolution.

The LTTS commitment to innovation and intellectual growth is demonstrated by 1,296 patent filings, setting a benchmark in the Engineering Research & Development (ER&D) industry. Through focused initiatives aimed at unlocking synergies across our innovation channels, we have excelled in our journey, now filing over 50 patents each quarter, a significant increase from 50 annually.

As we continue to engineer the next frontiers of change, we are dedicated to building a profitable, inclusive, and sustainable future together.

MATERIAL TOPICS



SDG LINKAGES



KEY HIGHLIGHTS

**1,296**  
Patent filings

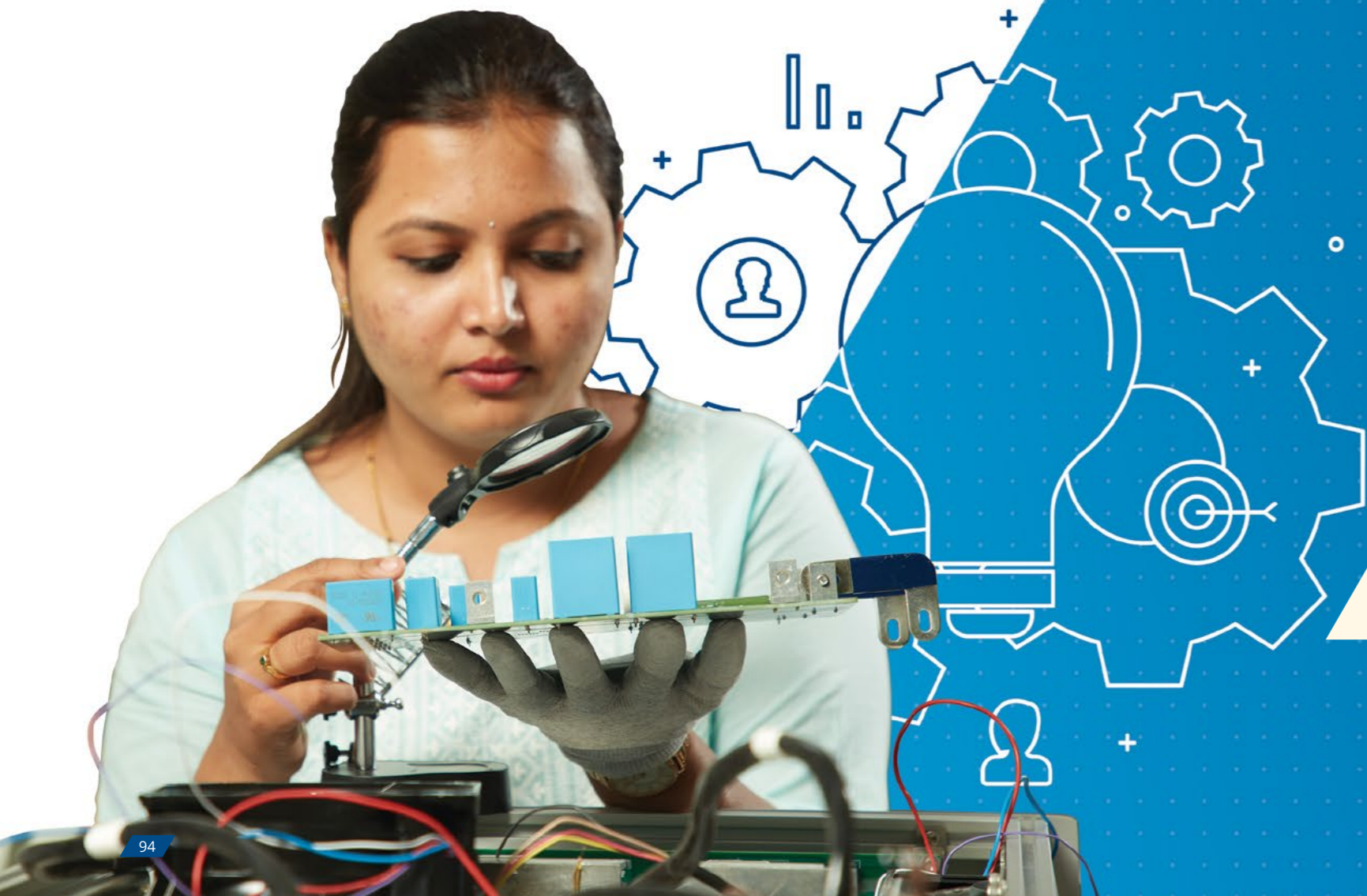
**50**  
Patents per quarter

**54**  
Patents in AI

**104**  
Innovation Labs

At LTTS, our ways are defined by a deep commitment to innovation and intellectual excellence as a way of life. Through focused initiatives ranging from a structured pathway to filing patents, encouraging new ideas from both employees and students and driving next-level knowledge sharing programs, we are enabling a revitalized approach toward developing, encouraging, and driving the next frontiers of technology growth and success.

**Ashish Khushu**  
CTO



## CROSSPOLL!INNOVATION

CROSSPOLL!INNOVATION is our innovative approach to cross-pollinating ideas, technologies, and expertise across different domains within LTTS. It promotes a culture of continuous learning, creativity, knowledge-sharing, and collaboration aimed at developing and delivering cutting-edge solutions across industries and verticals. CROSSPOLL!INNOVATION enhances our capabilities and drives sustained, industry-leading innovation in the competitive global technology landscape, enabling LTTS to deliver impactful engineering solutions worldwide and foster new growth and success paradigms.



### Innovation Snapshot

The Intellectual Property team at LTTS is committed to cultivating innovation and developing patented technologies and processes. With innovation at the core of LTTS, we inspire our staff to innovate in their workspace to improve, enhance, and redefine our value propositions.

**1,296** Patents  
 ↳ **833** Co-authored with customers  
 ↳ **463** Authored by LTTS

We understand the significance of Artificial Intelligence (AI) in shaping the evolving global technology landscape. With over eight years of experience, LTTS has trained over 3,000 engineers in this domain and filed over 54 patents, demonstrating our commitment to innovation and expertise in AI.

- Chest-rAI:**  
AI-based chest x-ray analysis system
- AiKno:**  
AI platform and framework for engineering applications
- World's first Autonomous Welding Robot**
- Solar Connectivity Drone**
- World's Smartest Campus**

## Key Features



### INVENTION DISCLOSURE FORM

A step toward identifying protectable ideas, this online form is accessible to all LTTS employees to capture new ideas and concepts.



### TECHNICAL PUBLICATION

Patents application filers are encouraged to submit their paper depicting the patentable ideas and the various use cases and application areas.



### PATENT FILING STRATEGY

Complete patent applications (unless in research and development) are filed first in India by default.



### CERTIFICATES OF RECOGNITION

Certificates of Acknowledgment are distributed to investors upon the submission of a patent application.



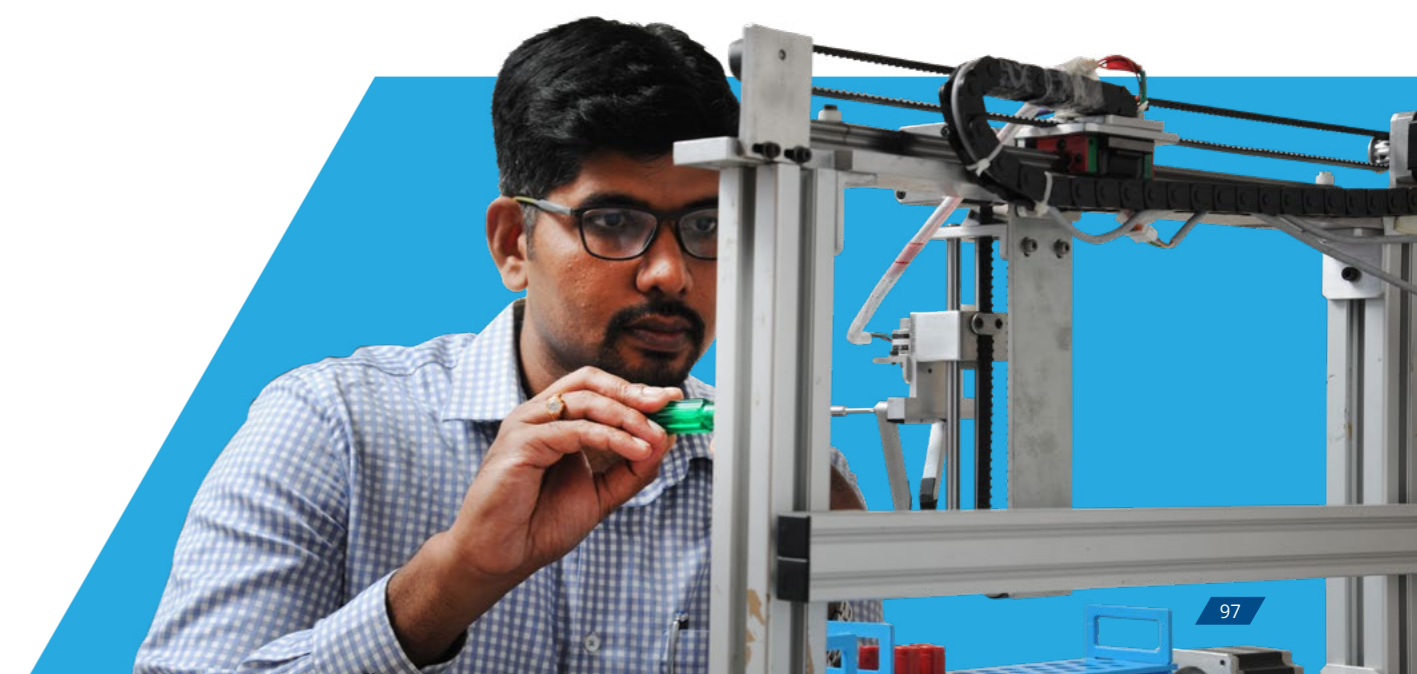
### IP REWARD CLAIM

We recognize our associates for the creation of Intellectual Property (IP) such as patents, designs, and other IP registrations that benefit LTTS, as well as patents and design registrations that benefit LTTS customers, to acknowledge their achievements. We have also launched an online site for claiming Intellectual Property rewards, which has been available to all LTTS employees.

## Breakthrough Innovation Programs

At LTTS, we are actively redefining our relationship with technology, poised at the forefront of innovation. Through the launch, nurturing, and continued organization of several segment-leading innovation programs, we proudly showcase and celebrate our accomplishments alongside those of the broader ER&D sector in engineering and technology.

LTTS aims to create an innovative framework for promoting success in product innovation, process development, and customer satisfaction. This commitment is evident across several avenues provided for employees to showcase their inventions and contribute to LTTS's technological triumphs.



## Reveries

'Reveries - A Festival of Dreams', serves as a blue-sky, thought-provoking innovation platform, urging employees to articulate their aspirations and technological visions. Winners are rewarded with monetary prizes, trophies, certificates, and the invaluable opportunity to collaborate directly with our CTO and Subject Matter Experts (SMEs), bringing their concepts to fruition.

**631**

Reveries ideas received from employees in FY24

### The Reveries Journey

**Phase 1** → **Phase 2** → **Phase 3**

Initial submission of ideas which are then screened based on the details provided in the dream. So, it's important for participants to provide enough high-level details of their dream and idea.

Stage 1 of the process involves employees from the shortlisted dreams submitting their presentations for an offline evaluation by panelists.

Stage 2 of the process involves shortlisted dreams from the offline evaluation elaborating on their ideas and submitting their presentations for an online evaluation.

This is the finale presentation round involving the shortlisted candidates from the previous presentation round phase, presenting their dreams to an experienced panel of evaluators.

### Categories for Reveries Submissions



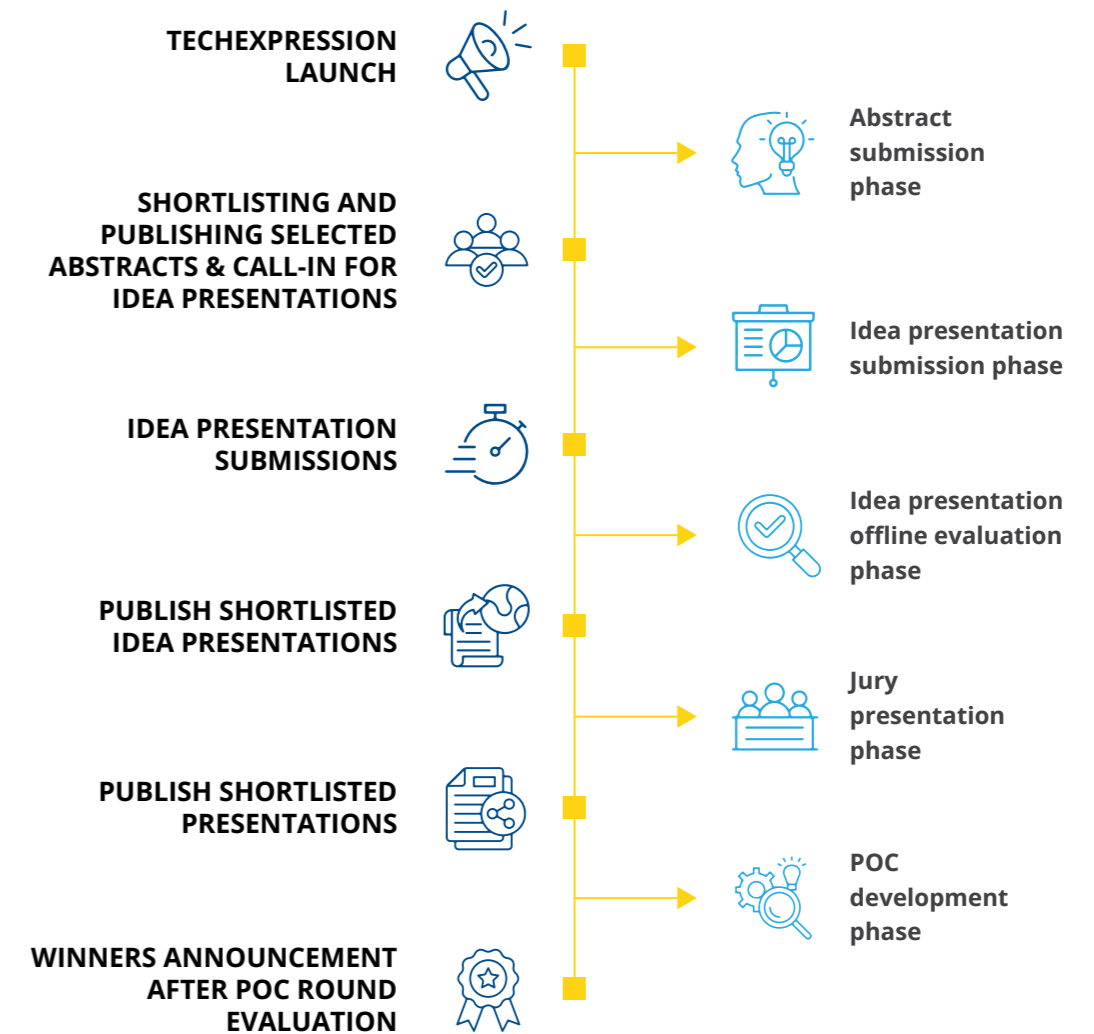
## TechExpression®

TechExpression® is an event that unites technologists, practitioners, engineers, and business enablers to share expertise in delivering technical solutions. Participants engage in discussions on implementing innovative ideas, solving challenges, and exploring current and future technologies and trends. TechExpression® winners are encouraged to submit papers outlining their solutions, which are then disseminated for further publication and serve as valuable references for various teams.

**656**

Abstracts received for TechExpression® in FY24

### The TechExpression® Process



## TECHgium®

TECHgium® stands as India's largest open-innovation program, dedicated to inspiring young minds and acquainting them with relevant topics influencing global business. Additionally, the platform offers engineering students the opportunity to collaborate on futuristic technologies alongside industry experts.

36,765

students from

503

reputed engineering institutes across India participated in the 7<sup>th</sup> edition of TECHgium®

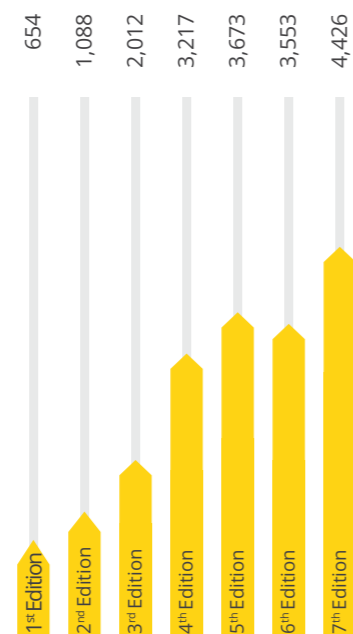
Participants are encouraged to tackle real-world challenges with innovative solutions, providing them with the chance to collaborate with LTTs and gain recognition as TECHgium® innovators. In the latest edition, Dr. Tessy Thomas, renowned as the 'Missile Woman of India' for her pivotal role in India's AGNI missile project, graced the event as the Chief Guest.

Over nine months, engineering students focus on the TECHgium® competition, guided by LTTs' experts. After evaluations and ideation sessions resulting in Proofs-of-Concept (PoC), the top 32 teams become finalists. They present prototypes to a jury of industry leaders, academics, and analysts. The top three winners highlight the pinnacle of TECHgium® innovation.

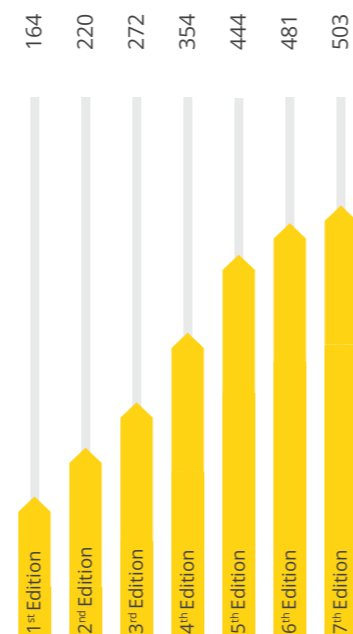
### STUDENTS REGISTERED



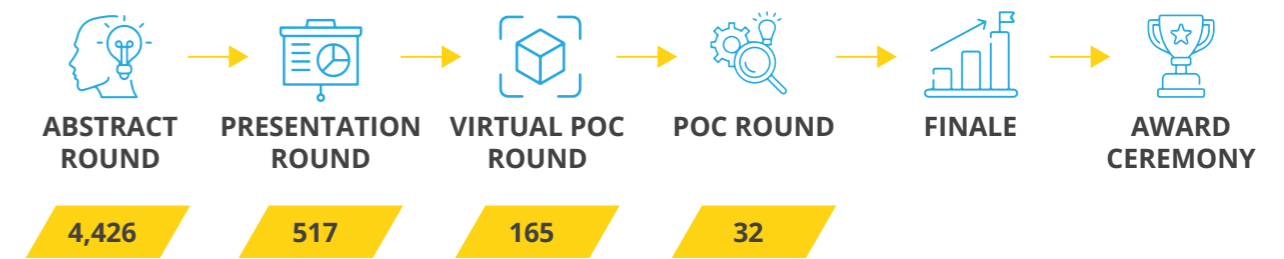
### CONCEPTS RECEIVED



### INSTITUTES REGISTERED



## Timeline and Teams



The winners of TECHgium® 2024 were the BV Raju Institute of Technology, Telangana, with their AI-based situational awareness algorithms for eVTOL Detect and Avoid Systems. The runner-up was Sri Ramakrishna Engineering College, Coimbatore, for the TwinScope Oil Well Monitor prototype. The second runner-up was Amrita Vishwa Vidyapeetham, Chennai, for their Knee Injury Detection System. A special jury prize went to BV Raju Institute of Technology for their project on identifying flood-prone urban areas.

## Tekshetra

Tekshetra serves as a digital platform for disseminating current, new, and emerging technology trends, empowering LTTs employees to adapt, integrate, and leverage technology effectively. In FY 2023-24, we hosted more than 25 Tekshetra sessions, greatly benefiting our employees while providing experts with the opportunity to share their vast knowledge and engage with a broader audience.

**SOCIAL AND RELATIONSHIP CAPITAL**

# Building Relationships, Impacting Communities

Embedded within our daily operations is a commitment to the well-being of our people, communities, and stakeholders. Every decision and action we take is designed to impact those we serve positively. This includes fostering meaningful community engagement and collaboration, maintaining a customer-centric approach, and ensuring value for our suppliers.

As innovation facilitators and trusted partners, we bring fresh ideas and solutions and prioritize building strong, trustworthy relationships with those we work with. We also proactively engage with our clients through regular meetings, surveys, training, and research to deeply understand our client's needs and preferences, enabling us to continuously refine and enhance their overall experience.

At LTTS, our commitment extends beyond business success; we strive to make a positive difference in the communities we serve. We firmly believe in our ability to contribute to a brighter future for the underserved. We are determined to continue pursuing initiatives and partnerships that address societal challenges and promote equity and inclusion.



**MATERIAL TOPICS**



**SDG LINKAGES**



**GRI INDICATORS MAPPED**

408, 409, 413

**KEY HIGHLIGHTS**

**88.34%**  
Customer Satisfaction Score

**90,989**  
Tree plantations in FY 2023-24

“ Within our holistic corporate responsibility lies a commitment to enriching social growth and cultivating meaningful relationships. We believe that by investing in the well-being of communities and prioritizing customer relations and supplier partnerships, we not only enhance our collective growth but also cultivate a sustainable ecosystem of collaboration and mutual benefit, driving positive change and prosperity for all stakeholders. ”

**K. N. Prabhakaran**  
Chief of CSR

# Strengthening Relationships and Driving Stakeholder Value

## Customers DRIVING SUSTAINABILITY FOR CUSTOMERS

We are committed to being the preferred engineering partner for our customers' Net Zero Goals. LTTS assists global customers in attaining their Net Zero objectives through three key avenues:

- 1 Net Zero in Products
- 2 Net Zero in Operations  
(Power, Water, Waste, and Manufacturing)
- 3 Digital Intervention



## Our Net Zero Approach

### CONSULTING

Harnessing our extensive partner network, LTTS delivers strategic consulting services to enterprises aiming to meet their commitments to the UNSDGs and Science-Based Targets initiative (SBTi) targets.

### NET ZERO OPERATIONS

LTTS endeavors to transform the business landscape by assisting organizations towards greater environmental responsibility. This journey begins with overhauling operational and manufacturing practices, with LTTS serving as a trusted partner in sustainability implementation.

### SUSTAINABLE PRODUCT DESIGN

We help revitalize offerings for global businesses in a dynamic ecosystem by driving sustainable product design paradigms.

## Customer Centricity

At LTTS, customer care and satisfaction are paramount. We gauge satisfaction through CSAT and Net Promoter Scores, consistently achieving over 88% CSAT scores. Our commitment reflects in our upward trajectory,

with customers consistently expressing high satisfaction levels, especially in quality, delivery, and product development. Remarkably, over 90% of our customers rate us as satisfied, very satisfied, or delighted.

Our comprehensive Customer Satisfaction Survey assesses key parameters such as:

- Delivery quality
- Adherence to schedule
- Problem responsiveness
- Working relationship
- Overall satisfaction

**88.34%**  
Customer Satisfaction Score

**90%**  
of our customers gave us repeat orders

## Service Quality and Delivery

LTTS guarantees exceptional service quality and delivery through our comprehensive Quality Management System (QMS). This framework empowers us to deliver engineering and R&D services worldwide, spanning diverse industries and domains.



Unmatched Service Excellence

57 of Top 100 R&D spenders

TRANSPORTATION

8 of top 10

TELECOM AND HI-TECH

8 of top 10

INDUSTRIAL PRODUCTS

7 of top 10

PLANT ENGINEERING

3 of top 5

MEDICAL DEVICES

7 of top 10

#1 Pure play Engineering Services Provider

LEADING EDGE IN EMERGING TECH AREAS

**Digital Engineering**  
Among top 5 ESPs

**ADAS**  
Among top 3 ESPs

**Digital Thread**  
Among top 3 ESPs

**IoT**  
Among top 4 ESPs

**AI Engineering**  
Among top 5 ESPs

LEADING EDGE IN VERTICAL POSITIONING

**Aerospace**  
Among top 5 ER&D players

**Auto**  
Among top 4 in competency

**Medical**  
Among top 2 in competency

**Telecom**  
Among top 4 ESP

**Industrial**  
Maintained top 2 position

Our Key Differentiators

- Multi-domain expertise
- Engineering DNA
- Translating innovation to engineering
- State-of-the-art research & test labs
- Marquee customer base

Communities CORPORATE SOCIAL RESPONSIBILITY

We commit to enhancing our communities and the environment with our CSR initiatives. We strive to make a tangible difference in society by executing needful social interventions through implementation partners who possess the expertise as well as direct execution of projects and engaging LTTs employees in this noble cause.

Our CSR policy framework outlines the procedures for executing diverse programs in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Our Objectives



We establish a sustainable social model through well-rounded CSR programs where measurable outcomes guide our efforts.



We tackle social challenges through innovative technological interventions, devising solutions to various issues.



Collaborating closely with implementation partners, we promote welfare in skill development, education, health, environment, water and sports for the disabled.

77,070

Beneficiaries of CSR Programs

₹228 Mn

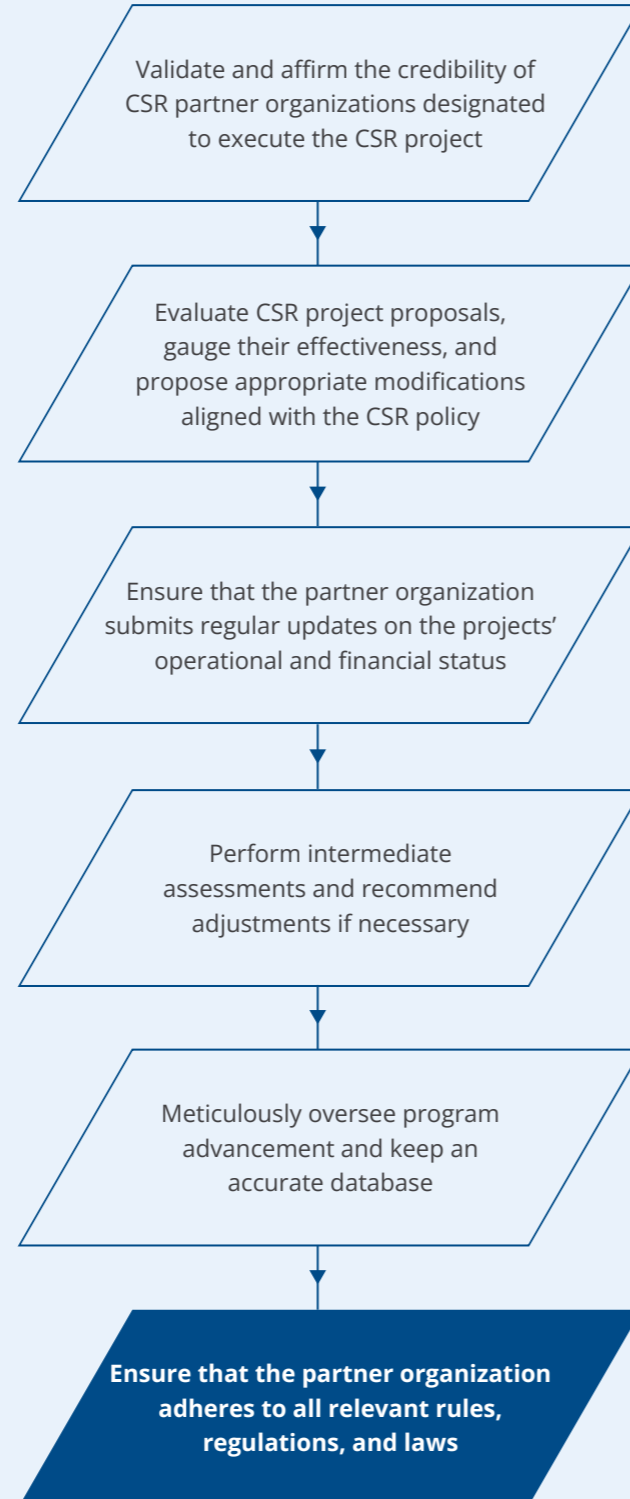
CSR Spend



Impact in Numbers: FY24

|                                |   |   |
|--------------------------------|---|---|
| Environment                    | Efforts to become cleaner and greener<br><b>6,715</b><br>Beneficiaries                    |    |
| Water                          | Water conservation projects<br><b>2,344</b><br>Beneficiaries                              |    |
| Health                         | Holistic healthcare facilities for communities in need<br><b>44,116</b><br>Beneficiaries  |   |
| Education                      | Encourage continuous learning through strategic efforts<br><b>17,776</b><br>Beneficiaries |  |
| Skill Development              | Enhance livelihood opportunities<br><b>5,967</b><br>Beneficiaries                         |  |
| Sports for the Specially-abled | For holistic development<br><b>152</b><br>Beneficiaries                                   |  |

CSR Program Monitoring Mechanism



Environment

LTTS acknowledges the pivotal role of a thriving environment in sustaining life and resources for all beings. Our dedication to green technologies, renewable energy, waste management, and recycling initiatives underscores our commitment to tackling environmental challenges and catalyzing positive change for a sustainable future.



Focus Areas



OUR INITIATIVES

Afforestation and Plantation

- In collaboration with **SayTrees Environmental Trust**, planted 10,000 saplings at Kappatralla, Kurnool, in Andhra Pradesh benefitting **22** farmers.
- In collaboration with the **Enviro Creators Foundation**, planted 75,589 saplings of 90 varieties on 8.5 acres at Saronda, Valsad, in Gujarat. This initiative rehabilitates land erosion, enhances biodiversity, water management, and carbon sequestration—offsetting 2000 tonnes of carbon annually.
- Maintenance of 57,054 miyawaki plantation at Valsad, Gujarat.
- In collaboration with **Give Me Trees Trust**, maintained 10,000 saplings planted in Pune, Maharashtra.
- In collaboration with the **Efficient Ecosystem Protection Association**, maintained 30,000 saplings we planted in Ahmednagar & Pune, Maharashtra.

Ecosystem Restoration

In collaboration with **Junglescapes**, engaged the local tribal community in restoring forest land in Bandipur National Park, Bengaluru, Karnataka, providing them a livelihood opportunity. The restoration activities included removing Lantana (an invasive species), seeding and maintaining native species, and continuous weeding. This initiative engaged 42 members of the tribal community, working on 195 acres of forest land.





**Clean Energy**

In collaboration with **Vanarai**, installed solar panel system to pump water to all households in Sheri Budruk and Khakalwadi villages in Maharashtra. This system has ensured an uninterrupted water supply, saving time for the women of the village, who no longer need to draw water from the well and carry it to their households.

**2,000**  
Units of electricity saved annually

**3,000**  
Villagers benefited from solar

**Research & Development**

- Supported **IIT Gandhinagar** for an R&D project on cotton farming using smart practices like aerial imagery and computer vision. The project aims to improve crop management, fertilization, and pest control for increased cotton productivity
- Supported **Pandit Deendayal Energy University (PDEU)**, to conduct an R&D Project focused on producing eco-friendly methanol. The project aims to identify the optimal catalyst and conditions for efficiently converting CO<sub>2</sub> into methanol.

**Sustainable Agriculture**

In partnership with **Vanarai**, carried out certain activities on implementing innovative and sustainable agricultural practices like:

- Training on lemon cultivation
- Demo plot on millet & muskmelon plantation
- Exposure visit to Krishi Vigyan Kendra

We have also conducted health camp for the villagers.

**560**  
Villagers benefited from Health camp

**110**  
Farmers benefited

**20%**  
Increase in yield

**20%**  
Increase in farmer income

**Environmental Awareness**

In partnership with **SOCLEEN**, organized various awareness and educational events in schools and universities to enhance environmental awareness.

This initiative benefitted 2781 students from 99 schools and six universities in and around Vadodara, Gujarat.

**Waste Management**

In collaboration with the **Society for Child Development**, trained individuals with intellectual disabilities to collect floral waste from temples in and around Delhi. They then convert it into Holi colors, compost, and hand-rolled agarbatti. This initiative reduces landfill waste and employs them.

**200**  
Intellectually disabled benefitted

**13,697 Kg**  
of Floral waste collected, recycled, and reused

**3,500 Kg**  
Holi color produced

**280 Kg**  
Compost made

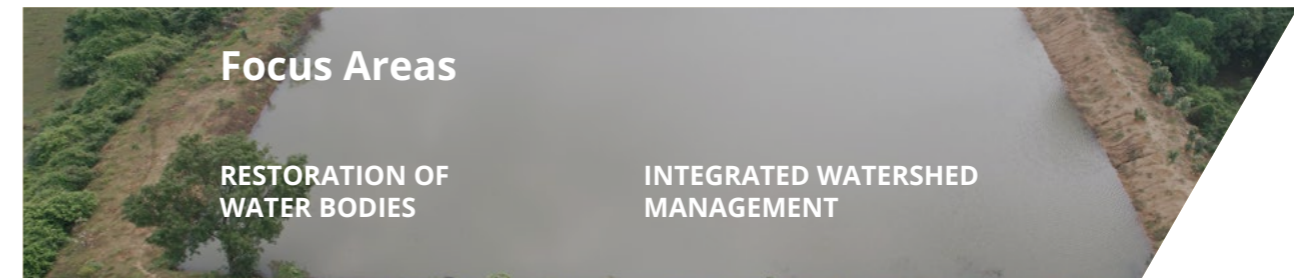
**40,393**  
Hand-rolled agarbattis made

**Restoration of Public Spaces**

In collaboration with **India Rising Trust**, implemented two projects in Bengaluru, Karnataka – the development of a public space beneath the Allalasanra Railway Bridge and the maintenance of areas under flyovers at Veeranapalya (Outer Ring Road) and Carmelaram (Sarjapur). Each project, situated beneath a flyover, was designed to showcase a specific theme. Veeranapalya's theme centered around wildlife, while Carmelaram's design highlighted a chess theme.

**Water**

Our sustainability journey is dedicated to confronting ecological challenges by restoring water bodies, revitalising groundwater levels, and advocating for sustainable water management practices. Our foremost goal is to foster awareness and empower communities to conserve water, paving the way for a brighter, water-secure future.



**OUR INITIATIVES**

**Restoration of Water Bodies**

- In partnership with the **United Way of Bengaluru**, maintained the restoration of Bidruguppe Chitra Lake through de-weeding of the invasive plants and removal of macro and micro plastics from the water body. This partnership also facilitated the planting of 5400 saplings and facilitated livelihood for 8 workers.
- In partnership with **Yuva Mitra**, formulated a water security plan to provide water for agriculture and drinking in five villages in Nandurbar, Maharashtra's aspirational district. Training sessions on water conservation and agriculture were conducted in these villages. Villagers were briefed on the action plan to revive their water bodies, which are currently filled with silt and unable to store water or recharge the aquifer.

**501**  
Villagers trained

**8,700**  
Cubic meters of silt were desilted from two water bodies

**Integrated Village Development**

- In partnership with the **National Agro Foundation**, initiated an Integrated Village Development Project named 'Neerottam' in Chengalpattu district, Tamil Nadu. The project aims to foster water and soil conservation, improve agricultural practices, and uplift communities. With a focus on water and environmental conservation, agriculture, agroforestry, and community capacity-building through self-help groups, the project seeks to enhance the region's overall well-being.
- Initiated Integrated Watershed Development Project called 'Neeradharam' in Chengalpattu district, Tamil Nadu, aiming to promote overall development of the village wide new agricultural practices, horticulture, livelihood opportunities and water conservation.

**1,835**  
Villagers benefited



## Health

We prioritize accessible healthcare for the underprivileged. Beyond research, we enhance facilities, providing better access to diagnostics and treatment. Our aim: bridge the healthcare gap for healthier lives.



### Focus Areas

ACCESSIBLE & AFFORDABLE HEALTHCARE

CANCER PREVENTION & AWARENESS

EYE CARE

MENSTRUAL HYGIENE

MATERNAL AND INFANT HEALTH SERVICES

MEDICINAL PLANTS

MEDICAL EQUIPMENT PROCUREMENT

RESEARCH & DEVELOPMENT

### OUR INITIATIVES

#### Accessible & Affordable Healthcare

- In partnership with **Shri Rajchandra Sarvamangal Trust**, initiated a healthcare outreach program in Dharampur, Gujarat, providing doorstep services to residents through mobile medical units. These units include doctors, medicines, diagnostic equipment, and more, conducting health camps to ensure access to essential healthcare services. This initiative treated 21,179 people, out of which 7,197 were males and 13,982 were females.
- In partnership with **Dr. M. L. Dhawale Memorial Trust**, provided medical care services through medical van to 17 remote tribal villages in Palghar, Maharashtra. Villagers were examined in fully equipped vehicles with doctors, equipment, medicines, and essential supplies. Medications were distributed, and patients requiring surgeries were referred to hospitals for further treatment.

**1,484**

Villagers examined, of which:

**105** villagers underwent surgery

**4** geriatric people have been given treatment in the hospital

#### Eye Care

- In partnership with **Howrah Lions Hospital**, supported the infrastructural development of their eye hospital and laboratory.
- In partnership with **HelpAge India**, organized eye screenings and cataract surgeries for those in need. Out of 2,292 people screened, 920 cataract surgeries were performed.

#### Cancer Prevention & Awareness

In partnership with the **Indian Cancer Society**, launched a two-part project; one aspect focuses on prevention, while the other provides support post-cancer diagnosis. Prevention efforts include awareness camps and screening programs, while support after diagnosis involves partially funding treatment and providing survivor kits.

**5,106**

People screened

**17**

Bridge funds

**8**

People underwent treatment

**112**

Cancer survivor kits distributed

**4,103**

People attended awareness sessions

**172**

People have been given counselling on tobacco addiction

#### Menstrual Hygiene

In partnership with the **Vatsalaya Foundation**, launched an initiative to manufacture and distribute biodegradable sanitary napkins made from banana fiber to adolescent girls and women in Belagavi, Karnataka, to improve menstrual hygiene.

**1,600**

Adolescent girls &

**2,000**

Women received biodegradable sanitary napkins

**14**

Women now manufacture and sell the napkins, earning ₹3000/month

#### Medical Equipment Procurement

We funded the Sri Sathya Sai Premaarpitham Foundation to acquire an ambulance with essential medical devices. This initiative aims to efficiently transport critical patients from remote areas to the nearest healthcare facility. This life-saving initiative has facilitated timely hospital transfers of 117 patients during acute medical emergencies across 41 villages, ensuring prompt access to critical care.

#### Medicinal Plants

Executed a Harit Aarogya project for 323 women group through **Vivekananda Kendra** to grow medicinal plants at their place and create an additional income for their families in addition to contributing to the society in making medicinal plants available for making medicines.

#### Maternal and Infant Health Services

- In partnership with **Mahan Trust**, initiated two programs. First, prenatal support and nutritious food were supplied to expectant mothers in tribal villages of Melghat, Maharashtra. Second, village representatives identified malnourished children under five in these villages and provided them with locally made Local Therapeutic Food (LTF). Additionally, all children in the villages received treatment, and some were referred to hospitals for further care.

**119**

Expectant mothers benefited

**59%**

Reduction in under-5 mortality rates

**10%**

Reduction in malnourishment rates

**1,004**

Children benefited

**4,062**

Villagers attended behavior change campaigns

- In partnership with **Dr. M. L. Dhawale Memorial Trust**, prenatal and antenatal support was provided to expectant mothers of tribal villages of Palghar, Maharashtra. This initiative benefited 404 expectant mothers.



## Education

At LTTS, we believe in the transformative power of education. Our community initiatives focus on providing quality education to disadvantaged students through strategic partnerships. These efforts aim to nurture future leaders and problem-solvers, significantly impacting students and educators.



### OUR INITIATIVES

#### Educational Support

- In partnership with the **Simple Deeds Foundation**, initiated a project to impart four core Foundational Learning Skills (FLS): literacy, numeracy, cognitive skills, and socio-emotional skills. This initiative seeks to establish a strong foundation at an early age for comprehensive development. It benefited 1,151 students.
- In partnership with **Shrimad Rajchandra Educational Trust**, provided scholarship support to 100 tribal students.
- In partnership with **Lotus Petal Foundation**, provided nutritional support to 802 school students.
- In partnership with **Anand Ashram Charitable Trust**, supported 1,110 students with school fees, scholarships, and Jeevan Mulya books.

#### Infrastructure Development

- In partnership with **Kasturba Trust**, infrastructure support was provided for a dormitory at the KGNMT Arsikere campus, Karnataka.
- In partnership with **Smt. Susheela Bai Nagesha Rao Educational & Charitable Trust**, supported the school by providing sports equipment, a van, and a three-wheeler for students' commutes. This initiative provided sports equipment for 150 students, 40 students with vocational skills and 10 teachers with interactive panels for teaching. Also, provided them with a van for transportation of 20 students of an orphanage.
- In partnership with **MILT Trust**, provided support for the school expenses of 20 orphaned children.
- In partnership with **Matushree Prasanba Charitable Trust**, a school van, interactive flat panel, and educational modules were provided to the school, benefiting 35 students with intellectual disabilities.

#### Support to Academia

We have partnered with the **NMIPC Technology Innovation Hub** at IIT Hyderabad to support their R&D projects on Advanced Driver Assistance Systems (ADAS) and Cellular Vehicle-to-Everything (CV2X) technology in the transportation sector.

We have provided part funding towards setting up Hardware Security Lab to **IIT Mumbai**.

### Digital Education

- In partnership with **eVidyaloka**, launched an innovative digital classroom program, revolutionizing education for underprivileged students. This initiative provides students in grades 5 to 8 access to online lessons in Science, Mathematics, and English, delivered in regional languages.

**1,241**  
Students

**4,109**  
Teaching hours

- In partnership with **PRERNA**, launched two initiatives to help boost school digital education.
  - Students in grades 9 and 10 receive digital, application-oriented teaching. This interactive pedagogical approach, complemented by high-quality study materials in the student's native language, creates a positive and conducive learning environment.

**1,654**  
Students

**2,305**  
Teaching hours

- To ignite curiosity and encourage students to delve deeper, practical learning is facilitated through science kits and learning aids. Additionally, training is provided to teachers to support effective implementation.

**7,945**  
Students received Science kits

**104**  
Students received scholarships

**66**  
Teachers trained

- In collaboration with the **Lotus Petal Foundation**, supported an initiative focused on interactive STEM (Science, Technology, Engineering, and Math) project-based pedagogy. This approach fosters curiosity and develops students' critical thinking and problem-solving skills.

**103**  
Students benefitted

- In partnership with **Agastya International Foundation**, launched a project wherein we carry electronic exhibits and components on bikes to various government schools at predetermined intervals, aiming to spark interest in electronics among young minds. The project objectives include:
  - Introducing fundamentals of electronics to students in government schools.
  - Providing practical, hands-on learning experiences using electronic kits and components.
  - Deepening students' understanding of computer systems and assembly.
  - Empowering students with critical thinking and problem-solving skills.

**1,231**  
Students trained

**290**  
Online sessions

In another collaborative project with the **Agastya International Foundation**, developed various science-related models stored in a mobile van. This Mobile Innovation Lab visits various government schools to teach students science using these models, encouraging hands-on learning experiences.

**1,398**  
Students trained

**617**  
Online sessions

- In partnership with **Soham Academy**, an engaging program introducing robotics is given to school children. Young minds are provided with opportunities to delve into its principles and gain practical experience in building and programming robots.

**596**  
Students benefitted from five schools

## Skill Development

We aim to equip individuals with valuable employable skills, encompassing entrepreneurship and the revival of traditional crafts. Through initiatives promoting livelihood opportunities in semi-urban and rural areas, we aim to foster local ecosystems conducive to job creation and sustainable development.



### OUR INITIATIVES

#### Youth Skilling

In collaboration with **Larsen & Toubro Public Charitable Trust**, offered essential employable skills training to school dropouts and unemployed high-school graduates. This included instruction in computing concepts, assistantship, and financial literacy.

**1,050**  
Youths trained in computing concepts

**200**  
Trained in assistantship

**1,250**  
Trained in financial literacy

#### Strengthening of Rural Enterprises

- In partnership with **Janapada Seva Trust**, provided infrastructure support for establishing a natural dyeing unit at Melukote near Mysuru. This unit is also being used to train the entrepreneurs and popularize natural dyes as a part of our efforts to strengthen rural livelihoods and tackle migration to urban centres.
- In partnership with **Vidyakshetra Vidyapeeth**, provided infrastructure support for establishing a natural colours and handloom weaving unit near Bengaluru. This is to enable people to use natural colors in fabric to prevent environmental pollution.
- In partnership with **CORD**, in Tiruvallur district of Tamil Nadu, initiated a project to train women and individuals with disabilities, in tailoring, kitchen gardening, and other income-generating activities.

**1,412**  
People have been benefited through various interventions like below:

- 85 people covered in farm-based training
- 7 in non-farm based-training
- 250 women covered in Mahila Mandal leadership
- 300 villagers covered in eye check-up & gramsabhas
- 400 children covered in Balvihar
- 370 people attended the awareness sessions

### Women Entrepreneurship

- In partnership with **Ayang Trust**, provided training and capacity-building for tribal women in manufacturing traditional bamboo products. Additionally, two new product outlets were established to sell these products. The necessary infrastructure and support were also provided to upgrade training and production centres.

**500**  
Tribal women provided with training

- In partnership with the **Head Held High Foundation**, trained women micro-entrepreneurs and supported other women in starting their businesses.

**75**  
women trained, out of which 46 started their own business

- In partnership with **Nasscom Foundation**, offered digital upskilling to rural women artisans. To enhance the reach of small businesses, women were trained in using online digital payment gateways, accessing government schemes through apps, utilising social media for customer outreach, and leveraging Google tools, among others.

**900**  
Women from Gujarat, Karnataka, and Tamil Nadu trained

### Revival of Traditional Arts & Crafts

- In partnership with **Khamir Trust**, trained potters in the Kutch area in traditional pottery.

**15**  
Pottery makers trained

- In partnership with the **Kalapuri Foundation**, trained women from Malharpheth village, Maharashtra, to manufacture and sell high-quality Kolhapuri Chappals. These chappals use environmentally friendly cork-based granules instead of traditional or synthetic leather. Following the training, all the 50 women artisans are now employed at the center and earning income.

**50**  
Women trained

### Employability for Specially-abled Youth

In partnership with **Samarthanam Trust for the Disabled**, youth with disabilities received skill training in spoken English, computers, and accounting to enhance their employability.

**103**  
Disabled youths received training, of which 39 were successfully employed

#### Other Projects

- In partnership with **Vivekananda Kendra**, supported a livelihood project for women on poultry, goatery, and Azolla farming for cattle feed.

**412**  
People benefitted

- Provided training to Industrial Training Institute (ITI) students from remote villages in IoT technologies and networking to improve their employability, both in Hyderabad in Telangana, and Kanchipuram in Tamil Nadu.



### Sports for the Specially-abled

Inclusive sports programs are vital in promoting the well-being of individuals with disabilities. These initiatives foster mental resilience, belonging, and empowerment. By offering support and equal opportunities, society unlocks the potential of individuals with diverse abilities, enabling valuable contributions.



**152** Students with intellectual disabilities from Navi Mumbai, Maharashtra impacted, of which **21** Students competed in state, national, and international level competitions, winning several medals

- In partnership with **ASTHA**, provided infrastructure support to construct a tennis court specially designed to accommodate individuals with disabilities. The tennis court not only provided an accessible venue for individuals with disabilities to participate in tennis but also promoted inclusivity and equality in sports.
- In partnership with **Swami Brahmanand Pratishthan**, students with intellectual disabilities were trained in 14 sports annually.

### Employee Participation in CSR Activities

Our employees are pivotal in our CSR efforts, dedicating their time and expertise to impactful initiatives. By fostering a culture of social responsibility, we drive positive change within our organization and the communities we serve.



#### EDUCATION

**35** Employee volunteers dedicated **898** hours to teaching online, benefiting **1,136** students

**70** Employee volunteers mentored **70** engineering students, dedicating **615** hours

#### ENVIRONMENT

**30** Employee volunteers from LTTS Vadodara participated in a medicinal tree plantation activity

**60** Employee volunteers from LTTS Mysuru participated in a plastic waste collection drive



### Fostering Social Responsibility and Community Impact

At LTTS, our employees worldwide actively engage in Corporate Social Responsibility (CSR) initiatives, embodying our commitment to social responsibility. By participating in various community service activities, our team members contribute to the well-being of the communities we serve. These CSR activities foster a sense of purpose and pride among our staff and strengthen our relationships with local communities, reflecting our core values of compassion and social responsibility.



**Peoria, IL - Toys for Tots Toy Sorting:** LTTS employees sort toys to bring holiday joy to needy children.



**Peoria, IL - Love Beyond Hunger via Salvation Army:** LTTS team members support the Salvation Army's efforts to combat hunger.



**Peoria, IL - Fresh Food Drive via Local Food Pantry Network:** Employees gather fresh food donations for local pantries.



**Plano, TX - Toy Donation Drive:** During Christmas week, employees collect and donate toys to the Salvation Army to brighten children's holidays.



**Edison, NJ - Visiting a Local Assisted-Living Home:** Employees visit and engage with senior citizens, enriching their daily lives with meaningful interactions.



**Edison, NJ - Annual Holiday Donation Drive:** Employees donate toys, clothes, and food to support needy families, promoting the spirit of giving.

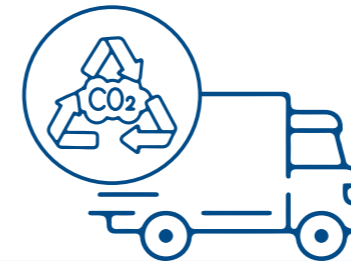


**San Jose, CA - Second Harvest Food Bank:** LTTS volunteers pack food for distribution, ensuring food security for vulnerable populations.

## Vendors

At LTTS, sustainable sourcing constitutes the foundation of our Supplier Code of Conduct (CoC). Our vendors are required to adhere to this CoC, which covers a range of critical aspects across environmental preservation, GHG emission reduction, waste management, regulatory adherence, cybersecurity, data privacy, and the safeguarding of human rights. Practices like forced labor, child employment, and discrimination are strictly prohibited at LTTS, reflecting our Zero Tolerance policy towards such issues. We remain steadfast in our commitment to mitigating any significant negative environmental and social impacts throughout our value chain.

We actively collaborate with our suppliers, especially smaller and local entities, to tackle potential and identified obstacles and bolster their sustainability endeavors. Our support extends to tailored health, safety, and environmental training sessions, along with well-being camps aimed at facilitating their progress. Our dedication is further underscored by our certification for social accountability compliance (SA 8000) and the regular auditing of key suppliers. LTTS also extends focused assistance to OEMs and Tier 1 suppliers in achieving functional and process safety compliance (ISO 26262), championing the progression of their software-intensive offerings.



**30.6%**  
Direct sourcing from MSMEs/ small producers



NATURAL CAPITAL

# Leading Sustainable Innovations for the Future

At LTTS, our commitment to sustainability drives us to pioneer innovative solutions that harmonize progress with environmental responsibility. As we engineer new frontiers, we embed sustainability into the core of our operations, aligning with global best practices and adhering to stringent compliance and governance standards. We are dedicated to continuous improvement and innovation, ensuring our solutions meet today's needs while paving the way for a brighter tomorrow.

Together, we are accelerating a sustainable future where innovation meets responsibility, fostering a world where technology and environmental stewardship go hand in hand.



MATERIAL TOPICS



SDG LINKAGES



GRI INDICATORS MAPPED

302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5

OUR GOALS

**Reduce absolute Scope 1, 2, and 3 emissions by 37.8% by 2030, as pledged to SBTi**

**Achieving carbon and water neutrality by 2030 in our operations**

## Approach to Sustainability at LTTS

At LTTS, we foster a culture of responsibility by conducting periodic awareness programs and training sessions for our workforce, instilling a sense of environmental stewardship within our business. This behavior is reinforced by establishing, monitoring, and reviewing our environmental objectives and targets. By prioritizing employee education and accountability, we ensure that environmental consciousness is deeply embedded in our organizational ethos.

## Engineering a Resilient and Sustainable Tomorrow

With a focus on integrating sustainability in our products, operations, and digital solutions, LTTS is dedicated to becoming the preferred engineering partner for customers striving to achieve their Net Zero Goals. By collaborating with clients and utilizing our engineering expertise and innovative mindset, we drive sustainability across various industries, contributing to a greener future.



### CIRCULAR PRODUCT DESIGN

We ensure sustainability is incorporated from product inception to deployment through services encompassing circular product designing, engineering, packaging, and consulting for green product compliance and environmental impact monitoring.



### ENERGY TRANSITION AND MANAGEMENT

We help businesses transition from traditional to renewable energy sources. Our services include designing renewable energy systems, digital energy management solutions, and energy storage technologies.



### CLIMATE ACTION

By incorporating climate saving measures in industrial processes, our investments include Material Testing Center, Smart Water Management, Green Hydrogen Lab, and Battery Testing.



### WATER AND WASTE MANAGEMENT

Utilizing our technological expertise, we deliver concept design, detailed engineering, and intelligent solutions for effective water and waste management.



### DIGITAL AND SMART MANUFACTURING

Our solutions automate manufacturing processes, develop eco-friendly alternatives, and manage water, waste, and renewable energy. Tools like UBIQWeise 2.0, Avertle, and fleet management systems support industrial sustainability.

## Company-wide Policies and Initiatives

- Health, Safety, and Environment (HSE) Policy
- Social Accountability (SA) Policy

## Implementation of Policy Initiatives

- Dedicated HSE teams in all facilities

## Policy Initiatives

- Renewable Energy Usage
- Adoption of Energy Conservation Measures
- Water Conservation and Recycling
- Efficient Waste Management through Reuse and Recycling

Through these comprehensive initiatives and policies, LTTS is committed to driving sustainability and fostering an environmentally conscious culture across all levels of the organization.

## Advancing Green Building Standards



At LTTS, we prioritize sustainability through energy-efficient systems and sustainable materials, with an aim to reduce our carbon footprint. Our Powai, Mumbai buildings have achieved LEED Platinum certification from the US Green Building Council, and our Vadodara buildings are certified by the Indian Green Building Council (IGBC) with LEED certification. We actively reduce emissions and mitigate our environmental impact by promoting energy efficiency, optimizing resource use, and minimizing waste.

## Green IT Initiatives



At LTTS, we are committed to IT sustainability and have taken significant steps to manage data center energy consumption. We have implemented Wake-on-LAN to reduce power usage, optimized server rack cooling, and choose energy-star-compliant hardware. By migrating on-premise workloads to the cloud, we saved on cooling and UPS power. Efficient cooling systems like hot and cold aisle containment and the optimization of Windows Virtual Desktop further reduced power consumption by half. These initiatives not only benefit the environment but also enhance our business efficiency.





### Sustainable Sourcing at LTTS

At LTTS, sustainable sourcing is a cornerstone of our Supplier Code of Conduct (CoC). We require all vendors to adhere to our CoC, which encompasses critical parameters such as environmental protection, GHG reduction, waste management, regulatory compliance, and human rights. Our practices explicitly prohibit forced labor, child employment, and discrimination, ensuring no significant adverse environmental and social impacts from our value chain.

### Supplier Engagement and Support

We actively engage with suppliers, particularly small and local businesses, to address challenges and optimize their sustainability efforts. We provide focused health, safety, and environmental training and well-being camps to support their growth and development.

By embedding these practices into our operations, LTTS is committed to fostering a sustainable and responsible supply chain, ensuring that our sourcing strategies contribute positively to the environment and society.



**23,384 GJ**  
Total energy consumption through renewable sources

**78,578 GJ**  
Total energy consumption through non-renewable sources

**0.18**  
Scope 1+2 Energy Intensity (in MTCO<sub>2e</sub> per million INR revenue)

### Energy Consumption

At LTTS, we are committed to enhancing energy efficiency across our operations to reduce environmental impact and ensure cost-effectiveness. Our energy initiatives focus on optimizing lighting and cooling while increasing energy sourcing share from renewable energy sources like solar and wind power. Our Chennai and Airoli offices exemplify this commitment by sourcing majority of their electricity requirements from renewable sources. We aim to lead in energy efficiency and contribute to a sustainable future by continually adopting advanced technologies and sustainable practices.

| Key Suggested Indicators   | FY24               |
|--|--------------------|
| Total energy consumption through renewable sources                               | <b>23,383.9 GJ</b> |
| Total energy consumption through non-renewable sources                           | <b>78,577.5 GJ</b> |
| Energy Intensity (in GJ per million INR revenue)                                 | <b>1.06</b>        |
| Reduction in energy consumption from non-renewable sources of energy (over FY23) | <b>7.4%</b>        |

### Emissions Reduction

At LTTS, reducing Greenhouse gas (GHG) emissions is a critical focus. Our efforts include increasing the purchase of renewable energy and utilizing our advanced technological capabilities to achieve our emission reduction targets. Through these initiatives, we aim to lower our carbon footprint and promote a sustainable future.

**5,306.9**

Avoided CO<sub>2</sub> using renewable energy (in MTCO<sub>2</sub>e)

**22.2**

Saved CO<sub>2</sub> emission by energy-efficient measures (in MTCO<sub>2</sub>e)

**63**

Fugitive emissions (in MTCO<sub>2</sub>e)

**7.4%**

Emission reduction from FY23

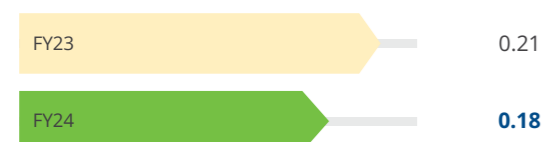
#### TOTAL S1 + S2 EMISSIONS



#### OTHER INDIRECT (SCOPE 3) GHG EMISSIONS



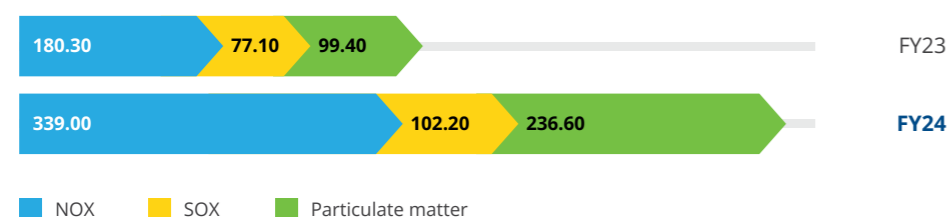
#### GHG EMISSIONS INTENSITY (S1 + S2)



#### GHG EMISSIONS INTENSITY (S3)



#### STACK EMISSIONS (KG/YEAR)



### Water Management

At LTTS, we prioritize responsible water use and have committed to achieving water neutrality by 2030. Our offices are equipped with Sewage Treatment Plant (STP) facilities to recycle and reuse water, ensuring compliance with respective Pollution Control Boards. We strive to reduce water consumption by installing water-saving appliances across our organization and promoting water conservation awareness amongst employees.

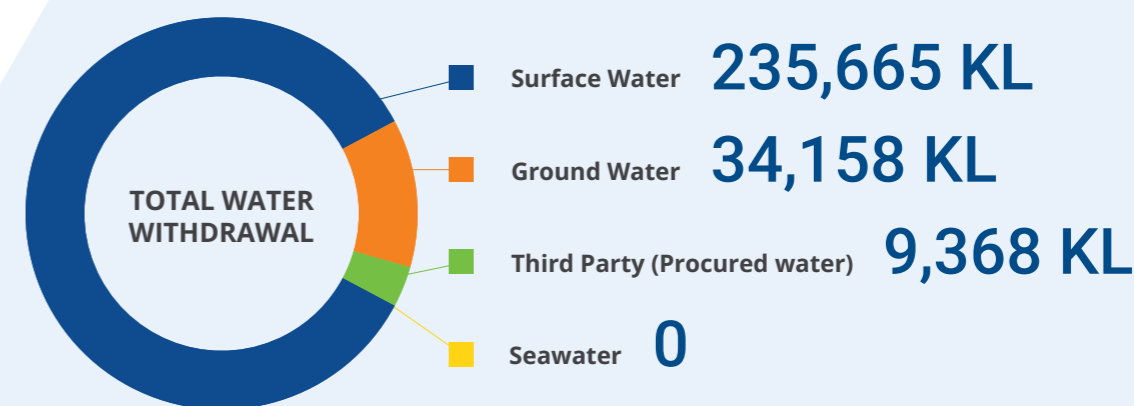
Our campuses in Vadodara and Mysuru feature rainwater collection systems, which we use for flushing, road cleaning, gardening, and facility cleaning. Additionally, we have implemented rainwater percolation trenches to replenish groundwater and minimize runoff, reinforcing our commitment to sustainable water management practices.

**279,191 KL**

Total volume of water consumption

**127,495 KL**

Water recycled



**1,344**

Water discharged to municipal sewers (in KL)

**2.89**

Water consumption intensity (KL per million INR of turnover)

## Waste Management

**48.1 MT**  
Waste recycled

At LTTS, we prioritize responsible waste management to conserve resources and reduce emissions. Our ISO 14001:2015 certified offices in India adhere to the 6R principles: Rethink, Reduce, Reuse, Recycle, Refuse, and Repair.

In FY24, we recycled 12.8 MT of paper waste, exchanging them for recycled printing paper. Our organic waste composter processes wet waste from campus cafeteria. Hazardous waste, primarily e-waste and inverter batteries, is safely disposed off through government-authorized vendors.

We actively educate and engage employees to innovate in waste recycling, reinforcing our commitment to sustainability.

## Sustainability in Action at LTTS

### SUSTAINABILITY INITIATIVES AT MYSORE CAMPUS

Our Mysore campus is dedicated to environmental sustainability through proactive water and energy conservation measures, waste management, and green technology implementation.

#### ENERGY EFFICIENCY

Installation of LED lighting, smart controls, and energy-efficient appliances, resulting in energy savings of 27,180 kWh.

#### REFRIGERANT REPLACEMENT

Phase-wise replacement of R22 refrigerant systems.

#### ECO-FRIENDLY TRANSPORTATION

We promote eco-friendly commuting by encouraging cycling and walking. To support this, we have invested in bicycles for campus use and enhanced pathways for relaxation and leisurely strolls.

#### WASTE REDUCTION AND RECYCLING

Through an automatic organic waste composter equipped with built-in shredding and curing capabilities, we effectively process and recycle the wet waste generated from our campus juice junctions and coffee vending machines.

#### OTHER INITIATIVES

- **FarmNeering:** Growing vegetables on campus.
- **Arogya Vana:** Creating pebble paths and infinity pathways for relaxation amidst nature.

### SUSTAINABILITY INITIATIVES AT VADODARA CAMPUS

Our Vadodara campus has implemented several energy efficiency measures, including:

- **Natural Air Circulation:** Installed turbo ventilators in utility rooms, eliminating the need for exhaust fans.
- **Natural Illumination:** Installed sky-lighter sheets in utility rooms to utilize natural daylight, reducing the need for artificial lighting.
- **Energy Efficiency:** Implemented LED lighting and energy-efficient appliances to reduce energy consumption and costs.

These are few initiatives that reflect our commitment to sustainability and environmental stewardship across our campuses.



# 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

**Mr. Alind Saxena**  
President, Sales 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

**Ms. Aruna Sundararajan**  
Independent Director

## Chief Financial Officer

**Mr. Rajeev Gupta**

## Company Secretary

**Ms. Prajakta Powle**  
(upto April 30, 2024)

**Mr. Prasad Shanbhag**  
(appointed w.e.f. May 1, 2024)

## Auditors

**M/s. MSKA & Associates**

## Registrar & Share Transfer Agent

KFin Technologies Limited  
(www.kfintech.com)

## 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

# Management Discussion and Analysis



(ADAS), and Autonomous Drive (AD), and is expanding its capabilities in the Software Defined Vehicles (SDV) domain. With global spends on Automotive ER&D set to exceed USD 238 Billion by 2026, LTTTS is looking to strengthen its presence by leveraging emerging technologies around AI and enhanced cybersecurity.

In the Trucks and Off-highway segment, LTTTS leverages over a decade of experience in providing cutting-edge services to customers and driving new success paradigms across sectors including Construction and Mining, Cranes, Commercial Vehicles, Agricultural Equipment, Powersports, and Polymers.

In Aerospace, the Company's comprehensive offerings suite includes aero engines, aero structures and systems, avionics, air traffic management systems, and digital transformation initiatives. By partnering with leading Aerospace OEMs and Tier 1 manufacturers, LTTTS not only ensures significant Return on Investment (ROI) for its customers, but also helps in meeting stringent compliance standards and consistently elevating product quality over time.

**Industrial Products: Redefining Success for 7 of the Top 10 Manufacturers**

LTTTS Capitalizes on its extensive multi-domain expertise across software, hardware, and mechanical engineering to cater to an expanding global industrial products customer base globally. The Company's growing footprint is evident across such key areas including building automation, energy management, and machinery design. As worldwide ER&D spends expand across the domain, driven by the adoption of AI, LTTTS is well poised to adopt to the emerging opportunities in the USD 93 Billion market projected by 2026.

With its deep knowledge of the worldwide business dynamics and evolving technology paradigms, LTTTS also guides customers toward alternative sourcing strategies in the evolving economic landscape. The approach is complemented by a keen focus on digital manufacturing processes and practices, involving comprehensive digital transformation efforts, for enabling businesses to fully leverage the growth avenues unlocked by Industry 4.0.

**Telecom & Hi-Tech: Engineering Next-Gen Transformation Paradigms for 8 of the Top 10 Technology Leaders**

The Telecom & Hi-Tech segment for LTTTS includes five major domains – Telecom, Consumer Electronics, Semiconductors, Independent Software Vendors (ISVs), and Media & Entertainment (M&E). With the global market for these areas set to exceed USD 300 billion by 2024, LTTTS' engineers are leveraging emerging technology paradigms, including AI, SDX, and cybersecurity, to unlock new value paradigms for global customers.

# Management Discussion and Analysis



## 1. BUSINESS PROFILE

**Overview:**

L&T Technology Services Limited (LTTTS) is a global leader in Engineering Research and Development (ER&D) services. The Company offers end-to-end consultancy, design, development, and testing across product and process lifecycles. With its deep expertise across software, digital engineering, embedded systems, engineering analytics, and plant engineering, LTTTS delivers transformative value journeys for its customers worldwide, driving revitalized operational and business success paradigms.

Headquartered in India, LTTTS has over 23,800 employees spread across 22 global design centers, 28 global sales offices and 104 innovation labs as of March 31, 2024. The Companies' global footprint covers

25 countries across all key geographies, catering to an impressive global clientele encompassing 69 Fortune 500 companies and 57 of the top ER&D firms across key sectors, including, Transportation, Industrial Products, Telecom & Hi-tech, Plant Engineering, and Medical Devices.

LTTTS continues to be at the forefront of cutting-edge innovation, partnering with leading technology majors and hyperscalers to enable next-gen solutions and offerings across emerging domains, including AI, Software Defined Everything (SDx), and Cybersecurity. These collaborations focus on streamlining new product development, enhancing remote asset management, enabling robust sustenance paradigms, and advancing virtual product design as well as prototyping.

At the start of the fiscal year, LTTTS completed the acquisition of the Smart World and Communication Business Unit from its parent company, L&T. This merger has introduced new strengths and capabilities across Sustainable Smart Spaces, Next-Gen Communications, and Cybersecurity, gaining significant attention from LTTTS's international clientele. The positive effects of this strategic move were highlighted in a landmark USD 100 million contract for delivering state-of-the-art cybersecurity solutions, and underscore LTTTS' commitment to innovation and excellence in serving its customers.

LTTTS is active across the following verticals:

**Transportation: Accelerating Transformative Growth Journeys for 8 of the Top 10 Global OEMs and Tier 1's**

LTTTS offers specialized Transportation engineering services that empower global OEMs and Tier 1's to accelerate market entry, foster cutting-edge innovation, and drive sustained business excellence. The Company focuses on Electric Vehicle (EV) technologies, Advanced Driver Assistance Systems

The Company leverages its extensive ER&D and New Product Development (NPD) capabilities for enabling major telecom OEMs and CSPs to unlock value from private networks and 5G rollouts for business applications. The strategic acquisition of L&T's Smart World and Communication unit (SWC) has also helped enhance the Company's robust offerings in the NexGen Comms space by enabling revitalized network architecture, orchestration, and management capabilities.

In the semiconductor domain, LTTS works closely with leading global technology majors and chip manufacturers to enable new age success paradigms across hardware systems design, platform software development, chip development, verification and validation, connectivity, storage, and customer engineering facilities. The Company's offerings also include cutting-edge VLSI services, application engineering, cloud engineering, platform development and migration, product uplift, support, and sustenance, and testing as well as certification solutions.

In M&E, LTTS partners with leading global media technology leaders in driving cutting-edge product engineering, conceptualization, design and development, testing and certification, manufacturing support, maintenance, and value engineering.

LTTS continues to explore and expand its robust and extensive partnership ecosystem with key OTT majors to Capitalize on the ongoing momentum emerging as a result of the shifting global media consumption patterns.

#### **Plant Engineering: Revitalizing Operational Excellence for 7 of the Top 10 Global Organizations**

The Company's comprehensive chip-to-cloud capabilities – from design and engineering to project management – help drive delivery, maintenance, and sustenance of bespoke solutions for a global Plant Engineering clientele. With its focus on Engineering, Procurement, and Construction Management (EPCM), the Company supports every phase of a plant's lifecycle management through its industry-leading consulting-driven approach and multi-geography Value Engineering Centers.

In the rapidly evolving Plant Engineering ecosystem, LTTS plays a key role in aiding manufacturers worldwide to modernize and revamp their traditional operation paradigms through the deployment of smart platforms, cutting-edge connectivity, and deep integration services. The Company's offerings, across AI/ML, AR/VR, and digital twins help redefine legacy processes, drive transformative business outcomes, and signify its commitment to leading the digital transformation journey across the Plant Engineering landscape.

Catering to a broad spectrum of industries, including Consumer Packaged Goods, Chemicals, and Energy & Utilities, the Company's Plant Engineering vertical continues to combine transformative digital engineering with deep innovation excellence to ensure sustained avenues of growth and business success for its global clientele. With ER&D spends in the domain projected to exceed USD 90 billion by 2030, LTTS is aligned with global customer expectations to drive new success paradigms leveraging emerging frontiers like AI and enhanced cybersecurity.

#### **Medical Devices: Enabling Cutting-Edge Wellness and Experiences with 3 of the Top 5 Global Healthcare Leaders**

Leveraging over three decades of industry presence in combination with cross-vertical engineering expertise, LTTS works closely with the Top 10 global healthcare providers and device manufacturers. The Company helps enable remote medical care, ensure regulatory compliances and approvals (QARA), transform in-vitro diagnostics, drive new age AI-enabled solutions and surgical services, facilitate software-defined wellness journeys, and streamline the growing adoption of the Medical Internet of Things (MIoT).

LTTS' digital engineering capabilities play a leading role in helping accelerate product development life cycles, optimize go to market journeys, and unlock sustained value engineering paradigms. This includes such key areas as chronic disease management, remote monitoring, decision support, clinical workflow optimization, care collaboration portals, and health monitoring platforms.

With global ER&D spends on medical devices and offerings set to exceed USD 96 billion, LTTS today continues to redefine the current medical product design methodologies with its cutting-edge digital technologies, solutions, platforms, and offerings, including AI-enabled and AI-powered solutions. This is helping ensure a robust and sustained business success journey across reliable regulatory compliance, best-in-class quality, and revitalized operational paradigms.

## **2. BUSINESS ENVIRONMENT**

The rise in ER&D intensity across sectors is driving new growth opportunities. Nasscom estimates that total global ER&D spend could well exceed USD 3 Trillion by 2030. With the Automotive, Software, and Healthcare & Medical Devices sectors set to account for about half of this spending, high growth areas like Telecom, Semiconductors and Software will continue to register double-digit CAGR from 2023 to 2030 and drive the next frontiers of growth.

Stickier ER&D spending, led by continued investments in future products and a sustained rise in demand for digital engineering and offshoring services, is expected to drive the growth of the Indian ER&D sector as well.

While current Nasscom estimates indicate the US to be the largest ER&D spender at about USD 550 Billion, trends suggest a sustained rise of markets across the EU and Asia-Pacific regions.

Estimates from Zinnov also corroborate this trend, and further predict a 2X rise in Digital Engineering spends by 2026, at over USD 1.6 Trillion.

The sustained rise in digital ER&D spending is expected to be shaped by the growing global attention on the development and adoption of Generative (Gen) AI. Estimates indicate that the industry attracted funding to the tune of approximately USD 14 Billion between 2018-2022, a rate that is only set to accelerate with the accelerated roll out of Gen AI applications across segments. LTTS is focused on unlocking new value paradigms for its stakeholders in the evolving scenario, and has already upskilled over 3,000 engineers in this new growth area.

As the dynamics of the global ER&D landscape evolve, we must continue to reassess its key drivers, including the continued availability of talent, new partnerships and alliances, and revitalized compliance with laws and regulations. This would help ensure continued business success in a dynamic ecosystem.

Driven by its key differentiators around multi-vertical domain expertise, value-maximizing customer-centric innovations across major industry segments, and a robust network of alliances across emerging technologies including AI and SDX, LTTS continues to be well poised to navigate the evolving landscape.

## **3. MAJOR ACHIEVEMENTS**

During the year, LTTS had multiple major deal wins across all its verticals. Large deal bookings were led by a marquee USD 100 million win, a USD 50 million and USD 40 million engagement, and more than twenty USD 10 million projects (including several in the range of over USD 15 million and USD 20 million).

#### **Key Deal Wins**

##### **Transportation**

- Selected by a leading Aerospace & Defense OEM for a 3-year, USD 15 million engagement covering engineering services for avionics, including simulation.
- Engaged by a leading Agricultural and Construction equipment maker to help set up a 100-member Offshore Development Center (ODC) in India.
- A new engagement from a leading European automaker to provide engineering design, vehicle platform software, electrification, and propulsion computer-aided engineering.

- Onboarded by a major North American automotive OEM to assist in their software-defined vehicle initiatives, encompassing digital cockpits, ADAS, AI, and connected platforms across multiple regions in North America, Europe, and India.
- Chosen as a strategic engineering partner by a global automotive parts supplier for 3 of its major business units, encompassing, electrical distribution systems, electronics and instrumentation, and components.
- A multi-year contract from an American electric vehicle OEM to provide support in body engineering and interior design engineering for their upcoming generation of EVs.
- A Leading Aerospace & Defense customer has selected LTTS as a partner for setting up a CoE for Field Programmable Gate Arrays (FPGA) & DO254 work in USA to support their ongoing and new programs over the next 3 years.
- A leading Tier 1 automotive supplier has awarded LTTS a large engineering deal to set the stage for delivering ultra-low emission solutions to global customers.
- An European automotive components maker has entrusted LTTS with ownership of all its electronics programs related to telematics, in-vehicle infotainment/cockpit, clusters & traditional body executed across EMEA, Japan, and the NAFTA regions.
- Chosen as the preferred partner by a prominent aerospace and defence company for its In-Flight Entertainment (IFE) systems for the next 4 years.

#### **Industrial Products**

- Design, implementation and support of application software of meter data management, prepaid system, energy analytics and integration services for a leading smart metering and digital solutions customers covering 11 million end users.
- A multi-million dollar deal with a leading European renewables OEM to deliver Industry 4.0 and Digital PLM services.
- Long-term service contract for supply chain optimization, leveraging value engineering, should costing, smart sourcing and improving manufacturing efficiency for a global leader in residential and commercial climate solutions.

#### Telecom & Hi-Tech

- Secured a USD 50 million engagement with a global technology major to enable new opportunities for digital video platforms, enhancing the customer's flagship suite of products, including its cloud native portfolio, and driving new levels of automation and optimization.
- Selected by a leading US technology major to provide post silicon validation services for their upcoming Server Derivative Chips which will be used to power hyperscalers for data centers.
- Working with a leading 5G wireless connectivity solutions provider for establishing a 5G Center of Excellence, to provide support in RF design, hardware, signal processing algorithms, and systems engineering.
- For a leading semiconductor company, LTTs will be providing full stack engineering services, including Design For Testability (DFT) and Design Verification (DV), for a range of the customer's System on Chip (SOC) and Intellectual Property (IP) designs.
- A first-of-its-kind marquee program in India, worth about USD 100 million, from the Maharashtra State Cyber Department, under the Government of Maharashtra, for developing secure, digitally interconnected smart and safe cities through premier cybersecurity and Digital Forensic solutions consolidated under one umbrella.

#### Plant Engineering

- Finalized a landmark, multi-year engineering services partnership with bp plc. to leverage LTTs' over two decades of experience in engineering, manufacturing services, digital and enterprise data management, and low carbon initiatives.
- A multi-year deal with a global oilfield services provider to set up a software center of excellence in India for driving their digital transformation journey.
- An engineering managed services project from a leading European fragrance, flavor ingredients, and nutrition maker, to support the execution of its Capex program in France and Switzerland for driving greater flexibility, better agility, and a faster time to market.
- Awarded a multi-year, multi-million dollar plant engineering contract from a global Agri food company to provide engineering design services for a new plant in Netherlands.
- A Netherlands-based energy major has empanelled LTTs to provide plant engineering services for their global assets across all refineries and new energy projects.

- Secured a multi-year contract for a greenfield specialty chemical plant in the Middle East from a leading regional petrochemical manufacturer, covering Re-FEED, Engineering, Procurement, and Construction Management.
- Selected as strategic partner to oversee the global PLM landscape across transformation, development, and 24x5 infrastructure support for a leading HVAC and refrigeration solutions provider.

#### Medical Devices

- Chosen as a partner by a leading healthcare technology provider for large scale part to print verification activities for medical device parts by leveraging diverse measurement systems.
- Selected by a leading global healthcare as its test engineering partner, for next gen platform development, integration, and a faster time to market.
- Design and development of a next-gen Digital Surgery Platform for a major global healthcare company, including R&D support to onboard the customer's robotics, surgical and operative devices onto the platform to deliver enhanced experiences and outcomes for patients.

### 4. SIGNIFICANT INITIATIVES

LTTs has continued to invest considerable time and effort in strategic initiatives that will propel its technology footprint, engineering infrastructure, and human resources, with the objective of providing a differentiated experience to its customers. These include:

- Collaboration with NVIDIA to unveil Gen AI and advanced Software-Defined Architecture for Medical Devices.
- Becoming a Palo Alto Networks Managed Security Services Partner (MSSP) for delivering a suite of security services to end customers across industrial verticals.
- Partnership with Google Cloud to harness the power of its Gen AI technologies and tools for the development of DevX, LTTs' Developer Experience Platform.
- Alliance with Amazon Web Services (AWS) to help global automotive manufacturers accelerate the transition towards SDVs leveraging Gen AI.
- Collaboration with the nasscom GenAI Foundry to stimulate the growth of Gen AI startups.
- Strategic alliance with AT&T's Connected Climate Initiative (CCI) to work toward the collective

emissions reduction commitment and help enable companies to make sustainable business decisions. CCI is a collaborative effort that works on connectivity-based solutions to reduce greenhouse emissions by 1 gigaton by 2035.

- Expanding presence across India delivery centers, including, Vadodara, Chennai, and Bangalore (new campus inaugurated with a capacity to host 4,000 engineers).
- Strategic partnership with Bharat Sanchar Nigam Limited (BSNL) to drive and enable global enterprises in their private 5G network deployments.

### 5. ENVIRONMENT, HEALTH, AND SAFETY

LTTs has a vision of "Engineering a sustainable tomorrow through technology and innovation." We are committed to the creation of a sustainable world by minimizing environmental impact, maximizing social outreach, and offering sustainability focused solutions. As part of our commitment to the environment, LTTs is undertaking various focused initiatives around water and energy conservation, besides expanding its social outreach. This includes:

**Reviving Natural Ecosystems:** As part of its Social Responsibility mandate, LTTs is restoring degraded patches of forest in Bandipur Tiger Reserve in Karnataka. This has led to large animals like elephants returning to their natural habitat.

**Holistic Rural Development:** In panchayats of Tiruvallur, Tamil Nadu, community members, especially the women members are being trained in farm and non-farm-based skilling activities. Post these trainings, the community members have begun to earn an additional income.

**Revamping Public Spaces:** A neglected and degraded space below a flyover opposite to the RGA Tech Park in Bengaluru was restored under a unique Chess theme. The project hinged on the principle of "Reduce-Reuse and Recycle". Old paver blocks were used to create walkways and footpaths, the chess pieces were made from discarded plastic & metal waste and the entire landscape has been designed to minimize water usage.

**Strengthening women artisan using environment friendly raw materials:** LTTs' provided the women artisans of Malharphat village, Kolhapur with training, a tool kit, and eco-friendly raw materials. The first batch of 25 women artisans successfully completed training in producing standardized and high-quality Kolhapuri footwear using environmentally friendly

cork-based granules as a replacement for traditional leather or synthetic leather.

**Integrated Village Development Project:** In the draught-prone area of Beed, Maharashtra, an Integrated Village development project has been implemented by LTTs focusing on watershed management, improved agricultural practices, and the empowerment of community institutions like Self Help groups and Farmer Producer Organizations. As part of this initiative, the old electricity-based pumping station in the village has been replaced with a solar powered water pumping station.

### 6. ENTERPRISE RISK MANAGEMENT

#### LTTs' integrated approach to risk management:

Enterprise Risk Management (ERM) is integral to LTTs strategy for achievement of long-term goals. Risk Management in LTTs has evolved to navigate the variations and challenges that could potentially impact LTTs' multi-geography operations.

#### Risk Management Policy and Risk Management Framework at LTTs:

LTTs has implemented a robust Risk Management Policy (RMP) and Risk Management Framework (RMF) for the assessment, monitoring, and treatment of enterprise level risks. The RMP and RMF are administered across the organization by the Enterprise Risk Management (ERM) team, established as per terms of reference of the Risk Management Committee (RMC). The RMF adopted by LTTs is aligned with globally accepted risk management frameworks. The philosophy of risk management is to enable the achievement of the company's strategic objectives by identifying, analyzing, assessing, mitigating, monitoring, preventing, and governing any risks or potential threats.

#### Risk Management: Strategic Partner

Risk Management is a decision enabler which instills a consistent approach for risk-based decision making. It is a strategic partner that enables leadership in improved decision making by performing a pre-assessment of potential outcomes, associated key risks, etc. Through diligent efforts and strategic approach, risk management at LTTs is considered as an enabler that enhances business value.

#### Risk Assessment

For effective rollout of risk management program, risks assessments are performed across multiple levels viz. enterprise, business unit, customer account and project levels.

Our approach to risk management is designed to provide reasonable assurance that the risks facing the business are being assessed and mitigation plans are deployed, and all information that may be required to be disclosed is reported to senior management and Board Committees including, where appropriate, the Chief Executive Officer, Chief Financial Officer, Audit Committee, and Risk Management Committee.

**LTTS' Risk Appetite:**

The Risk Appetite statement acts as a guidepost on the level, scale and range of risk that can be accepted to meet corporate goals. The Risk Appetite statement of LTTS is part of the Risk Management Framework.

Determinants of Risk Appetite: Risk appetite thresholds are the quantitative or qualitative benchmarks that are determined in conjunction with departmental goals and performance indicators of respective departments. These thresholds are dynamic and determined by combination of factors, such as LTTS' strategy, mission, and vision, regulatory environment, risk culture, key risks and impact, business and industry segments, etc.

Monitoring of Risk Appetite: The risk appetite thresholds are monitored on a regular basis by respective risk owners i.e. Business unit, Delivery unit and enabling functional teams, in alignment with their respective roles and responsibilities. ERM monitors the appetite of key risks on a quarterly basis.

The key risks for the Company, and the mitigation plans for the same, are listed below:

| # | Key Risks   | Mitigation   | Capitals Impacted     |
|---|---|--|-----------------------|
| 1 | <p><b>Information and Cyber Security:</b><br/>The breadth and complexities of digital ecosystem continues to grow with the fast-evolving technological landscape, remote workforce, usage of emerging technologies, cloud, artificial intelligence, etc. Such complexities can result in the increased risk of cybersecurity threats, security vulnerabilities and cybersecurity incidents which can further lead to business disruptions, impact client service delivery, unauthorized disclosure of sensitive information, etc.</p> | <p>LTTS' Information Security policies are based on industry best practices and leading security frameworks, with a continuous reinforcement of security controls to ensure the confidentiality, integrity, and availability of information assets.</p> <p>LTTS has implemented a comprehensive Information Security Management System (ISMS) across the company to ensure cybersecurity preparedness. Employees undergo a mandatory ISMS training followed by assessment on yearly basis for building positive security culture and behaviour.</p> <p>Established managed defense, security monitoring and incident response process to detect and respond to cybersecurity threats and incidents. Regular assessment and adjustment of security controls, processes to identify and mitigate cybersecurity risks.</p> <p>Information and cybersecurity program is an integral part of LTTS' corporate governance and risk management structure. This program consists of multiple factors including comprehensive governance program across the company, multi-layered controls, ISMS Standard 27001:2013 and TISAX certification, etc.</p> <p>Cyber insurance is purchased, to protect and safeguard LTTS against any potential damages that may arise from cybersecurity incidents and breaches.</p> | FC<br>SRC<br>HC<br>IC |

**LTTS' Risk Categorization:**

LTTS' risk categorization is a systematic process of classifying risks together into common categories, enabling a structured overview. Risk categorization helps to provide structured approach in risk identification, determination of common risk causes, developing consistent mitigation plans, focused risk discussion with specific risk category owners, etc.

LTTS' risk management framework includes the following risk categories and appropriate risk indicators are used to identify these risks.

**Strategic Risk:** Risks that make it difficult to achieve strategic objectives and goals. (e.g., geopolitical risk, technological disruptions, disruptive business models, etc.)

**Operational Risk:** Risks and challenges faced by Business Units (BUs) and enabling functions in regular course of business. (e.g., risk related to cybersecurity, data privacy, contractual non-compliance, people risk including human rights, etc.)

**Financial Risk:** Risks such as inefficient utilization of financial resources, currency fluctuation risks, credit risks, liquidity and funding challenges, etc.

**Compliance Risk:** Risks arising out of non-compliance with applicable laws and regulations such as Immigration laws, Taxation laws, Data Privacy laws etc.

| # | Key Risks   | Mitigation   | Capitals Impacted     |
|---|---|--|-----------------------|
| 2 | <p><b>Data Privacy:</b><br/>Risks of non-compliance with existing and emerging data privacy laws and risk of non-compliance with data privacy contractual obligations with third parties across geographies and jurisdictions where LTTS operates</p>   | <ul style="list-style-type: none"> <li>LTTS has developed a structured global data privacy framework to manage the current and emerging data privacy compliance requirements.</li> <li>The shifts in regulatory paradigms are addressed by robust data privacy compliance practices and Data Privacy policies and procedures are implemented and timely updated.</li> <li>Periodic privacy audits are performed jointly with external consultants.</li> <li>Privacy awareness programs are implemented which includes privacy emailers, training, privacy quiz, etc.</li> <li>LTTS has implemented a personal data breach response and mitigation plan in alignment with applicable data protection laws.</li> <li>LTTS has embedded privacy by design as a backbone for new systems and applications.</li> <li>Data Protection Office works to ensure that LTTS is well-equipped with required adeptness to cater to ever unfolding regulatory behest.</li> </ul>   | FC<br>HC<br>SRC<br>IC |
| 3 | <p><b>Revenue concentration:</b><br/>Concentration of revenue in key geographical markets and key customers leading to dependency</p>   | <ul style="list-style-type: none"> <li>Senior leadership regularly monitors the concentration risk periodically using parameters such as percentage of revenue contribution by geography, revenue contribution from Top 5/10/20 clients.</li> <li>The integration of L&amp;T's Smart World &amp; Communication business into LTTS has further helped to dilute the concentration percentages</li> <li>Leadership level connects with top clients to ensure healthy customer engagement and percentages.</li> <li>Customer feedback surveys like CSAT, etc. are conducted to ensure client satisfaction.</li> </ul>   | FC<br>SRC             |
| 4 | <p><b>Risk of non-availability of skilled talent:</b> Challenges in attracting and retaining skilled manpower i.e. manpower with niche skills, and high attrition rates in certain areas which impacts business growth, increases operational costs, impacts delivery capabilities, leads to client dissatisfaction, causes reputational damage, etc.</p> | <ul style="list-style-type: none"> <li>The HR team at LTTS regularly monitors the attrition rates. Review of monthly trend and pattern analysis of attrition rate is performed and also benchmarked with comparable industry peers.</li> <li>LTTS deploys a variety of initiatives to attract, engage and retain its skilled talent pool and to enhance the overall work experience. E.g. of these initiatives includes learning and development programs for employees, rewards and recognition program, offering technical career growth opportunities, other programs such as long service awards, executive certification program, diversity initiatives for women workforce, etc.</li> </ul>  | FC<br>IC<br>HC<br>SRC |
| 5 | <p><b>Evolving and disruptive technologies:</b> 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.</p>   | <ul style="list-style-type: none"> <li>LTTS being a global player in the Engineering Research and Development (ER&amp;D) segment, continuously explores opportunities in new technologies by way of investments for solution and competency building. LTTS also collaborates with customers for jointly exploring and developing new technological solutions in customer projects.</li> <li>Strategic collaborations with leading technology companies for training and capacity building on new edge technologies. Eg. Collaboration with Nvidia, a leading American technology company, for training and upskilling of 1,000 employees on 'GenAI'.</li> <li>With the focus of driving innovation and the development of solutions and accelerators for customers, LTTS invests in labs such as technology labs, Innovation labs, etc. and Centers of Excellence (CoE), which are focused towards building leading edge technologies.</li> <li>LTTS' Global Engineering Academy (GEA) is continuously engaged in training and equipping the young workforce with latest technologies and skills.</li> </ul> | FC<br>IC<br>HC<br>SRC |



| # | Key Risks  | Mitigation   | Capitals Impacted     |
|---|--|--|-----------------------|
| 6 | <b>Exchange rate volatility:</b> • LTTTS operates in a global environment which results in foreign exchange risk/exposure.   | <ul style="list-style-type: none"> <li>LTTTS recognizes the importance of FX risk management and has implemented a comprehensive strategy to minimize the potential impact of currency fluctuations.</li> <li>LTTTS strives to naturally hedge the FX exposure by matching the currency of our foreign currency payables with receivables. LTTTS regularly assesses FX exposure across different currencies to identify potential risks and prioritize hedging strategies. The hedging strategies include FX forward contracts and in certain situations, currency options to limit potential losses.</li> <li>The effectiveness of hedging strategies are continuously evaluated, and periodic reports are presented to the management to ensure informed decision-making.</li> </ul>   | FC                    |
| 7 | <b>ESG:</b> Increased relevance of ESG performance from various stakeholders including customers, investors and regulatory bodies leading to risks and opportunities can lead to an impact on business growth and reputation.                                      | <ul style="list-style-type: none"> <li>LTTTS has embedded sustainability as one of the focused business offerings.</li> <li>LTTTS is rolling out multiple sustainability initiatives to achieve committed targets.</li> <li>Various policies that ensure aspects of Human rights, Employee Health &amp; Safety, Diversity &amp; Inclusion, Grievance Redressal, Employee talent enrichment programs, etc have been implemented.</li> <li>Governance on regulatory requirement like Social Security laws, financial reporting, Sanctions, Anti-Bribery and Anti-Corruption</li> <li>Transparent communication of ESG KPI performance via Annual Reports and other communication mediums for perusal of Investor Relations, Customer, community, etc.</li> <li>Participation in various rating assessments to benchmark LTTTS' performance with peers and industry best practices.</li> </ul>  | FC<br>HC<br>SRC<br>NC |
| 8 | <b>Geopolitical challenges:</b> • Uncertainty in global macroeconomic, cyclical downturns and geopolitical factors resulting in disruption in global supply chains, cost reduction initiatives by clients and impediments to employee mobility/business operations | <ul style="list-style-type: none"> <li>The Company has a well-diversified portfolio of customers, business operations and revenue-mix spread across multiple business units. Diversification of Business offerings across industry segments helps the company to Capitalize its technological expertise and capabilities, thereby limiting dependence on any particular industry segment or any financial impact due to cyclical downturns.</li> <li>LTTTS actively monitors the risk of Client and market concentration and the risk of dependency on top customers. Parameters such as percentage of revenue contribution by geography, revenue contribution from Top 5/10/20 clients are regularly monitored.</li> <li>LTTTS resorts to hiring local talent as much as possible in critical geographies to minimize business operations impact. LTTTS also has location-wise crisis management and business continuity teams, with a tested and ongoing WFH/ WFX program to ensure streamlined operations.</li> <li>LTTTS has a well-defined Risk Management Framework for monitoring of Country Risk before entering any new geography and continuous monitoring of country risks to ensure pro-active risk management. LTTTS also has a counter party screening process to ensure compliance with various sanctions while doing business with new entities or operations in any geographies.</li> </ul> | FC<br>SRC<br>HC<br>IC |

| #  | Key Risks   | Mitigation   | Capitals Impacted           |
|----|---|--|-----------------------------|
| 9  | <b>Business continuity risk:</b> • Risk of potential events that can disrupt business operations, safety of resources, assets, etc. Eg. natural disasters, other force-majeure events.  | <ul style="list-style-type: none"> <li>LTTTS has a well-defined Business Continuity Plan (BCP) in place for each location, which includes aspects of disaster recovery, IT server redundancy, employee health and safety, employee movement to safe places etc.</li> <li>Country specific travel advisories are assessed and communicated to the delivery teams at the time of prospecting opportunities in new geographies.</li> <li>LTTTS adheres to industry-best practices of safety &amp; security.</li> </ul>  | FC<br>IC<br>HC<br>SRC<br>NC |
| 10 | <b>Regulatory non-compliance:</b> Due to presence in multiple geographies and changing regulatory landscapes, there is a potential risk of non-compliance with the local laws of the countries where LTTTS have operations. Non-compliance with the local laws could result in fines and penalties, prosecution, and reputational damage. | <ul style="list-style-type: none"> <li>To ensure compliance with local laws, LTTTS have a dedicated compliance management team.</li> <li>LTTTS leverages technology by way of a 'Compliance Management Tool' to monitor and govern all compliances.</li> <li>To ensure that compliance management tool is updated with recent rules and amendments, the Company has subscriptions for updates from professional consultants.</li> <li>Compliance dashboards are placed before the Audit Committee Meetings on a quarterly basis by the compliance officer.</li> <li>Regular Internal Audits are conducted to monitor compliance with applicable laws and regulations.</li> </ul> | FC<br>HC<br>SRC             |

**TYPES OF CAPITALS:**

- FC: Finance Capital
- HC: Human Capital
- NC: Natural Capital
- IC: Intellectual Capital
- SRC: Social and Relationship Capital

**7. OUTLOOK**

During the year, LTTTS has continued to strengthen its position as the nation's largest pureplay ER&D services provider. Having crossed the USD 1 Billion-mark annual run rate in the previous year, the Company has now set its sights on the next milestone of USD 1.5 Billion. Despite global headwinds, LTTTS has registered a 3-Yr CAGR of 16% in Revenue and 25% in Net Profit.

The Company's journey ahead is being enabled by a focused realignment with new opportunities around AI, SDX, and Cybersecurity. The emerging paradigm is supported by subsuming new capabilities from Smart World and Communication acquisition, closed successfully at the start of the fiscal year. By leveraging the new synergies, LTTTS has registered several multi-

million deal wins across segments, with a marquee USD 100 million engagement reaffirming the positive impact of the decision on the Company's digital-focused growth trajectory. The Company expects that this trend of scaling new capabilities across markets will continue to strengthen over the coming years.

As emerging technologies reshape the world around us, LTTTS believes that the future will be defined by a twin-track approach to growth. This involves leveraging new partnerships and alliances, while focusing on up-skilling and cross-skilling our talent pool for unlocking new growth avenues. The Company is also working closely with leading global hyperscalers, including AWS, Google Cloud, Intel, Microsoft Azure, and NVIDIA, for developing new age and future-proof technology solutions and offerings.

The forward momentum is further strengthened by the growing collaboration of the LTTTS Global Engineering Academy (GEA) with leading centers of learning and R&D, thereby driving depth and sustainability in our approach towards enabling a deep, reliable, and resilient talent paradigm. Our commitment to growth is further illustrated by an industry leading portfolio of 1,296 patents across sectors and the focused reskilling and upskilling of over 3,000 engineers in AI and allied technologies during the year.

During the fiscal, LTTTS demonstrated a robust competitive positioning within the global dynamics of the engineering and technology services sector. This was reflected across the ratings by leading analysts and industry bodies, and a growing patents portfolio.

- LTTTS was rated as a Leader in Manufacturing Smart Industry Services 2023 RadarView by Avasant and was positioned as Leaders in Everest Group's ACES Automotive Engineering Services PEAK Matrix® Assessment 2023 – Electric.
- ISG rated LTTTS as Leaders in Manufacturing Industry Services and Solutions 2023 - Digital Factory/Manufacturing Solutions, North America and Agile Product Development and Design Services.
- Zinnov rated LTTTS in the leadership zone across 14 Engineering domains, as leaders in Overall 2023 ER&D Services, and in the leadership zone across Automotive, Aerospace, Electrification, Industrial, Telecom, Semiconductors, and Telehealth.

As on March 31 2024, LTTTS boasted an impressive patents portfolio comprising 1,296 patents, reflecting the Company's focus on and commitment toward innovation and collaborative development. The scenario is further complemented by a growing alliance ecosystem with leading technology majors and hyperscalers, especially in emerging areas like AI and Gen AI. LTTTS has already filed an impressive 54 unique patents in AI, and has trained over 3,500 of its engineers to leverage the emerging opportunities and skillsets across the emerging domain.

By continuing to cater to diverse industries and maintaining a steady growth trajectory, LTTTS solidified its competitive edge in FY24, showcasing resilience, innovation, and a customer-at-the-core mindset in navigating the challenges and opportunities of the evolving market landscape. The Company remains committed towards enabling deep transformative journeys for its global customer base – engineering new frontiers of business success and sustainable excellence across domains.

## 8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

LTTTS has robust internal control framework commensurate with its size, scale, and complexity of its operations. The Company has well defined policies and procedures, system automations, authorization protocols, access controls, segregation of duties and physical security to ensure compliance with applicable statutes, safeguarding assets from unauthorised use and to enhance overall corporate governance.

LTTTS uses an Enterprise Resource Planning (ERP) package that gives reliable financial and operational information with regards to accounting, consolidation, and management information purposes. It has continued its efforts to align all its processes and controls with global best practices.

The Company has laid down internal financial controls as detailed in the Companies Act, 2013. The design and operating effectiveness of controls is reviewed by an in-house Internal control team which was further validated by an independent consultant engaged by the Company. The statutory auditors have also independently audited the internal financial controls over financial reporting as of March 31, 2024 and have opined that such controls were operating effectively.

The Company has an Audit Committee of the Board of Directors, the details of which have been provided in the corporate governance report. The Audit Committee reviews audit reports submitted by the Independent Internal auditors on quarterly basis.

## 9. SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

LTTTS' growth journey is aligned with the global ER&D spend patterns. Our ability to adapt to new opportunities around technology services offshoring and offer solutions that meet the ER&D demands of customers worldwide continue to be key differentiators.

Operationally, the Company's success is built on optimizing the utilization rates of its billable workforce, the ability to secure sustainable billing rates, and effectively managing talent. At LTTTS the talent management paradigm encompasses streamlined recruitment practices, focused skill development initiatives, and sustained identification and retention of top-tier professionals.

Navigating foreign exchange fluctuation challenges is crucial for our business, especially as a substantial portion of our revenues are derived from transactions in currencies such as USD and EURO. The balance between onsite and offshore project execution also plays a pivotal role, with offshore work generally yielding higher profit margins compared to onsite engagements.

On the regulatory and compliance front, LTTTS' standing is defined by its commitment to safeguard client confidentiality and intellectual property rights – a breach of which could lead to significant legal ramifications. Equally important is the adherence to local laws across the jurisdictions that LTTTS operates in, particularly in the areas of immigration and data protection.

These elements collectively underscore the multifaceted nature of LTTTS' operational, financial, and legal considerations – each singly and together critical to the Company's sustained growth and continued operational excellence.

## 10. FINANCIAL PERFORMANCE

This part of the Management Discussion and Analysis refers to the consolidated financial statements of LTTTS and its subsidiaries, referred to as the "Group." The financial statements and related notes to the consolidated accounts of LTTTS for the year ended March 31, 2024 prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), prescribed under Section 133 of the Companies Act, 2013, and read with the Companies (Indian Accounting Standard) rules as amended from time to time.

Refer to the Standalone and Consolidated financial statements in Annual Report for detailed schedules and notes.

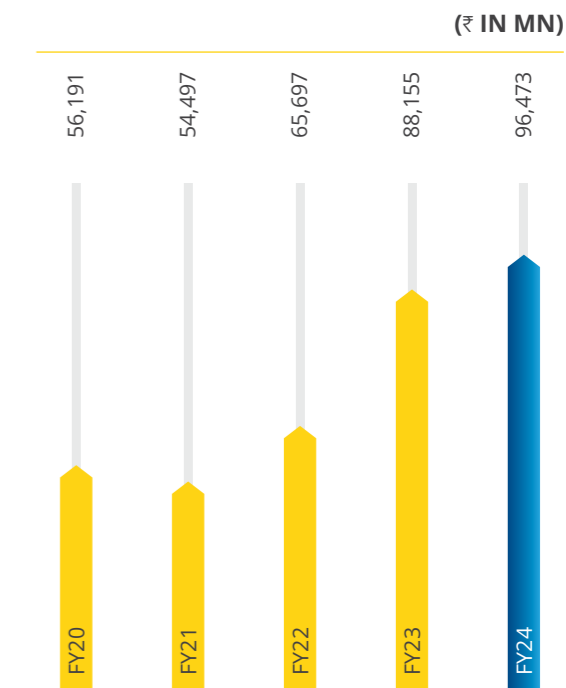
Effective April 1, 2023, LTTTS completed the acquisition of Smart World & Communication (SWC) Business of L&T. In compliance with Ind AS requirements applicable to common control transactions, all previous period financials have been re-stated to include the SWC Business. As a result, all figures & comparisons reflect this re-statement.

### A. FINANCIAL PERFORMANCE HIGHLIGHTS

#### Revenue Trend

Revenue from operations for the year ended March 31, 2024 increased 9.4% YoY to ₹ 96,473 Mn from ₹ 88,155 Mn for the year ended March 31, 2023, while CAGR growth over the past 5 years is 13.7%.

### REVENUE TREND FOR LAST 5 FINANCIAL YEARS:

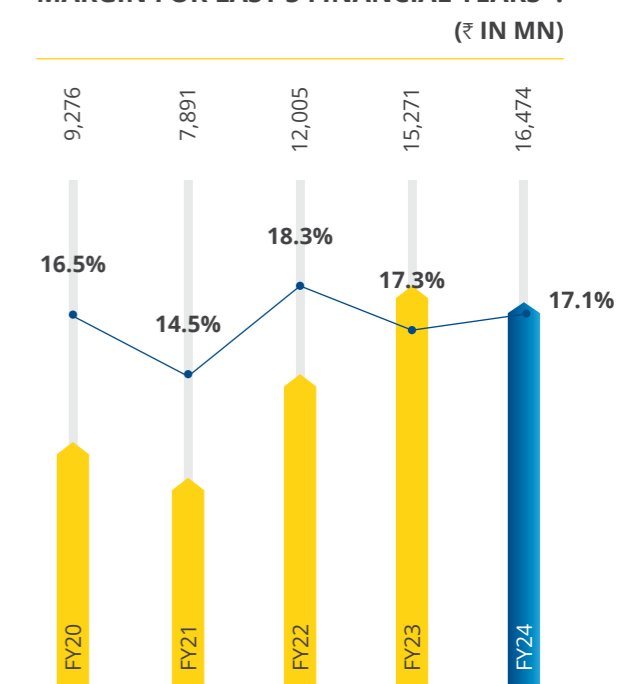


### Operating profit trend

Operating profit (in Mn) for the year ended March 31, 2024 increased 7.9% YoY to ₹ 16,474 Mn from ₹ 15,271 Mn for the year ended March 31, 2023, while CAGR growth over the past 5 years is 15.2%.

Operating margin for the year ended March 31, 2024 decreased by 20 bps to 17.1% from 17.3% for the year ended March 31, 2023.

### OPERATING PROFIT AND OPERATING MARGIN FOR LAST 5 FINANCIAL YEARS\*:

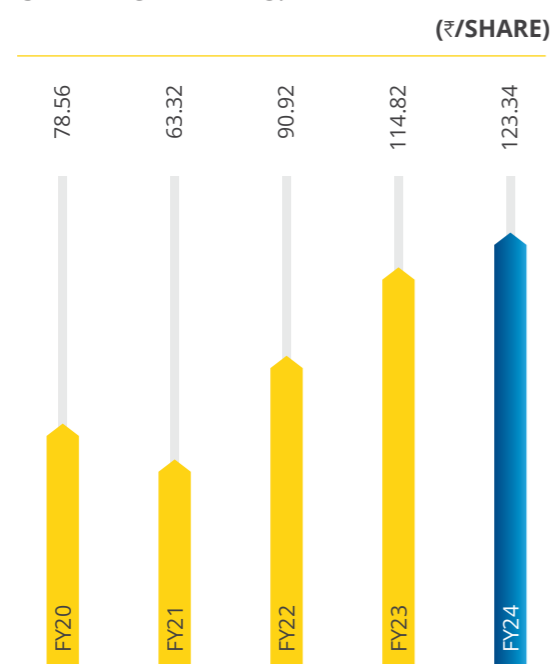


\*Absolute numbers represent operating profit (in Mn). % numbers represent operating margin.

**Earnings per share trend**

Earnings per share (basic) for the year ended March 31, 2024 increased 7.4% YoY to ₹ 123.34 in from ₹ 114.82 for the year ended March 31, 2023, while CAGR growth over the past 5 years is 10.7%.

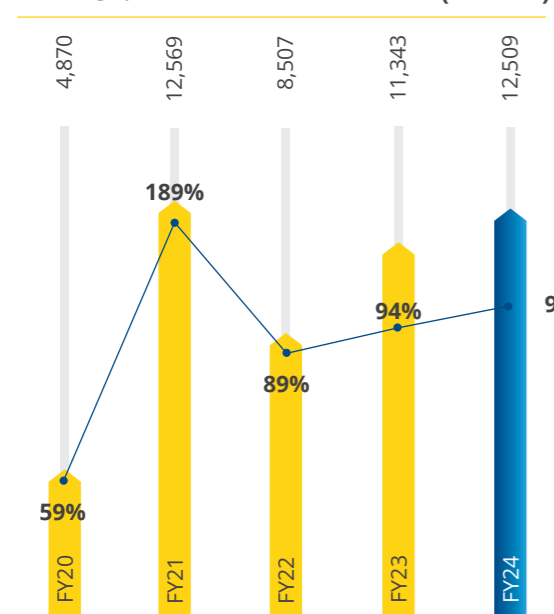
**EARNINGS PER SHARE TREND FOR LAST 5 FINANCIAL YEARS:**



**Free cash flow trend**

Free cash flow for the year ended March 31, 2024 increased 10.3% YoY to ₹ 12,509 Mn from ₹ 11,343 Mn for the year ended March 31, 2023. CAGR growth over the past 5 years is 11.8%.

**FREE CASH FLOW AND ITS % TO NET INCOME TREND FOR LAST 5 FINANCIAL YEARS\*:**



\*Absolute numbers represent free cash flow (in Mn).% represent free cash flow as a % of net income.

**B. FINANCIAL CONDITION**

**1. SHARE CAPITAL** (₹ in million)

| Particulars  | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| <b>Authorised:</b>   |                      |                      |
| 5,285,300,000 equity shares of ₹ 2 each (Previous year: 5,250,000,000 equity shares of ₹ 2 each) | 10,571               | 10,500               |
| <b>Issued, subscribed, and fully paid up</b>   |                      |                      |
| 105,753,842 equity shares of ₹ 2 each (Previous year: 105,608,142 equity shares of ₹ 2 each)     | 212                  | 211                  |
| <b>Total</b>   | <b>212</b>           | <b>211</b>           |

The authorized share Capital of the Company as at March 31, 2024 was ₹ 10,571 million divided into 5,285 million equity shares of ₹ 2 each. The issued, subscribed and paid-up Capital as at March 31, 2024 was ₹ 212 million divided into 105.8 million equity shares of ₹ 2 each. (As at March 31, 2023: ₹ 211 million divided into 105.6 million equity shares of ₹ 2 each).

The authorized share capital increased to 5,285 million equity shares of ₹ 2 each during the year effective December 7, 2023.

**2. OTHER EQUITY (EXCL. NON-CONTROLLING INTEREST)**

The other equity of the company as at March 31, 2024 stood at ₹ 53,059 million as against ₹ 44,138 million as at March 31, 2023. Breakup of other equity is as below: -

| Particulars   | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Retained Earnings   | 44,737               | 36,667               |
| Securities Premium  | 11,872               | 11,462               |
| Hedging Reserve   | 815                  | 296                  |
| Employee share options outstanding (Net of deferred compensation) | 961                  | 938                  |
| Foreign Currency Translation reserve                              | 451                  | 451                  |
| Other items of other comprehensive income                         | (194)                | (93)                 |
| Capital Reserve   | (5,583)              | (5,583)              |
| <b>Total</b>  | <b>53,059</b>        | <b>44,138</b>        |

**Retained Earnings**

The retained earnings of the company as at March 31, 2024 stood at ₹ 44,737 million as against ₹ 36,667 million as at March 31, 2023. Movement in retained earnings was primarily on account of profit earned during the year offset by dividends declared.

**Securities Premium**

The securities premium balance as at March 31, 2024 stood at ₹ 11,872 million as against ₹ 11,462 million as at March 31, 2023. Increase in securities premium is mainly on account of exercise of ESOPs.

**Hedging Reserve**

Hedging reserve relates to financial derivatives used for risk management strategy of the company.

The balance in hedge reserve (net of tax effect) as at March 31, 2024 is credit balance of ₹ 815 million as against ₹ 296 million as at March 31, 2023.

**Foreign currency translation reserve**

The foreign exchange differences arise from the translation of financial statements of foreign operations with functional currency other than Indian rupees.

The foreign currency translation reserve balance as at March 31, 2024 stood at ₹ 451 million as against ₹ 451 million as at March 31, 2023.

**Employee share options outstanding (Net of deferred compensation)**

The amount of stock option outstanding as at March 31, 2024 stood at ₹ 961 million as against ₹ 938 million as on March 31, 2023. It represents cumulative expense to be recognized until the employee share options are vested/expired upon which such amount is transferred to profit and loss.

**Other items of other comprehensive income**

The amount of other items of other comprehensive income as at March 31, 2024 is debit balance of ₹ 194 million as against a debit balance of ₹ 93 million as on March 31, 2023. It represents movement due to remeasurements of defined benefit plans (net of tax effect) based on actuarial valuation.

**Capital Reserve**

The amount of Capital Reserve as at March 31, 2024 is debit balance ₹ 5,583 million as against a debit balance of ₹ 5,583 million as on March 31, 2023. It represents Capital reserves generated from Common control Business combination towards acquisition of Smart World & Communication

**3. NON-CURRENT FINANCIAL LIABILITIES**

Non-Current financial liabilities as at March 31, 2024 stood at ₹ 5,208 million as against ₹ 3,896 million as at March 31, 2023. It mainly includes below:

**Lease Liabilities**

Lease liability as at March 31, 2024 stood at ₹ 5,195 million as against ₹ 3,731 million as at March 31, 2023. Increase in lease liability is on account of net addition in premises taken on lease.

**Other Financial Liabilities**

Other Financial Liabilities as at March 31, 2024 stood at ₹ 13 million as against ₹ 165 million as at March 31, 2023. Decrease in other financial liability is on account of derivative financial instruments.

**4. NON-CURRENT PROVISIONS**

Provisions as at March 31, 2024 stood at ₹ 83 million as against ₹ 53 million as at March 31, 2023. It includes provisions pertaining to post-retirement medical benefits, which have been regrouped from current to non-current.

**5. CURRENT FINANCIAL LIABILITIES**

Current financial liabilities as at March 31, 2024 stood at ₹ 18,113 million as against ₹ 25,887 million as at March 31, 2023. It mainly includes below:

| Particulars                                    | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Trade payables                                 |                      |                      |
| Due to micro enterprises and small enterprises | 187                  | 104                  |
| Due to others                                  | 13,930               | 12,265               |
| Lease liabilities                              | 1,393                | 811                  |
| Other financial liabilities                    | 2,603                | 12,707               |
| <b>Total</b>                                   | <b>18,113</b>        | <b>25,887</b>        |

**Trade Payables**

Payables to micro and small enterprises as at March 31, 2024 stood at ₹ 187 million as against ₹ 104 million as at March 31, 2023.

Payables to others as at March 31, 2024 stood at ₹ 13,930 million as against ₹ 12,265 million as at March 31, 2023. It also includes payable to related parties. Increase in trade payables is on account of growth in business operations.

**Lease Liabilities**

Lease liability as at March 31, 2024 stood at ₹ 1,393 million as against ₹ 811 million as at March 31, 2023. Increase in lease liability is on account of net addition in premises taken on lease.

### Other financial liabilities

Other financial liabilities as at March 31, 2024 stood at ₹ 2,603 million as against ₹ 12,707 million as at March 31, 2023. It mainly includes liability towards employee benefit expenses, derivative financial instruments, Capital creditors & Purchase consideration payable towards SWC etc. The decrease in liability is majorly on account of payout of Purchase consideration towards SWC in April 2023.

### 6. OTHER CURRENT LIABILITIES

Other current liabilities as at March 31, 2024 stood at ₹ 5,101 million as against ₹ 4,688 million as at March 31, 2023. It mainly includes unearned revenue, liability towards employee car scheme etc.

### 7. CURRENT PROVISIONS

Provisions as at March 31, 2024 stood at ₹ 1,540 million as against ₹ 1,361 million as at March 31, 2023. It mainly includes provisions pertaining to employee benefits such as post-retirement medical benefits, gratuity.

### 8. NON-CURRENT ASSETS (OTHER THAN NON-CURRENT FINANCIAL ASSETS AND DEFERRED TAX ASSETS)

The Non-current assets (other than non-current financial assets and deferred tax assets) as at March 31, 2024 stood at ₹ 16,257 million as against ₹ 13,095 million as at March 31, 2023. It mainly includes below:

| Particulars                   | (₹ in million)       |                      |
|-------------------------------|----------------------|----------------------|
|                               | As at March 31, 2024 | As at March 31, 2023 |
| Property, plant and equipment | 3,927                | 2,850                |
| Right-of-use assets           | 5,951                | 3,777                |
| Capital work-in-progress      | 131                  | 65                   |
| Goodwill                      | 6,035                | 6,010                |
| Other intangible assets       | 213                  | 393                  |
| <b>Total</b>                  | <b>16,257</b>        | <b>13,095</b>        |

#### Property, plant, and equipment

The gross block of Property, Plant, and equipment as at March 31, 2024 stood at ₹ 8,002 million as against ₹ 6,628 million as at March 31, 2023.

Additions during the year ended March 31, 2024 stood at ₹ 2,451 million, mainly comprising of ₹ 459 million towards computers, ₹ 225 million towards laboratory equipment, ₹ 659 million towards office and other equipment, ₹ 176 million towards vehicles and ₹ 932 million towards leasehold improvements. Disposals during the year ended March 31, 2024 stood at ₹ 1,082 million.

The Company has been investing in infrastructure facilities in line with business growth requirements.

#### Right of use assets

The gross block of Right of use assets as at March 31, 2024 stood at ₹ 8,735 million as against ₹ 6,504 million as at March 31, 2023. Net addition during the year ended March 31, 2024 stood at ₹ 2,231 million.

#### Capital work in progress (Capital WIP)

Capital WIP as at March 31, 2024 stood at ₹ 131 million as against ₹ 65 million as at March 31, 2023. It mainly includes work in progress pertaining to infrastructure facilities.

#### Goodwill

The carrying value of goodwill as at March 31, 2024 stood at ₹ 6,035 million as against ₹ 6,010 million as at March 31, 2023.

Increase in carrying value of goodwill is basically on account of foreign currency translation. Goodwill have been tested for impairment.

#### Other intangible assets

The gross block of other intangible assets as at March 31, 2024 stood at ₹ 4,105 million as against ₹ 4,026 million as at March 31, 2023. It mainly includes specialized software, technical knowhow, tradename etc.

### 9. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets as at March 31, 2024 stood at ₹ 3,691 million as against ₹ 2,799 million as at March 31, 2023. It mainly includes below:

#### Non-current financial assets: Investments

Non-current investments as at March 31, 2024 stood at ₹ 1,991 million as against ₹ 1,752 million as at March 31, 2023. The increase is mainly on account of investment in non-convertible debentures and corporate deposits.

#### Non-current financial assets: Others

Other non-current financial assets as at March 31, 2024 stood at ₹ 1,700 million as against ₹ 1,047 million as at March 31, 2023. It mainly includes security deposits, fixed deposits with maturity more than 12 months and non-current derivative financial instruments. Increase is mainly on account of derivative financial instruments.

### 10. OTHER NON-CURRENT ASSETS

Other non-current assets as at March 31, 2024 stood at ₹ 2,580 million as against ₹ 2,175 million as at March 31, 2023. It mainly includes prepaid expenses and income tax receivables. Increase is mainly on account in income tax receivable.

### 11. CURRENT FINANCIAL ASSETS

Current financial assets as at March 31, 2024 stood at ₹ 50,214 million as against ₹ 51,686 million as at March 31, 2023. It mainly includes below:

| Particulars               | (₹ in million)       |                      |
|---------------------------|----------------------|----------------------|
|                           | As at March 31, 2024 | As at March 31, 2023 |
| Investments               | 12,936               | 21,088               |
| Trade receivables         | 21,803               | 21,517               |
| Cash and cash equivalents | 11,221               | 5,346                |
| Other bank balances       | 2,684                | 1,553                |
| Other financial assets    | 1,570                | 2,182                |
| <b>Total</b>              | <b>50,214</b>        | <b>51,686</b>        |

#### Investments

To achieve the goal of Capital preservation, liquidity and optimization of returns, the Company makes investments 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.

Investments as at March 31, 2024 stood at ₹ 12,936 million as against ₹ 21,088 million as at March 31, 2023. It mainly comprises of investment which are measured at fair value through profit and loss (FVTPL) i.e., mutual funds and investment measured at amortised cost i.e., corporate deposits, non-convertible debentures, commercial papers, and certificate of deposits.

The decrease in investment is mainly on account of payout of SWC Business Transition of ₹ 8,000 Mn.

#### Trade Receivables

Trade receivables (net of allowance for doubtful debts) as at March 31, 2024 stood at ₹ 21,803 million as against ₹ 21,517 million as at March 31, 2023.

Allowance for doubtful debts as at March 31, 2024 stood at ₹ 173 million as against ₹ 295 million as at March 31, 2023.

The day's sales outstanding stood at 82 days as at March 31, 2024 as compared to 89 days as at March 31, 2023.

#### Cash and Cash equivalents

Cash and cash equivalents as at March 31, 2024 stood at ₹ 11,221 million as against ₹ 5,346 million as at March 31, 2023. It mainly includes bank balances maintained in Indian and foreign bank accounts, fixed deposits with maturity less than 3 months, remittance in transit and cheques on hand. Increase in cash and cash equivalents is on account of cash flow generated from business operations.

### Other Bank balances

Other bank balances as at March 31, 2024 stood at ₹ 2,684 million as against ₹ 1,553 million as at March 31, 2023. It mainly includes fixed deposits having maturity more than 3 months but less than 12 months and earmarked balances with banks pertaining to unclaimed dividends. Increase in other bank balances is on account of fixed deposits having maturity less than 3 months.

### Other Financial Assets

Other financial assets as at March 31, 2024 stood at ₹ 1,570 million as against ₹ 2,182 million as at March 31, 2023. It mainly includes unbilled revenue (pertaining to time and material contracts), derivative financial instruments, advance to employee, security deposits, loans and advances to related parties etc.

The decrease is mainly on account of loans and advances to related parties which moved from ₹ 751 million as at March 31, 2023 to ₹ 10 million as at March 31, 2024 and unbilled revenue which moved from ₹ 968 million as at March 31, 2023 to ₹ 898 million as at March 31, 2024 offset by increase in derivative financial instruments which moved from ₹ 331 million as at March 31, 2023 to ₹ 469 million as at March 31, 2024.

### 12. OTHER CURRENT ASSETS

Other current assets as at March 31, 2024 stood at ₹ 12,056 million as against ₹ 12,067 million as at March 31, 2023. Other current assets mainly consist of advance to suppliers, service tax/GST receivable, unbilled revenue (fixed price contracts) etc.

### 13. DEFERRED TAX ASSETS/LIABILITIES (DTA/DTL)

| Particulars              | (₹ in million)       |                      |
|--------------------------|----------------------|----------------------|
|                          | As at March 31, 2024 | As at March 31, 2023 |
| Deferred Tax Assets      | 54                   | 138                  |
| Deferred Tax Liabilities | 745                  | 397                  |

Deferred tax assets (DTA) as at March 31, 2024 stood at ₹ 54 million as against ₹ 138 million as at March 31, 2023.

Deferred tax liability (DTL) as at March 31, 2024 stood at ₹ 745 million as against ₹ 397 million as at March 31, 2023. Increase in deferred tax liability is mainly on account of DTL on account of cash flow hedges and branch profits.

### 14. INVENTORIES

Inventories as at March 31, 2024 stood at ₹ 33 million as against ₹ 16 million as at March 31, 2023.

**C. OPERATIONAL ANALYSIS**
**Financial Performance**

| Particulars                            | FY24          |              | FY23          |              |
|--|---------------|--------------|---------------|--------------|
|  | ₹ million     | % of Revenue | ₹ million     | % of Revenue |
| <b>Income</b>                          |               |              |               |              |
| Revenue from operations                | 96,473        | 100.0%       | 88,155        | 100.0%       |
| <b>Expenses</b>                        |               |              |               |              |
| Employee benefit expenses              | 49,298        | 51.1%        | 46,308        | 52.5%        |
| Other operating expenses               | 27,985        | 29.0%        | 24,238        | 27.5%        |
| Depreciation and amortization expenses | 2,716         | 2.8%         | 2,338         | 2.7%         |
| <b>Operating profit (EBIT)</b>         | <b>16,474</b> | <b>17.1%</b> | <b>15,271</b> | <b>17.3%</b> |
| Other income                           | 2,073         | 2.1%         | 2,033         | 2.3%         |
| Finance costs                          | 509           | 0.5%         | 444           | 0.5%         |
| <b>Profit before tax</b>               | <b>18,038</b> | <b>18.7%</b> | <b>16,860</b> | <b>19.1%</b> |
| Tax Expenses                           | 4,975         | 5.2%         | 4,696         | 5.3%         |
| <b>Profit after tax</b>                | <b>13,063</b> | <b>13.5%</b> | <b>12,164</b> | <b>13.8%</b> |
| Minority interest                      | 26            | 0.0%         | 43            | 0.1%         |
| <b>Profit for the year</b>             | <b>13,037</b> | <b>13.5%</b> | <b>12,121</b> | <b>13.7%</b> |

**Revenue from Operations**

Our Revenue from operations increased by 9.4% to ₹ 96,473 million for the year ended March 31, 2024 from ₹ 88,155 million for the year ended March 31, 2023.

Revenue growth in reported terms includes impact of currency fluctuations. We, therefore, additionally report the revenue growth in constant currency terms, which represents the real growth in revenue excluding the impact of currency fluctuations. In USD terms, our revenue from operations increased by 6.9% to \$ 1,164 million for the year ended March 31, 2024 from \$ 1,089 million for the year ended March 31, 2023. Our revenue from operations for fiscal 2024 in constant currency grew by 7.0%. Also, we crossed a billion dollars in revenue run rate in financial year 2024 with broad based growth across segments.

In terms of project type, revenue from time and material contracts (as a % of total revenue) for the period ended March 31, 2024 stood at 62.6% as against 65.5% for the year ended March 31, 2023 and revenue from fixed price contracts (as a % of total revenue) for the period ended March 31, 2024 stood at 37.4% as against 34.5% for the year ended March 31, 2023

Revenue from top 5 customers for the year ended March 31, 2024 stood at 14% (14% for the year ended March 31, 2023).

Refer "Segment Reporting" section of MD&A for more details on the analysis of segment revenues and profitability.

**Employee Benefit expenses**

Employee benefit expenses for the year ended March 31, 2024 stood at ₹ 49,298 million (representing 51.1% of revenue from operations for such year) as against ₹ 46,308 million (representing 52.5% of revenue from operations for such year) for the year ended March 31, 2023. It mainly includes salaries (including overseas staff expenses), share based payment, staff welfare, contribution to provident fund and gratuity fund.

The increase is mainly on account of increase in headcount to 23,812 as at March 31, 2024 end from 23,074 as at March 31, 2023 end.

**Other Operating Expenses**

Other operating expenses for the year ended March 31, 2024 stood at ₹ 27,985 million (representing 29.0% of revenue from operations for such year) as against ₹ 24,238 million (representing 27.5% of revenue from operations for such year) for the year ended March 31, 2023. It mainly includes subcontracting and component, engineering and technical consultancy fees, cost of computer software, rent and establishment expenses, travelling expenses, legal and professional charges, overheads charges and miscellaneous expenses

The increase in cost is majorly on account of increase in Subcontracting charges, cost of computer software, rent and establishment cost, travelling expenses in line with business growth.

**Depreciation and amortization expenses**

Depreciation and amortization expenses for the year ended March 31, 2024 stood at ₹ 2,716 million (representing 2.8% of revenue from operations for such year) as against ₹ 2,338 million (representing 2.7% of revenue from operations for such year) for the year ended March 31, 2023.

Out of total expense, expense pertaining to depreciation on right of use assets (as per IND AS 116 accounting) for the year ended March 31, 2024 stood at ₹ 1,235 million as against ₹ 949 million for the year ended March 31, 2023.

**Other Income**

Other income for the year ended March 31, 2024 stood at ₹ 2073 million as against ₹ 2033 million for the year ended March 31, 2023. It mainly includes below:

| Particulars   | ₹ in million          |                       |
|---|-----------------------|-----------------------|
|   | Year ended 31-03-2024 | Year ended 31-03-2023 |
| Foreign exchange gain   | 502                   | 676                   |
| Profit/(loss) on disposal of PPE and ROU  | 163                   | 16                    |
| Gain/(loss) from mutual fund investments (measured at fair value through profit and loss) | 37                    | (68)                  |
| Interest received*  | 816                   | 876                   |
| Miscellaneous income  | 72                    | 103                   |
| Net gain/(loss) on fair valuation of investment   | 483                   | 424                   |
| Insurance Claims Received   | -                     | 6                     |
| <b>Total</b>  | <b>2,073</b>          | <b>2,033</b>          |

\*Interest income includes interest earned and accrued interest on account of investment in various instruments such as commercial paper, fixed deposits, Non-convertible debentures etc.

**Finance costs**

Finance costs for the year ended March 31, 2024 stood at ₹ 509 million as against ₹ 444 million for the year ended March 31, 2023. It mainly includes interest on bill discounting and interest on lease liability accounted as per IND AS 116.

**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.

Current tax expenses for the year ended March 31, 2024 stood at ₹ 4,715 million as against ₹ 4,561 million for the year ended March 31, 2023.

Deferred tax expenses for the year ended March 31, 2024 stood at ₹ 260 million as against ₹ 135 million for the year ended March 31, 2023.

| Particulars        | ₹ in million          |                       |
|--------------------|-----------------------|-----------------------|
|                    | Year ended 31-03-2024 | Year ended 31-03-2023 |
| Profit before tax  | 18,038                | 16,860                |
| Tax expense        | 4,975                 | 4,696                 |
| Effective tax rate | 27.6%                 | 27.9%                 |

Effective tax rate for the year ended March 31, 2023 is higher on account of conclusion of certain past year assessments and no such incidence in current year.

**Profit attributable to equity shareholders**

Profit attributable to equity shareholders for the year ended March 31, 2024 stood at ₹ 13,037 million as against ₹ 12,121 for the year ended March 31, 2023. Growth in profit attributable to equity shareholders is in line with revenue growth.

**Earnings per share**

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.

Basic EPS before extraordinary items has increased by 7.4% to ₹ 123.34 per share for the year ended March 31, 2024 from ₹ 114.82 per share for the year ended March 31, 2023.

Diluted EPS before extraordinary items has increased by 7.4% to ₹ 123.00 per share for the year ended March 31, 2024 from ₹ 114.48 per share for the year ended March 31, 2023.

**D. CASH FLOWS AND DIVIDEND**
**Cash Flow**

Summary of cash flow statement is as under:

| Particulars                                   | ₹ in million         |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 |
| Net cash (used in)/ from operating activities | 14,928               | 13,130               |
| Net cash (used in)/from investing activities  | (2,333)              | (5,779)              |

(₹ in million)

| Particulars   | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Net cash (used in)/from financing activities                  | (6,579)              | (4,453)              |
| <b>Net (decrease) / increase in cash and cash equivalents</b> | <b>6,016</b>         | <b>2,898</b>         |
| Cash and cash equivalents at beginning of the year            | 5,272                | 2,374                |
| <b>Cash and cash equivalents at end of the year</b>           | <b>11,288</b>        | <b>5,272</b>         |

**Net cash (used in)/from operating activities**

For period ended March 31, 2024, net cash flow from operating activities stood at ₹ 14,928, consisting of profit before tax of ₹ 18,038 million, adjusted for depreciation and amortization, interest income, finance cost, investment income, bad debts, employee stock option cost etc. of ₹ 2,703 million and cash used in net working Capital of ₹ 557 million and cash used to pay taxes (net of refund), which was ₹ 5,256 million.

For period ended March 31, 2023, net cash flow from operating activities stood at ₹ 13,130 million as at the year ended March 31, 2023, consisting of profit before tax of ₹ 16,860 million, adjusted for depreciation and amortization, interest income, finance cost, investment income, bad debts, employee stock option cost etc. of ₹ 2,488 million and cash used in net working Capital of ₹ 1,551 million and cash used to pay taxes (net of refund), which was ₹ 4,667 million.

**Net cash (used in)/from investing activities**

For period ended March 31, 2024, net cash used in investing activities stood at ₹ 2,333 million.

This primarily includes net decrease in current/ non-current investments which includes mutual funds, certificate of deposits, commercial papers etc. of ₹ 8,015 million, net purchase of property, plant, equipment, and intangibles of ₹ 2,420 million, decrease in deposits matured/having maturity less than 3 months of ₹ 1,104 million, ₹7,978 million payout towards consideration for acquisition of SWC and income received from investments including interest income of ₹ 1,153 million.

For period ended March 31, 2023, net cash used in investing activities stood at ₹ 5,779 million.

This primarily includes net increase in current/ non-current investments which includes mutual funds, certificate of deposits, commercial papers etc. of ₹ 7,875 million, net purchase of property, plant, equipment, and intangibles of ₹ 1,788 million, partially offset by deposits matured/ having maturity less than 3 months of ₹ 2,857 million and income received from investments including interest income of ₹ 1,026 million.

**Net cash (used in)/from financing activities**

For period ended March 31, 2024, net cash used in financing activities stood at ₹ 6,579 million. This primarily includes dividend payments of ₹ 4,967 million, payment pertaining to lease liability of ₹ 1,103 million and interest payments (including interest on lease liability) of ₹ 509 million.

For period ended March 31, 2023, net cash used in financing activities stood at ₹ 4,453 million. This primarily includes dividend payments of ₹ 3,167 million, payment pertaining to lease liability of ₹ 842 million, interest payments (including interest on lease liability) of ₹ 444 million.

**Dividend**

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 Board of Directors of the Company has recommended the final dividend of ₹ 33 per equity share for the year ended March 31, 2024 (Previous Year ₹ 30 per equity share), subject to approval by the shareholders at the forthcoming annual general meeting. The total final dividend payment is expected to be ₹ 3,490 million.

For the year ended March 31, 2024, Dividend per share for the year was ₹ 50 which includes interim dividend of ₹ 17 and recommended final dividend of ₹ 33. This translates to a dividend payout of 41% for year ended March 31, 2024 and the highest payout so far.

For the year ended March 31, 2023, Dividend per share for the year was ₹ 45 which includes interim dividend of ₹ 15 and final dividend of ₹ 30.

**E. KEY FINANCIAL RATIOS (CONSOLIDATED)**

| Ratio                            | FY 24 | FY 23 |
|----------------------------------|-------|-------|
| Days Sales Outstanding (in days) | 82    | 89    |
| Interest Coverage Ratio          | NA    | NA    |
| Current Ratio                    | 2.5   | 1.9   |
| Debt Equity Ratio                | NA    | NA    |
| Operating Profit Margin (%)      | 17.1% | 17.3% |
| Net Profit Margin (%)            | 13.5% | 13.7% |
| Return on Net Worth (%)          | 27%   | 28%   |

**Explanations for changes in ratios:**

1. Days Sales Outstanding for the year ended March 31, 2024 went down to 82 days as compared to 89 days for the year March 31, 2023, on account of consistent efforts in collection. This led to only a 1% increase in Trade receivables as at March 31, 2024, compared to March 31, 2023, whereas Revenue increased by 9% in FY24.

- Interest Coverage ratio & Debt Equity ratio are not relevant metrics for the Company as it does not have any debt.
- Current Ratio improved to 2.5 in FY24 compared to 1.9 in FY23 driven by decrease in other financial liabilities to ₹ 2,603 million as of March 31, 2024 compared to ₹ 12,707 million as of March 31, 2023.
- Operating profit margin, Net profit margin, and Return on Net Worth was broadly at a similar level in FY24 as compared to FY23.

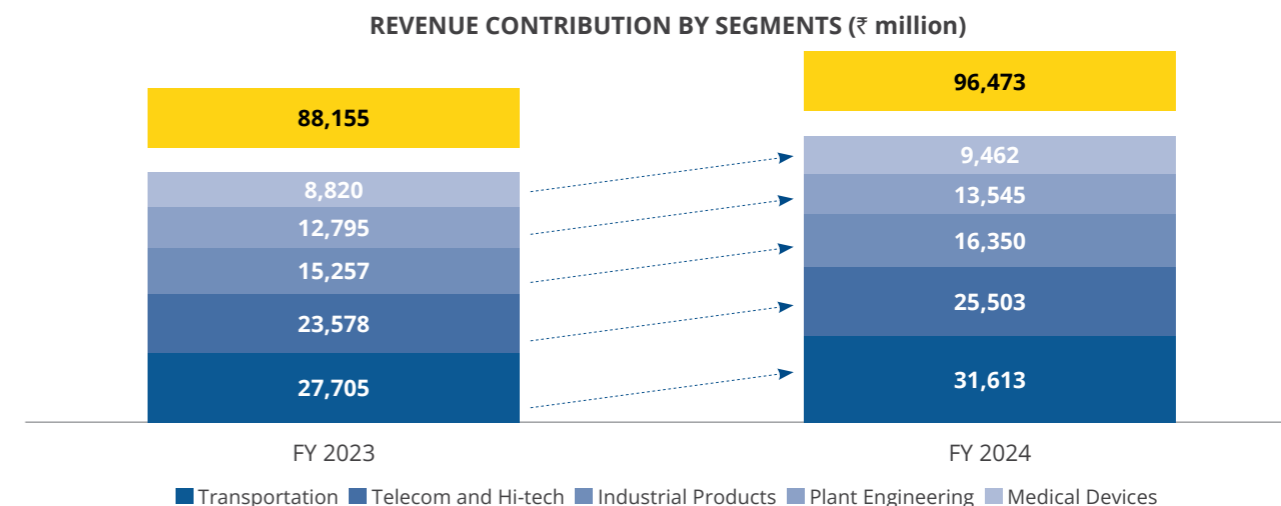
**F. SEGMENT REPORTING (CONSOLIDATED)**

Our segmental reporting comprises business and geographic segmentation.

**Business Segmentation**

LTTs operates in five industry segments namely Transportation, Telecom & Hi-tech, Industrial Products, Plant engineering, Medical devices

Graphical representation of reportable segments contribution to revenue is as under:



**Transportation**

Transportation segment is our largest segment by revenue and contributed 32.8% of the company's total revenue in FY24 vs 31.4% of the total revenue in FY23. Transportation revenue grew by 14.1% in FY24, with operating margin improving to 19.6% from 19.4% in FY23.

**Telecom & Hi-tech**

Telecom segment is the second largest segment. The segment has contributed 26.4% of the company's total revenue in FY24 vs 26.8% of the total revenue in FY23. Telecom revenue grew by 8.2% in FY24. The operating margin of this segment

has decreased to 9.7% in FY24 from 10.3% in FY23, on account of increased investments in technology & solutions during the year.

**Industrial Products**

The Industrial Products segment is the third largest segment and contributed 17.0% of the company's total revenue in FY24 vs 17.3% of the total revenue in FY23. The segment has shown an uptick in revenue by 7.2% in FY24. The operating margin of this segment has improved to 30.4% in FY24 from 29.8% in FY23 due to operational efficiencies.

**Plant Engineering**

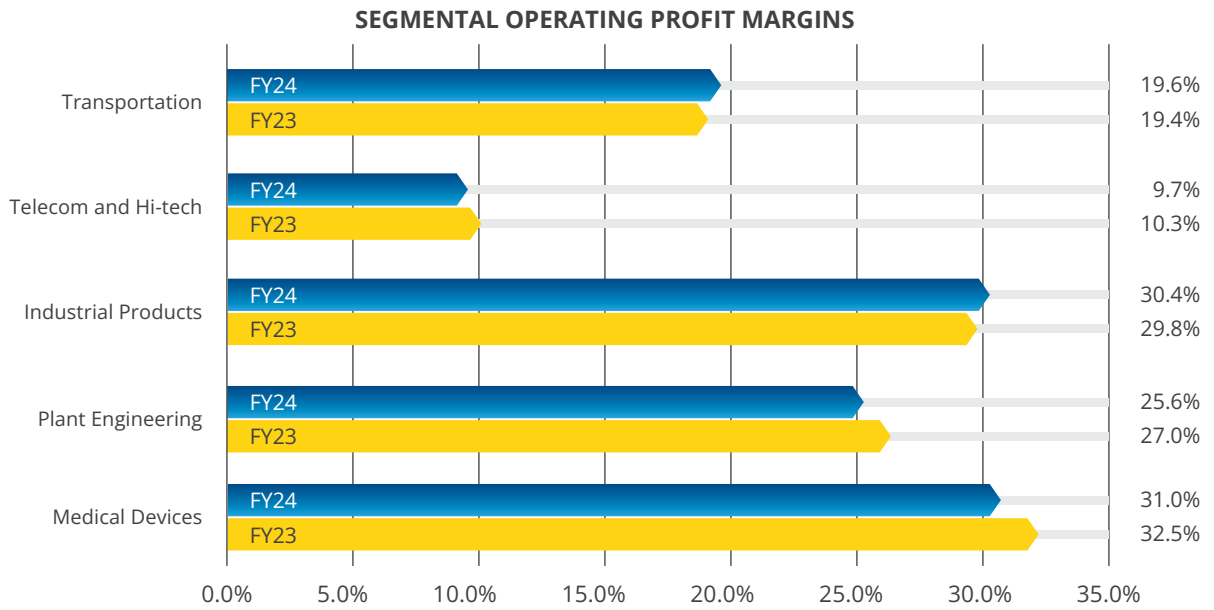
Plant Engineering contributed 14.0% of the company's total revenue in FY24 vs 14.5% of the total revenue in FY23. The segment has shown a 5.9% growth in revenue in FY24. The operating margin of this segment has decreased to 25.6% in FY24 from 27.0% in FY23, on account of initial ramp up costs of large deals won during the year.

**Medical Devices**

Medical Devices segment is the smallest segment and contributed 9.8% of the company's total

revenue in FY24 whereas in FY23 it was 10.0%. The segment has shown a 7.3% growth in revenue in FY24. The operating margin of this segment has decreased to 31.0% in FY24 from 32.5% in FY23, on account of increased investments in technology & solutions during the year.

Further, the segment wise operating profits as a percentage to respective segment revenue has been depicted below for the periods indicated:

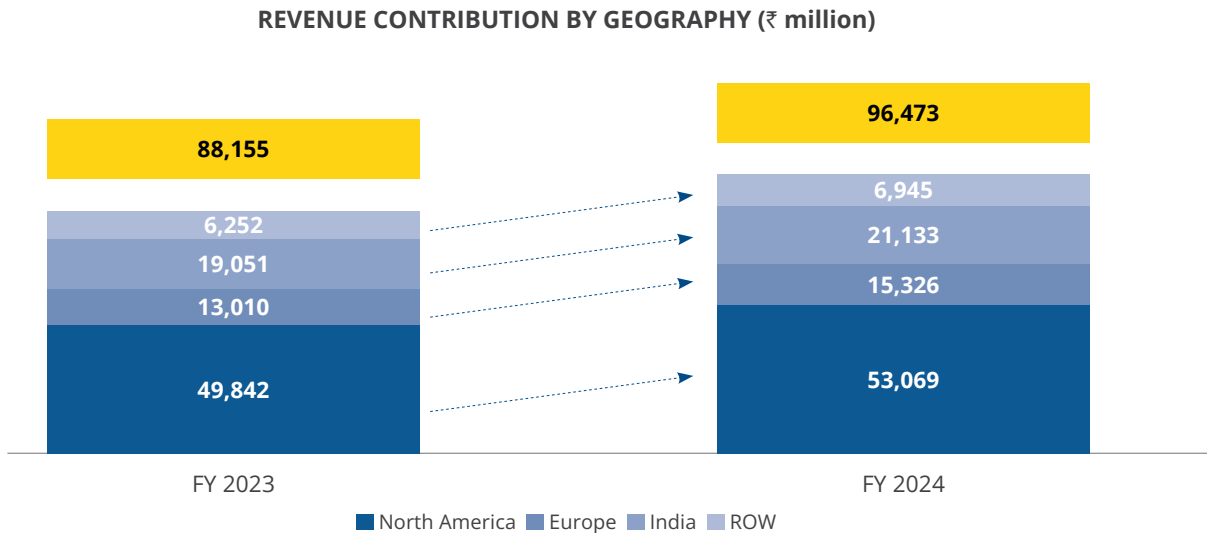


**Geographical Segmentation**

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.

North America continued to dominate by contributing 55.0% of the total revenue. Contribution from Europe was 15.9%, from India it was 21.9% while Rest of the World contributed 7.2% of total revenue.

Graphical representation of revenue contribution from geographies is as under:




**L&T TECHNOLOGY SERVICES LIMITED**

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

CIN: L72900MH2012PLC232169

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Tel No.: +91 22-68925257 • Fax No.: +91 22-67525858

## NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twelfth Annual General Meeting** of the members of L&T Technology Services Limited will be held on **Wednesday, June 26, 2024**, at **4:00 P.M.** Indian Standard Time (IST) through **Video Conferencing/Other Audio-Visual Means ("VC/OAVM")** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, 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, 2024, together with the report of the Auditors thereon.
2. To declare final dividend for the financial year ended March 31, 2024, amounting to ₹ 33/- per equity share.
3. To appoint a Director in place of Mr. Abhishek Sinha (DIN: 07596644), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4. Retirement of Mr. A.M. Naik (DIN: 00001514) by rotation

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

**"RESOLVED THAT** Mr. A.M. Naik (DIN: 00001514), Non-Executive Director of the Company, liable to retire by rotation, who does not offer himself for re-appointment, be not re-appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the vacancy so created on the Board of Directors of the Company, be not filled up."

#### 5. Re-appointment of Mr. Amit Chadha (DIN: 07076149), as the Chief Executive Officer & Managing Director of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and subject to such approval(s), permission(s) and sanction(s) of appropriate and/or concerned authorities, the consent and approval of the members be and is hereby accorded to re-appoint, Mr. Amit Chadha, Chief Executive Officer & Managing Director of the Company for a period of three years w.e.f. April 1, 2024 upto and including March 31, 2027 on such terms and conditions and at such remuneration as given in the explanatory statement forming part of this Notice.

**RESOLVED FURTHER THAT** subject to recommendation of Nomination & Remuneration Committee, Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment, including increase/revision in remuneration of Mr. Amit Chadha, from time to time, during his tenure as Chief Executive Officer & Managing Director, provided that such increase/revision in remuneration does not exceed the limits prescribed under the Act and/or SEBI Listing Regulations and/or as approved by the members in terms of the foregoing resolution.



**RESOLVED FURTHER THAT** the Board of Directors of the Company or any duly constituted committee of the Board be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all acts, deeds, matters and things as may be required for the purpose of giving effect to this Resolution and to do all things incidental and ancillary thereto.”

By Order of the Board of Directors  
For **L&T Technology Services Limited**

**Abhishek Sinha**

COO & Whole-time Director  
(DIN: 07596644)

**Date:** April 25, 2024

**Place:** Mumbai

**NOTES**

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts for the proposed resolutions and disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") forms part of this Notice.
- 2) Pursuant to the General Circular No. 9/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 issued by Securities and Exchange Board of India ("SEBI") dated October 7, 2023 (in continuation to the circulars issued earlier in this regard) hereinafter referred as ("**AGM Circulars**"), the 12th Annual General Meeting ("AGM") of the Company will be conducted through VC/OAVM without the physical presence of the Members. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this notice. The registered office of the Company shall be deemed to be the venue for the AGM.
- 3) Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are required to send a certified true copy (PDF Format) of the Board resolution/authority letter, authorizing their representative to attend and vote. The said resolution/authorisation shall be sent by an e-mail to Scrutinizer at [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com) and the Company at [investor@lts.com](mailto:investor@lts.com).
- 4) The Company has engaged the services of National Depository Services Limited, as the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility during the AGM. The instructions for participation are given in the subsequent notes.

**INSTRUCTIONS RELATED TO THE PAYMENT OF FINAL DIVIDEND FOR FY 2023-24:**

- 5) Final Dividend as recommended by the Board of Directors, if approved at the AGM, will be directly credited to the bank accounts of the shareholders holding shares as on the Record Date i.e., Friday, June 14, 2024, as per the details available with the Company.
- 6) Final dividend shall be subject to deduction of tax at source and be paid on or after Monday, July 1, 2024, as under:
  - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as on Friday, June 14, 2024;

ii. To all Members in respect of shares held in physical form as on Friday, June 14, 2024.

- 7) Members are requested to note that the SEBI circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the members (holding securities in physical form), whose folio(s) were not updated with the KYC details (viz., PAN; Choice of Nomination; Contact Details; Mobile Number; Bank Account Details and signature, if any) shall be eligible for any dividend payments in respect of such folios, only through electronic mode with effect from April 1, 2024. The Company has sent communications in this regard to the concerned members and the requirements to be complied with by the Members holding shares in physical form are disseminated on the website of the Company at <https://www.lts.com/investors/investor-services>

To avoid delay in receiving dividend, Members are requested to update their KYC with their depositories (where shares are held in demat mode) and with the Company's Registrar & Share Transfer Agents ("RTA") by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs (where shares are held in physical mode) to receive dividend directly into their bank account. The forms can be downloaded from the website of the RTA and also of the Company at <https://www.lts.com/investors/investor-services>

**TAX DEDUCTED AT SOURCE ("TDS") ON DIVIDEND:**

- 8) Pursuant to the provisions of the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from the 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 a dedicated link <https://ris.kfintech.com/form15/forms.aspx?q=0> on or before June 14, 2024.
  - B. Shareholders are requested to note that, in case, the shareholder is a specified person as per Section 206AB of the Income Tax Act, 1961 or in case an individual shareholder has not linked their PAN with Aadhar thus rendering the PAN inoperative as per section 206AA of the Income Tax Act, 1961, the tax will be deducted at a higher rate.

- 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://ris.kfintech.com/form15/forms.aspx?q=0> on or before June 14, 2024.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

- 9) Members are requested to note that dividends, if not encashed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. For details, please refer to the Board's Report.

- 10) Interim Dividend declared by the Company for the financial year 2016-17 which remained unclaimed for seven years along with corresponding shares in respect of which dividend remained unclaimed for seven consecutive years till its due date had been transferred to the IEPF in December 2023 in compliance with the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Details of shares transferred to IEPF Authority are available on the website of the Company and the same can be accessed through our website at <https://www.ltts.com/investors/corporate-governance>.

Given the foregoing, concerned members can claim the unclaimed dividend amount and the shares transferred to IEPF by making an application to IEPF authority in accordance with procedure available at [www.iepf.gov.in](http://www.iepf.gov.in).

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

- 11) In compliance with the AGM Circulars, the Integrated Annual Report along with 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 Depositories and the same has been uploaded on the website of the Company at [www.LTTS.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the e-Voting facility) i.e., [www.evoting.nsd.com](http://www.evoting.nsd.com).

- 12) Members who have not registered their e-mail address are requested to register the same with Company's Registrar & Share Transfer Agents (holding shares in physical form) and the respective depositories (holding shares in demat form) and thereafter send request to the Company at [www.investor@ltts.com](mailto:www.investor@ltts.com) to receive electronic copy of Integrated Annual Report.

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

- 13) Members (holding shares as on Cut-off date i.e., Wednesday, June 19, 2024) 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@ltts.com](mailto:investor@ltts.com) mentioning their name, demat account number/folio number, email id, mobile number by Friday, June 21, 2024 till 5:00 P.M.
- 14) Only those Members who register themselves as Speakers will be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of Speakers, as appropriate for smooth conduct of the AGM.
- 15) Further, Members who would like to have their questions/queries responded to with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before the Cut-off date, at [investor@ltts.com](mailto:investor@ltts.com). The same will be replied to by the Company suitably.

## PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

- 16) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access it by following the steps mentioned below for 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 e-Voting or have forgotten them, may retrieve the same by following the procedure stated for e-Voting instructions mentioned in the Notice to avoid last minute rush.
- 17) For the convenience of the Members and proper conduct of AGM, Members can login and join 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in this

Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on a first come first serve basis.

- 18) Members are encouraged to join the meeting through Laptops for better experience. 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.
- 19) Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 20) 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](http://www.evoting.nsdl.com).

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

- 21) 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 SEBI Listing Regulations and applicable circulars, the Company is providing an e-Voting facility to its Members in respect of the businesses to be transacted at the AGM. 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.
- 22) Those Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, June 19, 2024 i.e., the cut-off date for e-Voting, are entitled to avail either the facility of remote e-Voting prior to the AGM or voting during the AGM. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- 23) The remote e-Voting period will commence at 9:00 A.M. IST on Sunday, June 23, 2024, and end at 5:00 P.M. IST on Tuesday, June 25, 2024. The remote e-Voting module

shall be disabled by NSDL for voting thereafter. Also, once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

- 24) In addition, the facility for voting through an electronic voting system shall 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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- 25) 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 for e-Voting, i.e., Wednesday, June 19, 2024.

#### **PROCEDURE FOR VOTING ELECTRONICALLY USING NSDL E-VOTING SYSTEM**

- 26) 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 and join the AGM on NSDL e-Voting system.

#### **Details on Step 1 are mentioned below:**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020, read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, on the 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 to access the e-Voting facility.

**Login method for individual shareholders holding securities in demat mode is as follows:**

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> <li><b>Users already registered for IDeAS facility:</b><br/>If you are already registered for NSDL's IDeAS facility, please visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 the e-Voting page. Click on options available against the <b>Company name or e-Voting service provider</b> i.e., <b>NSDL</b> 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 &amp; e-voting during the meeting.</li> <li><b>User not registered for IDeAS facility:</b><br/>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li><b>Alternatively, by directly accessing the e-Voting website of NSDL:</b><br/>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> 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 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 will be redirected to e-Voting page. Click on options available against <b>Company name or e-Voting service provider i.e. NSDL</b> 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 &amp; e-voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" by scanning the QR code mentioned below for seamless voting experience.</li> </ol> |
| Individual Shareholders holding securities in demat mode with CDSL | <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <br/>  </div> <div style="text-align: center;">  <br/>  </div> </div> <ol style="list-style-type: none"> <li><b>User already registered for Easi/Easiest:</b><br/>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. Users can login to Easi/Easiest on <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a>. Once the page opens, click on New System Myeasi and login using your existing user id and password.<br/>After successful login to Easi/Easiest, the user will be able to see the e-voting menu. The menu will have links to the website of the e-voting service provider, i.e., NSDL. Click on NSDL to cast your vote.</li> <li><b>User not registered for Easi/Easiest:</b><br/>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li><b>Alternatively, by directly accessing the e-Voting website of CDSL:</b><br/>Visit the CDSL's e-Voting page by providing Demat Account Number and PAN from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also be able to directly access the system of all e-Voting Service Providers.</li> </ol>  |

| Type of shareholders   | Login Method   |
|--|--|
| 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. |

**B) Login method for e-voting and joining the virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in a physical mode**

**How to login to NSDL e-voting website?**

1. 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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL e-services after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

**4. Your User ID details are given below:**

| Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|---|---|
| a) For Members who hold shares in demat account with NSDL.      | 8 Character DP ID followed by 8 Digit Client ID<br>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<br>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.<br>For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

**5. Your Password details are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - i. If your 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'.

- ii. If your email ID is not registered, please follow steps mentioned above in process for those shareholders whose email ids are not registered.
- d) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - i. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - ii. Click on "**Physical User Reset Password? User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- iii. If you are still unable to get the password by the aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) 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, the home page of e-Voting will open.
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?**

#### **Details on Step 2 are 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 cast your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
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 cast 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.**

| <b>Login type</b>                                       | <b>Helpdesk details</b>  |
|---|--|
| Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call on: 022 - 4886 7000   |
| Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

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](http://www.evoting.nsdl.com) to reset the password.

#### **27) 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 [inward.ris@kfintech.com](mailto:inward.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 [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) with a copy marked to the Company at [investor@lts](mailto: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) above 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.com](mailto:evoting@nsdl.com) for procuring user id and password for e-Voting by providing above mentioned documents.

### GENERAL INFORMATION:

- 28) 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 remote e-Voting and e-Voting during the AGM in a fair and transparent manner.
- 29) The Scrutinizer shall, immediately upon conclusion of the voting at the AGM, unblock the votes cast through e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and will submit a consolidated Scrutinizer's Report to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the results thereof.
- 30) The results declared along with the Scrutinizer's report, will be posted on the website of the Company at [www.LTTS.com](http://www.LTTS.com) and on the website of NSDL at [www.evoting.nsdl.com](http://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. The Company shall simultaneously communicate the results to the Stock Exchanges not later than two working days as required under Regulation 44(3) of the SEBI Listing Regulations.

- 35) For ease of participation of the Members, below are the key details regarding the meeting-

| Sr. No. | Particulars                        | Details                                  |
|---------|------------------------------------|--|
| 1.      | Record Date for dividend           | Friday, June 14, 2024                    |
| 2.      | Cut-off date for e-Voting          | Wednesday, June 19, 2024                 |
| 3.      | Remote e-Voting starts on          | Sunday, June 23, 2024, at IST 9:00 A.M.  |
| 4.      | Remote e-Voting ends on            | Tuesday, June 25, 2024, at IST 5:00 P.M. |
| 5.      | Last date for Speaker registration | Friday, June 21, 2024 till IST 5:00 P.M. |

- 31) The Company has designated an exclusive e-mail id viz. [investor@lts.com](mailto:investor@lts.com) to enable Investors to register their complaints, if any. Members are requested to address all correspondence, including dividend related matters, to the RTA, KFin Technologies Limited, Unit: LTTS, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.

- 32) SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, read with SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 has mandated companies to issue securities in dematerialized form only, while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting; consolidation of securities certificate; transmission; and transposition. Members are accordingly advised to get their shares held in physical form dematerialized through their Depository Participant.

### PROCEDURE FOR INSPECTION OF DOCUMENTS:

- 33) 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](mailto:investor@lts.com) up to the date of the AGM. The said documents will be available for electronic inspection for the Members without payment of any fee.
- 34) 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, as applicable will be available for inspection in electronic mode, based on the request being sent on [investor@lts.com](mailto:investor@lts.com).

By Order of the Board of Directors  
For **L&T Technology Services Limited**

**Abhishek Sinha**

COO & Whole-Time Director  
(DIN: 07596644)

**Date:** April 25, 2024

**Place:** Mumbai



## 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. 4 and 5 of the accompanying Notice dated April 25, 2024.

### ITEM NO. 4

Mr. A. M. Naik, Founder Chairman of the Company has been the Non-Executive Director since June 27, 2014, and the Non-Executive Chairman since October 17, 2014. He is also member of the Nomination & Remuneration Committee. The members at the 9th Annual General Meeting held on July 16, 2021 had approved the appointment and continuation of Mr. Naik as Non-Executive Chairman of the Company by passing a special resolution in accordance with the applicable regulations.

In terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Naik is liable to retire by rotation at the conclusion of the 12th AGM. Although eligible for re-appointment, Mr. Naik has conveyed his desire not to seek re-appointment, resulting in a vacancy on the Board and, the Board has resolved, subject to the approval of Members, that the vacancy in the Board so created shall not be filled up.

The Board places on record its sincere appreciation for Mr. Naik's astute stewardship, constructive input and thoughtful guidance, as Chairman of the Board.

The Board recommends the resolution as set out in the Notice for the approval of the Members of the Company as an Ordinary Resolution.

Except Mr. A. M. Naik, none of the other Directors and/or Key Managerial Personnel of the Company including their relatives are in anyway concerned or interested, financially or otherwise in the Resolution set out in Item No. 4.

### ITEM NO. 5

Members of the Company had approved the appointment of Mr. Amit Chadha (DIN: 07076149) as Chief Executive Officer & Managing Director for a period of three years with effect from April 1, 2021 upto and including till March 31, 2024.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on January 16, 2024, approved the re-appointment of Mr. Amit Chadha as Chief Executive Officer and Whole-Time Director of the Company, for a period of three years commencing from April 1, 2024 upto and including March 31, 2027, subject to the approval of the Members.

Further upon recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on April 25, 2024, has approved the revision in the remuneration structure of Mr. Amit Chadha in line with the prevailing managerial compensation trends in the IT sector, subject to the approval of the Members.

The details of the remuneration payable to Mr. Amit Chadha, Chief Executive Officer and Managing Director are as follows: -

| Particulars  | Existing Remuneration (upto March 31, 2024)   | Revised Remuneration (w.e.f. April 1, 2024)                                     |
|--|---|---|
| Base Salary  | USD 5,45,232/- p.a.   | USD 6,50,000/- p.a.   |
| Variable Remuneration                                      | Up to USD 2,17,875/- p.a.   | Up to USD 2,30,000/- p.a.   |
| Commission on Profit at the sole discretion of the Company | 0.15% of the Standalone Profit after Tax, calculated as per the Companies Act, 2013 | 0.20% of the Standalone Profit after tax, calculated as per Companies Act, 2013 |

#### Notes:

- 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 NRC from time to time.
- Variable Remuneration shall be payable as per the performance criteria mentioned in the contract of employment.

He will be entitled to all other benefits, perquisites, as may be applicable as per Company policy.

However, the total remuneration shall not exceed the limits approved by the Members and prescribed under Section 197 of the Act read with Schedule V.

**Brief Profile of Mr. Amit Chadha:**

Mr. Amit Chadha is the Chief Executive Officer & Managing Director at L&T Technology Services (LTTS), responsible for providing business & technology leadership, market direction and strategic vision to drive the Company's performance.

An influential leader in the engineering services industry for over 25 years, and one of the early proponents of engineering & information technology outsourcing services from India, Amit has amassed a wealth of international experience spanning a variety of geographies and is a trusted strategic advisor to clients on Engineering and R&D best practices.

Mr. Amit Chadha was previously Deputy CEO & Whole Time Director, running the gamut of business operations, delivery and sales & marketing at LTTS, and preparing the technology roadmap for the Company's future. Amit led LTTS' executive management team that oversaw 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 LTTS 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 LTTS leadership team, Amit 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 in 2016.

His career which spans over two decades in core engineering & information technology outsourcing, is marked with significant achievements. Amit 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 been honored with the Distinguished Alumni Award for Leadership in Corporate World, Industry, Academia and Research Institutions by his alma mater, BIT Mesra.

Mr. Amit Chadha has done an Advanced Management Program in Business Leadership from INSEAD, France. He has also done a Global Business Leadership Executive Program with Harvard Business School Publishing.

Mr. Amit Chadha is an avid reader of both biographies and fiction and encourages his employees to nurture and expand their minds through reading. He has written extensively on Technology, Leadership and Sustainable Development. Amit is currently based out of Washington DC.

Mr. Amit Chadha is neither disqualified from being appointed as a Director in terms of Section 164 of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmation including his consent to be re-appointed as a CEO & Managing Director of the Company.

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

Further, the Company has received notice from a Member under Section 160 of the Act proposing the re-appointment of Mr. Amit Chadha as the CEO & Managing Director.

The agreement entered into with Mr. Amit Chadha will be open for inspection by members in the manner as specified in this Notice upto the date of the AGM.

Considering Mr. Chadha's expertise and experience in the Company's businesses and based on the recommendation of the Nomination and Remuneration Committee, the Board considered the re-appointment of Mr. Amit Chadha as CEO & Managing Director in the interest of the Company and recommends the resolution as set out in the Notice for the approval of the Members of the Company as an Ordinary Resolution.

Except Mr. Amit Chadha being the appointee, none of the other Directors and/or Key Managerial Personnel of the Company and their respective relatives, are in anyway concerned or interested, financially or otherwise, in the Resolution set out in Item No. 5.

By Order of the Board of Directors  
For **L&T Technology Services Limited**

**Abhishek Sinha**

COO & Whole-Time Director  
(DIN: 07596644)

**Date:** April 25, 2024

**Place:** Mumbai

**(ANNEXURE TO NOTICE DATED APRIL 25, 2024)**  
**DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT**

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

| <b>Name of the Director</b>   | <b>Mr. Abhishek Sinha<br/>DIN: 07596644</b>  | <b>Mr. Amit Chadha<br/>DIN: 07076149</b>  |
|---|--|---|
| <b>Age</b>  | 51   | 51  |
| <b>Date of first appointment on the Board</b>   | October 18, 2019   | February 1, 2015  |
| <b>Qualifications</b>   | 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 |
| <b>Experience and Expertise in specific functional area</b>   | Diversified and vast experience in the field of engineering, product development and software.                     | Diversified and vast experience in business development and relationship management activities.   |
| <b>Relationship with other directors &amp; Key Managerial Personnel, if any</b>                         | None   | None  |
| <b>Member/Chairman of Committees of the Company</b>   | Nil  | <b>Member</b><br>Risk Management Committee  |
| <b>Directorships held in other companies excluding foreign companies</b>                                | L&T Thales Technology Services Private Limited   | None  |
| <b>Membership and/or Chairmanship of Committees held in other companies excluding foreign companies</b> | None   | None  |
| <b>Listed entities from which the person has resigned during the last three years</b>                   | None   | None  |
| <b>Terms and Conditions of Re-appointment</b>   | Re-appointed as a Whole-time Director, liable to retire by rotation for a term of 3 years w.e.f. October 17, 2022. | Re-appointment as Chief Executive Officer and Managing Director of the Company for a period of three years w.e.f. April 1, 2024, to March 31, 2027.   |
| <b>Details of remuneration (last remuneration drawn &amp; remuneration proposed to be paid)</b>         | As mentioned in the Corporate Governance Report forming part of this Integrated Annual Report.                     | As per the resolution set out in Item No. 5 of this Notice, read with the Explanatory statement.  |
| <b>Number of Board Meetings attended during FY 2023-24</b>  | 5 out of 5 meetings  | 5 out of 5 meetings   |
| <b>Shareholding in the Company as on April 25, 2024</b>   | Nil  | 1,38,600 shares   |

# Board's Report

## Dear Members,

The Board of Directors are pleased to present the 12<sup>th</sup> Annual Report along with the Audited Financial Statements of L&T Technology Services Limited ('LTTS' or 'the Company') for the year ended March 31, 2024.

## FINANCIAL RESULTS

(₹ million)

| Particulars  | Standalone    |               |
|--|---------------|---------------|
|  | 2023-24       | 2022-23       |
| Profit before depreciation, exceptional and extra ordinary items & tax | 19,848        | 18,050        |
| Less: Depreciation, amortization and obsolescence                      | 2,457         | 2,046         |
| Profit/(Loss) before exceptional items and tax                         | 17,391        | 16,004        |
| Add: Exceptional Items   | -             | -             |
| Profit/(Loss) before tax   | 17,391        | 16,004        |
| Less: Provision for tax  | 4,806         | 4,472         |
| Profit for the period carried to the Balance Sheet                     | 12,585        | 11,532        |
| Add: Balance brought forward from previous year                        | 34,820        | 26,455        |
| Less: Dividend paid for the year (Including Tax deducted at source)    | 4,967         | 3,167         |
| <b>Balance to be carried forward</b>                                   | <b>42,438</b> | <b>34,820</b> |

## PERFORMANCE OF THE COMPANY

### A. State of Company Affairs

The gross sales and other income for the financial year under review were ₹ 88,820 million as against ₹ 81,117 million for the previous financial year registering an increase of 9.5%. The profit before tax from continuing operations, including extraordinary and exceptional items was ₹ 17,391 million and the profit after tax from continuing operations including extraordinary and exceptional items of ₹ 12,585 million for the financial year under review as against ₹ 16,004 million and ₹ 11,532 million respectively for the previous financial year, registering an increase of 8.7% and 9.1% respectively.

### B. 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<br>2023-24 | % of overall  | Revenue for<br>2022-23 | % of overall  |
| Transportation      | 27,699                 | 31.9%         | 23,784                 | 30.0%         |
| Industrial Products | 16,117                 | 18.6%         | 15,013                 | 19.0%         |
| Telecom & Hi Tech   | 21,374                 | 24.6%         | 19,215                 | 24.3%         |
| Plant Engineering   | 13,295                 | 15.3%         | 12,662                 | 16.0%         |
| Medical Devices     | 8,304                  | 9.6%          | 8,426                  | 10.7%         |
| <b>Total</b>        | <b>86,789</b>          | <b>100.0%</b> | <b>79,100</b>          | <b>100.0%</b> |

The detailed segmental performance is referred to in Note No. 37 of the Notes forming part of the standalone financial statements.

### C. Geographical Performance

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

| Sr. No. | Geography         | FY 2023-24    | % of overall  | FY 2022-23    | % of overall  |
|---------|-------------------|---------------|---------------|---------------|---------------|
| 1.      | North America     | 43,584        | 50.2%         | 41,061        | 51.9%         |
| 2.      | Europe            | 15,228        | 17.6%         | 12,930        | 16.4%         |
| 3.      | India             | 21,031        | 24.2%         | 18,857        | 23.8%         |
| 4.      | Rest of the World | 6,946         | 8.0%          | 6,252         | 7.9%          |
|         | <b>Total</b>      | <b>86,789</b> | <b>100.0%</b> | <b>79,100</b> | <b>100.0%</b> |

#### D. Capital Expenditure

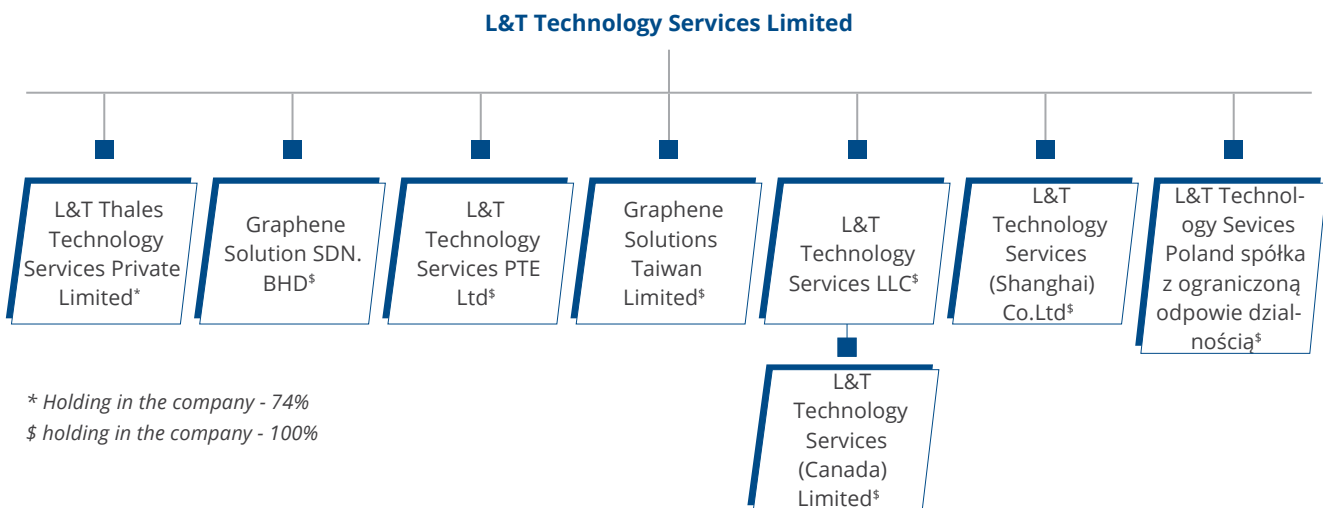
As on March 31, 2024, the gross fixed and intangible assets including leased assets, stood at ₹ 22,437 million (previous year ₹ 18,890 million) and the net fixed and intangible assets, including leased assets, at ₹ 13,895 million (previous year ₹ 10,671 million). Capital Expenditure during the year is ₹ 2,487 million (previous year ₹ 1,597 million).

### SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

#### a. Amalgamation/ Merger of Wholly Owned Subsidiaries

The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench passed an order on November 29, 2023 sanctioning the Scheme of Amalgamation between Esencia Technologies India Private Limited, Graphene

The following is the Group structure of the Company:



The Company has formulated a policy on the identification of material subsidiaries in line with Regulation 16(c) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, and the same is placed on the website at <https://www.lts.com/investors/corporate-governance>. The Company has one material subsidiary viz: L&T Technology Services LLC. Since this material subsidiary is not incorporated in India, Secretarial Audit pursuant to Regulation 24A of SEBI Listing Regulations is not applicable.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

#### TRANSFER TO RESERVES

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

Semiconductor Services Private Limited and Seastar Labs Private Limited, Wholly Owned Subsidiaries, with the Company, under Sections 230-232 of the Companies Act, 2013 ("the Act"). The amalgamation was effective on December 7, 2023, upon filing of the certified true copy of the NCLT Order with Registrar of Companies, Mumbai.

During the year under review, Orchestra Technology Inc. ceased to be a step-down wholly owned subsidiary of the Company consequent to its merger with L&T Technology Services LLC, wholly owned subsidiary of the Company with effect from February 1, 2024.

#### b. Incorporation of Wholly Owned Subsidiary

The Company has incorporated a wholly owned subsidiary in Poland under the name of 'L&T Technology Services Poland sp. z o.o.' on October 30, 2023.

### DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

During FY24, the Company paid an interim dividend of ₹ 17/- per equity share of face value of ₹ 2/- each. Further, the Board of Directors has recommended final dividend of ₹ 33/- per equity share of face value of ₹ 2/- each and if approved by the members at the ensuing 12<sup>th</sup> Annual General Meeting ('AGM') would be paid to those members whose names appear in the Register of Members as on the Record Date mentioned in the Notice convening the AGM. Accordingly, the total dividend for FY24, including the recommended final dividend, would amount to ₹ 50/- (2,500%) per equity share of face value of ₹ 2/- each.

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 SEBI Listing Regulations. The Dividend Distribution Policy is provided as Annexure 'A' forming a part of this Board's Report and also uploaded on the Company's website at <https://www.lts.com/investors/corporate-governance>.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), 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.

Pursuant to the provisions of Section 124 of the Act read with IEPF Rules and relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to IEPF, constituted by the Central Government. Further, pursuant to the provisions of IEPF Rules, all equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years are required to be transferred by the Company to the designated demat account of the IEPF authority within a period of thirty days of such shares becoming due to be transferred.

The Company sends advance communication to the concerned shareholders at their address registered with the Company and also publishes notices in the newspapers for taking appropriate action to claim unclaimed dividend and the shares due for transfer to IEPF.

Despite these efforts, an amount of ₹ 95,475/- which remained unclaimed for a period of seven years from the financial year 2016-17, was transferred to the IEPF in accordance with the provisions of the Act. In accordance with the IEPF Rules, the Company has also transferred 80 equity shares to IEPF on which dividend has not been claimed for seven consecutive years. All corporate benefits accruing on such shares viz. bonus shares, split shares, etc. including dividend except rights shares shall be credited to IEPF.

Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on [www.iepf.gov.in](http://www.iepf.gov.in) and on submission of such documents as prescribed under the IEPF Rules.

Pursuant to Section 124 of the Act, the unpaid dividends that are due for transfer to the IEPF are as follows:

| Year    | Type of Dividend | Dividend Per Share (₹) | Date of Declaration | Due for Transfer on |
|---------|------------------|------------------------|---------------------|---------------------|
| 2016-17 | Final Dividend   | 4                      | 23.08.2017          | 21.09.2024          |
| 2017-18 | Interim Dividend | 4                      | 07.11.2017          | 07.12.2024          |
| 2017-18 | Final Dividend   | 12                     | 22.08.2018          | 26.09.2025          |
| 2018-19 | Interim Dividend | 7.5                    | 25.10.2018          | 29.11.2025          |
| 2018-19 | Final Dividend   | 13.5                   | 20.07.2019          | 25.08.2026          |
| 2019-20 | Interim Dividend | 7.5                    | 18.10.2019          | 22.11.2026          |
| 2019-20 | Final Dividend   | 13.5                   | 17.07.2020          | 21.08.2027          |
| 2020-21 | Interim Dividend | 7.5                    | 19.10.2020          | 23.11.2027          |
| 2020-21 | Final Dividend   | 14.5                   | 16.07.2021          | 20.08.2028          |
| 2021-22 | Special Dividend | 10                     | 19.10.2021          | 23.11.2028          |
| 2021-22 | Interim Dividend | 10                     | 18.01.2022          | 22.02.2029          |
| 2021-22 | Final Dividend   | 15                     | 15.07.2022          | 19.08.2029          |
| 2022-23 | Interim Dividend | 15                     | 18.10.2022          | 22.11.2029          |
| 2022-23 | Final Dividend   | 30                     | 18.07.2023          | 17.08.2030          |
| 2023-24 | Interim Dividend | 17                     | 17.10.2023          | 16.11.2030          |

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE CURRENT FINANCIAL YEAR AND THE DATE OF THE 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.

## SHARE CAPITAL

During the year under review, the Company had allotted 1,45,700 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, 2024, the total paid up equity share capital of the Company was ₹ 21,15,07,684/- consisting of 10,57,53,842 equity shares of ₹ 2/- each, fully paid up.

As on March 31, 2024, Larsen & Toubro Limited, Promoter of the Company holds 7,79,86,899 shares constituting 73.74% of the paid-up share capital of the Company.

## DEPOSITS

During the year ended March 31, 2024, 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 the date of the Balance Sheet. The Company complies with the requirement of filing the requisite return with respect to amount(s) not considered as deposits.

## DEPOSITORY SYSTEM

As the members are aware, the Company's shares are compulsorily tradable in electronic form only. As on March 31, 2024, 99.99% of the Company's total paid-up capital representing 10,57,47,742 shares are in dematerialized form. In terms of Regulation 40(1) of SEBI Listing Regulations, requests for effecting transfer of securities shall be processed only if the securities are held in the dematerialized form.

Pursuant to SEBI circular dated January 25, 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 only in demat form. A letter of confirmation will be issued, which needs to be submitted by the shareholder to Depository Participant to get credit of these securities in dematerialized form. Shareholders desirous of using these services are requested to contact the RTA of the company, the contact details of RTA are available on the website of the Company at [www.LTTS.com](http://www.LTTS.com).

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.

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.

## 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's 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, Mr. R. Chandrasekaran and Dr. Keshab Panda as its Members. Mr. Sudip Banerjee is the Chairman of the Committee.

During the year under review, two meetings of the CSR Committee were held on April 25, 2023 and October 17, 2023.

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' forming part of this Board's Report.

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

The CSR Policy Framework is available on the website of the Company at <https://www.lts.com/investors/corporategovernance>.

## 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 SEBI Listing Regulations and forms part of the financial statements.

## RISK MANAGEMENT POLICY

The Risk Management Committee comprises of Mr. R. Chandrasekaran, Ms. Aruna Sundararajan, 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's Report. A detailed note on risk management and internal controls with reference to the financial statement is given under the Management Discussion and Analysis which forms part of the Integrated Annual Report.

## VIGIL MECHANISM

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 Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Act and Regulation 22 of SEBI Listing Regulations.

The details of the same are given in Annexure 'D' - Report on Corporate Governance forming part of this Board's Report.

## CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the recommendation of the Nomination & Remuneration Committee (NRC), the Board at its meeting held on January 16, 2024, re-appointed Mr. Amit Chadha as the Chief Executive Officer & Managing Director of the Company for a period of three years w.e.f. April 1, 2024, upto and including March 31, 2027, subject to the approval of the shareholders.

Mr. Abhishek Sinha, Chief Operating Officer and Whole-Time Director, is liable to retire by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment.

Mr. A. M. Naik, Founder Chairman is liable to retire by rotation at the ensuing AGM and has not offered himself for re-appointment. The Board places on record its appreciation towards the valuable guidance provided by Mr. A. M. Naik during his tenure as the Chairman of the Company.

The Notice convening the AGM includes the proposal for re-appointment of Directors.

The Board at its meeting held on March 7, 2024, has appointed Mr. Prasad Shanbhag as the Company Secretary and Compliance Officer of the Company with effect from May 1, 2024, pursuant to resignation of Ms. Prajakta Powle as the Company Secretary & Compliance Officer of the Company with effect from April 30, 2024.

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

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year under review, 5 (Five) meetings of the Board of Directors were held. The details of the meetings are provided in Annexure 'D' - Report on Corporate Governance forming part of this Board's Report.

## DISCLOSURE OF REMUNERATION

The details of remuneration as required to be disclosed under the Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure 'G' forming part of this Board's 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, is provided in Annexure 'H' forming part of this Board's 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.

## COMPANY POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company has in place a Nomination and Remuneration Committee in accordance with the requirements of Section 178 of the Act read with Rules made thereunder and Regulation 19 of SEBI Listing Regulations.

The details of the same are given in Annexure 'D' - Report on Corporate Governance forming part of this Board's Report.

The 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. A copy of the NRC Policy as disclosed on the Company's website at <https://www.lts.com/investors/corporate-governance> is also enclosed to the Board's Report as Annexure 'E'.

The NRC has formulated a policy on Board diversity.

## DECLARATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS

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 SEBI Listing Regulations, 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 SEBI Listing Regulations. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

## 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 Act 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 controls 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 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.

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 unbiased feedback.

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

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.

The evaluation of Independent Directors was done by the Board including assessment of their performance and their independence of management.

The Independent Directors met on January 16, 2024, to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The performance evaluation of the Board, Committees, Chairman and Directors was also reviewed by the Nomination and Remuneration Committee as well as in the Board Meeting held on April 25, 2024. 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.

The performance evaluation further included evaluation of Board Members against the list of core skills/expertise/competencies for the effective functioning of the Company. The names of Directors who have such skills/expertise/competence is provided in detail in Annexure 'D' - Report on Corporate Governance forming part of this Board's Report.

## **AUDIT COMMITTEE**

The Company has in place an Audit Committee in terms of the requirements of Section 177 of the Act read with the Rules made thereunder and Regulation 18 of the SEBI Listing Regulations.

The details pertaining to the same have been provided in Annexure 'D' - Report on Corporate Governance forming part of this Board's Report.

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Company has in place a Stakeholders' Relationship Committee in terms of the requirements of Section 178 of the Act read with the Rules made thereunder and Regulation 20 of the SEBI Listing Regulations.

The details of the same are given in Annexure 'D' - Report on Corporate Governance forming part of this Board's Report.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

LTTS has robust internal control framework commensurate with its size, scale, and complexity of its operations. The Company has well defined policies and procedures, system automations, authorization protocols, access controls, segregation of duties and physical security to ensure compliance with applicable statutes, safeguarding assets from unauthorised use and to enhance overall corporate governance.

LTTS uses an Enterprise Resource Planning (ERP) package that gives reliable financial and operational information with regards to accounting, consolidation, and management information purposes. It has continued its efforts to align all its processes and controls with global best practices.

The Company has laid down internal financial controls as detailed in the Companies Act, 2013. The design and operating effectiveness of controls is reviewed by an in-house Internal control team which was further validated by an independent consultant engaged by the Company. The statutory auditors have also independently audited the internal financial controls over financial reporting as of March 31, 2024 and have opined that such controls were operating effectively.

The Company has an Audit Committee of the Board of Directors, the details of which have been provided in the corporate governance report. The Audit Committee reviews audit reports submitted by the Independent Internal auditors on quarterly basis.

## 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.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted an Internal Committee ('IC') - in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The IC has been constituted as per the 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, eight complaints were filed, out of which seven complaints were disposed off during the year and one complaint is pending as at the end of the financial year.

Continuous awareness workshops/training programs for employees are conducted across the Company to sensitize employees to uphold the dignity of their colleagues at workplace especially with respect to prevention of sexual harassment.

The Company, on the recommendation of Audit Committee, also undertook measures by way of periodical e-mailers and sessions to create awareness on microaggression.

## 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 SEBI Listing Regulations 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

M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) were appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 10<sup>th</sup> AGM till the conclusion of 15<sup>th</sup> AGM of the Company, at the AGM held on July 15, 2022.

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

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as a declaration 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.

Further, in compliance with Section 146 of the Act, the notices of the general meeting of the Company are also forwarded to the Statutory Auditors of the Company to ensure their attendance at the AGM of the Company.

The details of the total fees paid by the Company and its subsidiaries and other relevant details are provided in Annexure 'D' - Report on Corporate Governance forming part of this Board's Report.

## SECRETARIAL AUDIT REPORT

The Board had appointed Alwyn Jay & Co., (Firm Registration No. P2010MH021500), Practicing Company Secretaries, to conduct a Secretarial Audit under the provisions of Section 204 of the Act for the financial year 2023-24.

The Secretarial Audit Report issued by Alwyn Jay & Co.; Practicing Company Secretaries is attached as Annexure 'F' forming part of this Board's Report.

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

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Pursuant to the amendments in the SEBI Listing Regulations, the Audit Committee has approved the amendments to the Related Party Transaction Policy and its Guidelines and the same has been uploaded on the Company's website at <https://www.lts.com/investors/corporate-governance>.

The Company has a process in place to periodically review and monitor Related Party Transactions and all 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 the FY 2023-24. Omnibus approval of the Audit Committee is obtained before the commencement of financial year for all the transactions for FY 2024-25 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.

## 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 2023-24 is available on the website of the Company at <https://www.ltts.com/investors/corporate-governance>.

## IT SECURITY BREACH AND SAFETY

The Company has implemented comprehensive IT security programs supported by latest technology and trained manpower to protect employees and assets, at all its offices and plants from such IT Security breaches/cyber-attacks.

During the year under review, no major security breaches or incidents have occurred. A comprehensive security risk assessment is carried out regularly and adequate security measures are implemented to cater to the changing security scenario. The Company has installed the best of the IT security measures and processes to protect its personnel and assets.

## DESIGNATED PERSON FOR FURNISHING INFORMATION AND EXTENDING CO-OPERATION TO ROC IN RESPECT OF BENEFICIAL INTEREST IN SHARES OF THE COMPANY:

The Company had appointed Ms. Prajakta Powle, Company Secretary & Compliance Officer as designated person upto April 30, 2024 and Mr. Prasad Shanbhag, Company Secretary & Compliance Officer from May 1, 2024 to ensure compliance with MCA notification on this matter.

## AMENDMENT IN MATERIALITY POLICY OF THE COMPANY:

Pursuant to the amendments to the SEBI Listing Regulations, the Company has revised its existing "Policy for Determination of Materiality of Event or Information" to align it with the requirements of the said Regulations. The updated Policy has been uploaded on the Company's website at <https://www.ltts.com/investors/corporate-governance>

## OTHER DISCLOSURES

- **Corporate Governance Report**

Pursuant to Regulation 34 read with Schedule V of the SEBI Listing Regulations, a report on Corporate Governance along with a certificate obtained from

the Secretarial Auditor confirming compliance with conditions of Corporate Governance of SEBI Listing Regulations, is provided in Annexure 'D' forming part of this Board's Report.

- **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 Securities and Exchange Board of India (Share based Employee Benefit and Sweat Equity) Regulations, 2021 ("SBEB Regulations").

The disclosures 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 at <http://www.ltts.com/investors>.

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

- **Integrated Reporting**

Pursuant to SEBI Circular on Integrated Reporting and the framework outlined by the International Integrated Reporting Council, the Company is complying with the applicable requirements of the Integrated Reporting Framework to enhance the quality of disclosures. The integrated Report for the year 2023-24 forms a part of this Integrated Annual Report. Our Integrated Report aids all the key stakeholders to get a holistic and long-term view of the Company's strategic focus area, future outlook and value creation which revolves around the five capitals – Financial, Intellectual, Social & Relationship, Human and Natural.

- **Voting Rights**

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.

- **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.

- **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.

- **KYC Registration for Holders of Physical Securities**

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 <https://www.lts.com/investors/investor-services>.

- **Management Discussion and Analysis**

The Management Discussion and Analysis as required in terms of Regulation 34 of SEBI Listing Regulations, forms part of the Integrated Annual Report separately.

- **Business Responsibility and Sustainability Reporting**

As per Regulation 34 of the SEBI Listing Regulations, a separate section on Business Responsibility and Sustainability Reporting forms a part of this Integrated Annual Report. The Company has obtained reasonable assurance for the BRSR Core KPIs from DNV Business Assurance India Pvt Ltd. Disclosures with respect to the same have been made in the BRSR report section of the Integrated Annual report.

- **Remuneration received by Whole-Time Director from Holding or Subsidiary Company**

During the year under review, no Whole-Time Director received remuneration from any of the subsidiaries of the Company.

- **Statutory Compliance**

The Company complies with all applicable laws, rules, and regulations, pays applicable taxes on time, ensures 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.

- **MSME**

The Ministry of Micro, Small and Medium Enterprises vide their Notification dated 2<sup>nd</sup> 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 Ministry of Corporate Affairs within the specified timelines.

- **Cost records and audit**

Maintenance of cost records and requirement of cost audit as prescribed under Section 148 of the Act is not applicable for the business activities carried out by the Company.

- **Corporate Insolvency Resolution process initiated under the Insolvency and Bankruptcy Code, 2016**

The Company has neither filed any application, nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2023-24.

- **The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof**

The Company has not made any one-time settlement, therefore, the same is not applicable.

- **Modern Slavery Statement**

The Company has published the Modern Slavery Statement prepared in accordance with Section 16 of the Modern Slavery Act, 2018 of Australia and Section 54 of the Modern Slavery Act, 2015 of United Kingdom (UK) which was approved by the Board of Directors. The same is available on the website of the Company at <https://www.lts.com/investors/corporate-governance>

- **CEO & CFO Certificate**

In accordance with the provisions of Regulation 17(8) of the SEBI Listing Regulations, certificate from the Chief Executive Officer & Managing Director and the Chief Financial Officer in relation to the Financial Statements for the year ended March 31, 2024, is provided in Annexure 'D' forming part of this Board's Report.

## 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 25, 2024

**S. N. Subrahmanyam**  
Vice Chairman  
(DIN: 02255382)

Place: Mumbai  
Date: April 25, 2024

# 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 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:

LTTS has pledged to become Carbon Neutral in its operations by 2030. In order to achieve this goal, the Company has taken up numerous initiatives to reduce Emissions and also to reduce energy consumption across all facilities in India, which are mentioned in brief as follows:

#### Enhancing operational efficiency:

We continue to implement energy efficient systems including LED lighting, smart lighting controls, energy efficient appliances. By installing LED fittings, we have saved 9,900 kWh units & from installation of LED high mast, savings achieved is 17,280 kWh units during the reporting period. The Company encourages eco-friendly commuting options, such as cycling or walking and accordingly the Company has invested in purchase of cycles for commute within the campus and beautification of pathways for relaxation, mindfulness, and leisurely strolls.

#### Increasing use of Renewable sources of energy:

Reduction of Green House Gas emissions is a priority for the Company and with continued efforts, we have increased the use of Renewable sources of energy to 22% in FY24 from 6% in FY23. We continue the pursuit to increase renewable coverage further in FY25.

### B. TECHNOLOGY ABSORPTION:

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

Last year, the Company identified and announced the 6 strategic technology focus areas (Big Bets) likely to drive the ER&D industry over the next decade. These included EACV, NexGen Comms, AI and Digital Products, Digital Manufacturing, MedTech, and Sustainability. The Company's focus for driving new investments and supporting its engineers in delivering unmatched results across industries and verticals is based on these emerging technology domains.

Robust in-house innovation programs such as Reveries and TechExpression®, where our engineers are encouraged to submit ideas, concepts and PoCs (Proof of Concept) aligned to the domains identified complement the emphasis on the Big Bets driving technology absorption.

Our robust Innovation framework and programs driven from the technology office provides platform conducive for ideation and cross-pollination of ideas.

Ideas from innovation programs and other initiatives are explored, evaluated and nurtured on an ongoing basis. The vibrant innovation culture has resulted in overall 1200+ patent applications filed on our own or co-authored with our customer.

As a company we have invested in state-of-the-art LABs such as **Electric Vehicle, Power Electronics, 5G, Tear Down, Sensors lab et al.** These labs aid in our employee's research and help deliver and engage on project for our customers.

The Company has continued 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), eVOLTSS (a home-grown EV technology demonstrator solution), AnnotAI (an AI-based, end-to-end automatic data annotation tool that enables smart and intelligent data annotation), EvQual(Test Automation Framework for mobile, web and desktop applications.)

MOUs have been signed with various academic institutes with focus on specific areas such as power electronics, MedTech, Sustainability, AI amongst others. LTTS today has ongoing engagements with academia on sustainable technologies such as carbon capture, AV/ADAS, connected vehicles, electric vehicle components like motors, batteries and vehicle dynamics. Our employees are encouraged to write for leading technical publications and publish papers in external bodies such as IEEE.

We continue to make investments in our efforts to stay ahead of the curve on technology. Our technology office is focused on researching upcoming and emerging technologies and incubating new practices early. As an early adopter of AI, we today hold a rich portfolio of AI patents and solutions.

We are a continuous learning organization and stay invested in up-skilling and reskilling of our workforce. Further demonstrating our commitment to continuous learning, we recently launched an AI and GenAI-based hackathon for our employees, collaborating with the top three leading hyperscalers working on 25+ AI/Gen AI based use cases.

The Company is helping expand the growth of technology to reach young, aspiring engineers. This vision manifests in TECHgium® — LTTS' flagship, multi-stage, open innovation challenge for engineering students across the nation. TECHgium helps LTTS reach out to a vast community of upcoming engineering talent. The 7<sup>th</sup> Edition of TECHgium event,

saw participation from over 35,000+ aspirants from engineering institutes of the country. TECHgium provides a platform to young minds with exposure to real-world use cases and challenges. The platform enables LTTS practitioners to gain valuable insights from fresh perspectives, challenging the established practices, while providing young engineers exposure to the complexities of the engineering field and gaining practical experience. The Company believes that this interaction goes a long way towards driving all-round technological absorption amongst our youth, who hold the key to our future.

### HR DIGITISATION

The HR digital transformation is a continuous process revolving around alignment that drives across people, processes, and technology.

The HR Digitization seeks to deliver a unified employee experience to diverse stakeholders across LTTS with measurable outcomes.

During the year, we continued to disrupt and reformulate digitization across the spectrum of our HR activities. With state of the art in place, investment has been done in leveraging **GENIE** – our HR policy Chatbot launched across the globe with technology advancement using generative AI transforming from Process to Employee Centricity. In similar lines, our Recruitment tool has been transformed with AI capabilities.

Automation and Artificial Intelligence/Machine Learning has been the backbone for our operational

efficiency. The Technology advancement done in AI Policy Driven Chatbot fits in ease of Policy understanding to Recruitment to Welcoming candidates. It is ensured that analysis drawn help managers to take quick and right decisions. Our HR Helpdesk minimizes dependency on manual processes and empowers employees with required information at their fingertips.

Our digital technology developments have taken place with these objectives in mind:

- Enhanced Employee Experience
- Increased Organisation Agility
- Improved Decision making, thereby resulting in:
- Increased Productivity
- Operational Efficiency and
- Employee Retention

### 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 | 70,864      |
| Foreign exchange used   | 36,044      |



# 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
- c. Skill Development
- d. Water
- e. Environment
- f. Sports for disabled

#### A. Health

Health is wealth. Through our CSR projects, during the year 2023-24, we focused our health care interventions primarily catering to women, children and elderly people who have limited access to health care.

All our projects had one common objective- serving the most marginalized and disadvantaged communities including remote and rural corners of the country.

**44,116** people benefited through the below social interventions on Health care carried out during the financial year:

- a) Maternity care - Ante & post-natal care
- b) Reducing Malnourishment and Childcare
- c) Menstrual Hygiene
- d) Cancer Prevention and awareness creation
- e) Eye Care including cataract surgeries
- f) Primary Healthcare through mobile van

- g) Infrastructure Support to healthcare facilities
- h) Paediatric Cancer Research
- i) Medicinal plant

#### B. Education

Education is the cornerstone of human capital development. By focusing on quality education individuals will be equipped with knowledge, skills and abilities that are essential for personal growth, productivity & overall well-being. In a populous nation like India, providing quality education to every individual comes with its own set of challenges.

Keeping all challenges in mind, the following educational initiatives were implemented during the year 2023-24, benefitting **17,700** students and **76** teachers. The following initiatives were aimed to provide the quality and new technology education to the students.

- Digital Education
- Early Childhood Intervention
- Provide Scholarship support to needy students
- Nutritional support in schools
- To provide exposure in engineering, science and technology innovative projects like
  - Electronics on bike
  - Mobile Innovation Lab
- Infrastructure support in schools
- Support to Institute for Research and Development projects

#### C. Skill Development

India has a young & culturally diversified population and skill development programs are essential for harnessing this demographic dividend. Our Skill Development initiatives have been formulated on the mantra of training the youth in skills that can help them earn a livelihood. Around **5,967** people benefitted from the following skill development activities:

- Training in computer concepts, office assistantship & financial literacy
- Reviving traditional art and empowering artisans
- Empowering women entrepreneurs through financial literacy

- Skill training to youth with disabilities
- Holistic rural development
- Infrastructure support for setting up natural dying for handloom enterprises

#### D. Water Conservation

Water is essential not only for human survival but also for economic development of the country. Through our water conservation projects, we aim not only to address the issue of drinking water but also making water available to the farmers for agricultural purposes thus benefiting the rural economy. **2,344** people benefited through the below listed activities that were carried out during the year.

- Integrated watershed projects
- Restoration of Lake
- Creation of village level water security plan for rejuvenating water bodies

#### E. Environment

The Environment related initiatives, focus on the sustenance of a green world. During the reporting year, we planted around **90,989** saplings, recycled around 13 tons of floral waste, saving around **2,000** units of electricity by providing renewable energy in remote villages. Our environmental interventions have benefited **6,715** people. Some of the activities we have carried out during the year are:

- Afforestation projects – Miyawaki and conventional plantation
- Recycling floral waste
- Renewable energy – solar powered drinking water system & solar trap light
- Restoration of public places
- Sustainable agriculture practices

#### F. Sports for the Disabled

We have provided support to **152** intellectually & differently abled people through the following initiatives:

- Sports sessions for the intellectually disabled students
- Construction of tennis court for differently abled people

#### G. Corporate Volunteering Programme (CVP)

LTTs employees wholeheartedly participated in various employee volunteering programmes such as teaching underprivileged students online, providing career guidance to budding engineering students and contributing towards cleaning up public spaces and natural ecosystems.

**195 LTT Sites** across all LTTs India locations dedicated around **1,678 Hours** towards various social activities benefiting **1,206** students apart from community at large.

## 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    | Chairman/<br>Independent Director  | 2  | 2  |
| 2.      | Mr. R. Chandrasekaran | Member/<br>Independent Director    | 2  | 2  |
| 3.      | Dr. Keshab Panda      | Member/<br>Non- Executive Director | 2  | 2  |

### 3. PROVIDE THE WEB-LINK(S) 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.lts.com/sites/default/files/investors/corporate-gov/pdf/Composition-of-Committees.pdf>

CSR Policy & CSR Projects - <https://www.lts.com/about-us/csr>

### 4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE

As required under the provisions of Section 135 of the Act read with the Rules thereunder, the Impact Assessment has been carried out for the following projects in FY 24. A third party has done the impact assessment of these projects and the summary of the same is provided below. The detailed impact assessment reports are provided at <https://www.lts.com/investors/corporate-governance>

**a) Natural Resource Management Project:**

This project has been implemented in the most remote villages of three blocks in the Dangs District: Ahwa, Waghai, and Subir for the benefit of marginal and smallholder farmers, who primarily rely on rain fed agriculture and agricultural labour as their main sources of livelihood.

The following activities were carried out as part of the project -

- Water Resource management
- Solar-based mini lift irrigation units
- Farm based activities

The successful implementation of solar drip irrigation and farm ponds in the Dangs has transformed water scarcity issues for local farmers. By introducing solar lift irrigation, farm ponds, drip irrigation and horticulture, the program has revolutionised tribal agriculture. The project was evaluated using the REESS framework on five parameters – Relevance, Effectiveness, Efficiency, Social Impact and Sustainability and the results indicate that the project has transformed the communities, fostered sustainable agricultural practices and empowering farmers in the Dangs. These sustainable practices have also strengthened climate resilience, ensuring a prosperous and harmonious future for the tribals.

**b) Ladies Hostel:**

The Company has partially funded the construction of a 166-room hostel complex for women students in STEM (Science, Technology, Engineering and Mathematics) at the Indian Institute of Science (IISc) Bengaluru. The project aimed to address the need for more accommodation facilities for women pursuing higher education in these fields and sought to promote the following -

- To provide a safe environment to the women research scholars
- To enable them to have 24x7 access to university resources like labs and libraries
- To ensure the women research scholars from lower economic groups have an affordable living option.
- To promote gender diversity and inclusivity in the STEM disciplines.

The LTTS-IISc hostel accommodation for women in STEM fields had a profound impact on the educational and personal development of female students by providing a safe, supportive and empowering environment conducive to their academic growth and success. It has encouraged women's participation in STEM disciplines. The hostel is playing a crucial role in advancing women's representation and contributions

to the world of STEM. By investing in the infrastructure, LTTS along with IISc has collectively worked toward creating a more safe, secure inclusive and equitable society where women can thrive and contribute significantly to the STEM fields.

**c) Scholarship program for Data Science Program:**

In a collaborative effort, the Company has partnered with IIT Madras to establish a merit-based scholarship initiative, targeting economically underprivileged yet deserving individuals enrolled in the Foundation Course of the Online BS Data Science Program at the institution. This scholarship was extended to 690 scholars.

The objectives were evaluated using the REESS framework and the result of the evaluation has indicated that the scholarship is a very relevant and an impactful initiative that helps in grooming many individuals in the field of Data Science. By granting access to quality education in Data Science, the program equips students with the skills and knowledge necessary to thrive in a rapidly evolving technological landscape. It has enabled many students from the lower economic strata to upgrade their career and academic prospects and be certified from the prestigious IIT Madras. It not only supports underprivileged students, but also contributes to social equity, innovation, and the nation's education objectives.

**d) The Green Office Project:**

The world increasingly recognises renewable energy as a multiplier solution that addresses climate challenges, fosters socioeconomic growth and enhances energy security amid a global energy crisis. To meet its commitment of achieving a net-zero carbon emissions by 2070, India has been making significant strides in the adoption of renewable energy and has set targets to reduce the carbon intensity of the nation's economy. The Indian Government is actively working with the private sector to address the infrastructure development and grid integration challenges. Storage of solar energy can increase system efficiency and resilience and it can improve power quality by matching supply and demand. Towards this, the Company, which is driven by its mission to build a more robust and equitable society, has funded IIT Madras to address the issue of energy conversion including multiple storage systems.

The evaluation of this project on the REESS framework indicated that this project has achieved its objectives of grid independence and indigenous development of zinc air and carbon dioxide electrolysers and has demonstrated a huge impact in the future on renewable energy. The indigenously developed storage systems have very little negative impact on the environment, can be made to be cost- effective in scale and adds pride to India.

**e) Studio Classroom:**

The establishment of the Studio Classroom at IIT Madras under the National Program on Technology Enhanced Learning (NPTEL) by LTTS was a significant stride in the domain of higher technical education. NPTEL is renowned as one of the world's biggest higher technical education platforms, and the inclusion of the state-of-the-art Virtual Studio and Studio classrooms in IIT adds a new dimension to its offerings. Through the courses developed in the studio, IIT aims to provide valuable upskilling and cross-skilling opportunities to thousands of Indians, thereby enhancing their eligibility for diverse job prospects.

The impact assessment study focused on evaluating the overall impact of the program, which was made available through the NPTEL portal in the form of courses recorded in the afore mentioned studios with the objective to assess how the support provided by LTTS had contributed to the achievement of LTTS' education CSR program goals at IIT. Based on the evaluation as per the REESS framework, it has been observed that through LTTS' support, IIT Madras has been able to reach learners worldwide, transcend geographical boundaries and make education more accessible to students from diverse backgrounds. The project helped meet a crucial need as it ensured the production of clear, engaging, and visually appealing content and recordings, elevating the overall learning experience and making online courses more effective in imparting knowledge to students. These combined

aspects contribute to making the Studio Classroom a valuable and successful education platform.

5. (a) **Average net profit of the company as per sub-section (5) of Section 135:** ₹ 11,502.23 million
- (b) **Two percent of average net profit of the company as per sub-section (5) of Section 135:** ₹ 230.04 million
- (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil
- (d) **Amount required to be set off for the financial year, if any:** ₹ 12.78 million
- (e) **Total CSR obligation for the financial year (5b+5c-5d):** ₹ 217.26 million
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 215.56 million
- (b) **Amount spent in Administrative Overheads:** ₹ 11.50 million
- (c) **Amount spent on Impact Assessment, if applicable:** ₹ 0.88 million
- (d) **Total amount spent for the Financial Year (6a+6b+6c):** ₹ 227.94 million

**(e) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year (In ₹) | Amount Unspent (in ₹)  |                  |   |        |                  |
|--|--|------------------|---|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135 |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 |        |                  |
|  | Amount   | Date of transfer | Name of the Fund  | Amount | Date of transfer |
| ₹ 227.94   | NA   | NA               | NA  | NA     | NA               |

**(f) Excess amount for set off, if any : ₹ 10.68 million**

| Sr. No. | Particulars   | Amount (in ₹) |
|---------|---|---------------|
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                      | 230.04        |
| (ii)    | Total amount spent for the Financial Year*  | 240.72        |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 10.68         |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL           |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 10.68         |

\* This includes ₹ 12.78 million excess CSR amount spent during the previous FY23 and adjusted against the required CSR spend for FY 24.

**7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS**

| (1)          | (2)                      | (3)   | (4)   | (5)  |                  | (6)   | (7)                |
|--------------|--------------------------|---|---|--|------------------|---|--------------------|
| Sr. No.      | Preceding Financial Year | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any |                  | Amount remaining to be spent in succeeding financial years (in ₹) | Deficiency, if any |
|              |                          |   |   | Amount (in ₹)  | Date of Transfer |   |                    |
| 1.           | FY 21                    | NA  | NA  | 0  | NA               | NA  | NA                 |
| 2.           | FY 22                    | NA  | NA  | 0  | NA               | NA  | NA                 |
| 3.           | FY 23                    | NA  | NA  | 0  | NA               | NA  | NA                 |
| <b>Total</b> |                          | NA  | NA  | 0  | NA               | NA  | NA                 |

**8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:**

Yes  No

**9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUBSECTION (5) OF SECTION 135:** Not Applicable

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

Date: April 24, 2024  
Place: Mumbai

**Amit Chadha**  
CEO & Managing Director  
(DIN: 07076149)

**Sudip Banerjee**  
Chairman of CSR Committee  
(DIN: 05245757)

# Annexure D

## CORPORATE GOVERNANCE REPORT

### 1. CORPORATE GOVERNANCE

Corporate governance, encompassing various key facets across investors, employees, shareholders, customers, suppliers, environment, and the community, serves as the driver for maximizing stakeholder value. It is a fundamental element for fostering an effective and enduring business landscape, leveraging a framework of principles, processes, and systems for efficient governance.

The key components of corporate governance include independence, transparency, accountability, responsibility, compliance, ethics, values, and trust. Upholding ethical business practices, integrity, and a steadfast commitment to values are integral to nurturing and reinforcing stakeholder trust within the Company's Corporate Governance framework.

L&T Technology Services Limited ('LTTS' or 'Company') has adopted meticulously structured protocols, processes, and mechanisms to empower its Board of Directors with the requisite knowledge and tools to help effectively discharge their overarching duties. This involves steering the Company's management towards crafting strategies that drive sustainable shareholder value journeys. In this regard, the Company draws inspiration from the robust governance and disclosure standards of its parent L&T Group.

#### A. Company's Corporate Governance Philosophy

LTTS' corporate governance philosophy is built on our revitalized values charter. Your Company believes that good governance is a continuing exercise and is focused on scaling up its corporate governance standards and outcomes.

Sustained efforts are undertaken to improve existing practices and adopt the best of the emerging trends. LTTS has adopted a consolidated Code of Conduct – Part A relates to the employees, including the Managing Director and the Executive Directors, while Part B pertains to the Board and other senior management. Your Company has also adopted a Code of Conduct for its Non-Executive Directors and Independent Directors, incorporating and laying down the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

Our approach to corporate governance, therefore, focuses on driving the next frontiers of world-class professional management with a decision-making model built on empowerment and meritocracy. We seek to ensure that LTTS continues to maintain and enhance its outstanding reputation for unmatched integrity and industry-leading excellence.

### B. Corporate Governance Guidelines

The LTTS leadership team has adopted the latest best practices around the timely disclosure of accurate financial and performance information, in accordance with the established good governance standards. We are committed to sound corporate practices for enhancing and retaining the confidence of stakeholders – a key element for sustained long-term business success.

LTTS also conducts regular training and awareness programs on Corporate Governance and related policies for employees. The program has been active since FY 2017-18.

Our commitment to enhance and expand a legacy of fair, transparent, and ethical governance continues to drive future-proof value-creation, helping accelerate industry-leading excellence paradigms leveraging ethical, transparent, and agile corporate governance practices. The outcome of these initiatives is evident through the enhanced quantum of stakeholder ownership and trust across the spectrum of our operations and presence.

### 2. BOARD OF DIRECTORS

#### A. Composition of the Board:

The Board of Directors along with its Committees possesses varied skills and expertise. Combined with their diverse background, this enables them to provide requisite leadership and guidance to the Company's senior management team and 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, 2024, the Board comprised of 12 Directors, consisting of the Chief Executive Officer & Managing Director, 2 Whole-time Directors, 3 Non-Executive Directors and 6 Independent Directors. The Board is chaired by Mr. A. M. Naik, Non-Executive Founder Chairman. The composition of the Board is in line with the provisions of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The number of Directorships held by Executive, Non-Executive and Independent Directors are within the permissible limits laid down under SEBI Listing Regulations and the Act. The Directors have provided necessary disclosures regarding changes in Committee positions, if any, during the year. Further, none of the Directors on the Company's Board are members 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 (Five) Board meetings were held on April 26, 2023, July 18, 2023, October 17, 2023, January 16, 2024 and March 7, 2024.

The Independent Directors met on January 16, 2024, to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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 secure web-based application. Every Director is free to suggest the inclusion of any item(s) on 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 the Whole-Time Directors of the

Company. Senior Management Personnel are invited, as and when required, to the meetings to provide additional inputs for the items being discussed by the Board of Directors. The respective Chairpersons of the Board Committees apprise the Board Members of the important issues and discussions that transpired in the Committee meetings. 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 takes note of the gist of discussions/decisions taken by its subsidiary companies.

The details of composition of the Board of Directors, attendance of Directors at the Board meetings and at the last Annual General Meeting ('AGM') held during FY 2023-24, number of other Directorships, Membership/Chairpersonship in Committees held by them as on March 31, 2024, are as follows:

| Name of Director                    | Category                                      | Attendance at Board Meeting (Attended/Held) | Attendance at last AGM | Number of Directorships in other Companies <sup>3</sup> | Number of Committee positions held in other Public Companies |        |
|-------------------------------------|---|---|------------------------|---|--|--------|
|                                     |   |   |                        |   | Chairman   | Member |
| Mr. A. M. Naik                      | Non-Executive Founder Chairman                | 5/5   | Yes                    | 3   | 0  | 0      |
| Mr. S. N. Subrahmanyam              | Non-Executive Vice-Chairman                   | 5/5   | Yes                    | 7   | 0  | 0      |
| Mr. Amit Chadha                     | Chief Executive Officer & Managing Director   | 5/5   | Yes                    | 1   | 0  | 0      |
| Mr. Abhishek Sinha                  | Chief Operating Officer & Whole-time Director | 5/5   | Yes                    | 1   | 0  | 0      |
| Mr. Alind Saxena <sup>#</sup>       | President, Sales & Whole-time Director        | 5/5   | Yes                    | 1   | 0  | 0      |
| Dr. Keshab Panda                    | Non-Executive Director                        | 5/5   | Yes                    | 1   | 0  | 1      |
| Mr. Narayanan Kumar                 | Independent Director                          | 3/5   | Yes                    | 3   | 2  | 3      |
| Mr. Sudip Banerjee                  | Independent Director                          | 5/5   | Yes                    | 3   | 1  | 2      |
| Ms. Apurva Purohit                  | Independent Director                          | 5/5   | Yes                    | 4   | 1  | 3      |
| Mr. R Chandrasekaran                | Independent Director                          | 5/5   | Yes                    | 6   | 1  | 3      |
| Mr. Luis Miranda                    | Independent Director                          | 5/5   | Yes                    | 2   | 2  | 2      |
| Ms. Aruna Sundararajan <sup>§</sup> | Independent Director                          | 4/5   | Yes                    | 6   | 1  | 4      |

<sup>#</sup>Appointed as President, Sales & Whole-time Director w.e.f. April 26, 2023

<sup>§</sup>Appointed as Independent Director w.e.f. April 26, 2023

**Notes:**

1. None of the above Directors are related inter-se.
2. 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 SEBI Listing Regulations.
3. Other Company Directorship includes directorship in all entities (including LTTS) whose securities are listed, public limited companies (whether listed or not) and excludes private limited companies, foreign companies, and Section 8 companies.
4. The other Committee Chairmanships/Memberships are disclosed as per Regulation 26 of the SEBI Listing Regulations.

Further, details of Directorships held in other listed entities (excluding directorship held in the Company) as on March 31, 2024, are as follows:

| Name of Director       | Directorship in other Listed entity   | Category                       |
|------------------------|---------------------------------------|--------------------------------|
| Mr. A.M. Naik          | LTIMindtree Limited                   | Non-Executive Founder Chairman |
| Mr. S. N. Subrahmanyam | Larsen & Toubro Limited               | Chairman & Managing Director   |
|                        | LTIMindtree Limited                   | Non-Executive Vice Chairman    |
|                        | L&T Finance Holdings Limited          | Non-Executive Chairman         |
| Mr. Amit Chadha        | Nil                                   | -                              |
| Mr. Abhishek Sinha     | Nil                                   | -                              |
| Mr. Alind Saxena       | Nil                                   | -                              |
| Dr. Keshab Panda       | Nil                                   | -                              |
| Mr. Narayanan Kumar    | Larsen and Toubro Limited             | Independent Director           |
|                        | Entertainment Network (India) Limited | Independent Director           |
| Ms. Apurva Purohit     | LTIMindtree Limited                   | Independent Director           |
|                        | Navin Fluorine International Limited  | Independent Director           |
|                        | Marico Limited                        | Independent Director           |
| Mr. Sudip Banerjee     | IFB Industries Limited                | Non-Executive Director         |
|                        | Kesoram Industries Limited            | Independent Director           |
| Mr. R Chandrasekaran   | LTIMindtree Limited                   | Independent Director           |
|                        | PNB Housing Finance Limited           | Independent Director           |
| Mr. Luis Miranda       | Nil                                   | -                              |
| Ms. Aruna Sundararajan | Delhivery Limited                     | Independent Director           |
|                        | Info Edge (India) Limited             | Independent Director           |

**C. Information to the Board:**

The Board of Directors have 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.

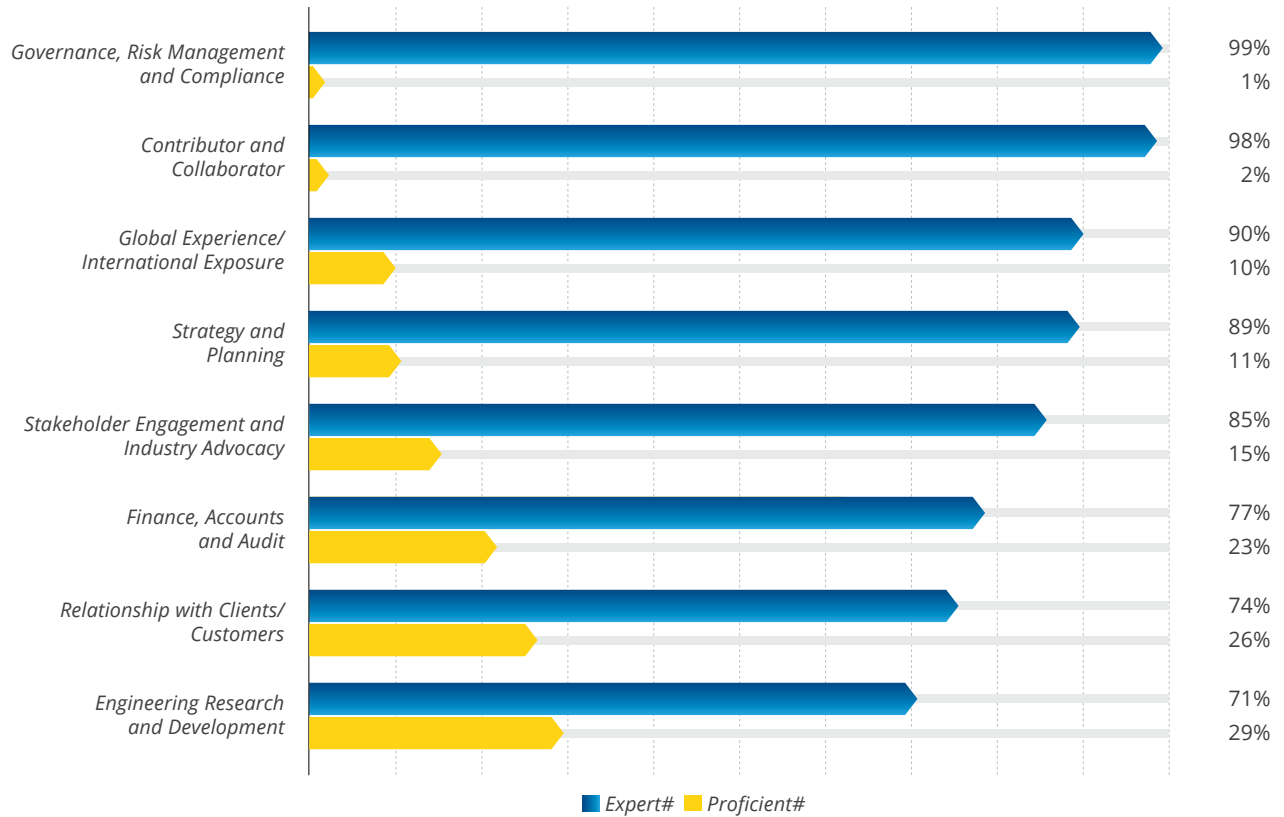


**E. Board Skill Matrix:**

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

| <b>Skill Area</b>                          | <b>Description</b>   |
|--|--|
| 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.  |
| Engineering Research & Development         | Should possess 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. |
| 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.   |
| 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 geopolitical 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.   |
| 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. Also, 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.  |
| 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.   |

As part of the annual performance evaluation of the Board/Individual Directors for FY24, an analysis of the skills, experience and expertise of the Directors was carried out and the same indicated that the Board of Directors possesses the right and optimal skill sets for effective functioning of the Company. The result of the analysis are presented below:



Expert Proficient

| S. No. | Name of the Director            | Contributor and Collaborator | Engineering Research and Development | Finance, Accounts and Audit | Global Experience/International Exposure | Governance, Risk Management and Compliance | Relationship with Clients/Customers | Stakeholder Engagement and Industry Advocacy | Strategy and Planning |
|--------|---------------------------------|------------------------------|--------------------------------------|-----------------------------|--|--|-------------------------------------|--|-----------------------|
| 1      | Mr. A. M. Naik                  |                              |                                      |                             |  |  |                                     |  |                       |
| 2      | Mr. S. N. Subrahmanyam          |                              |                                      |                             |  |  |                                     |  |                       |
| 3      | Dr. Keshab Panda                |                              |                                      |                             |  |  |                                     |  |                       |
| 4      | Mr. Amit Chadha                 |                              |                                      |                             |  |  |                                     |  |                       |
| 5      | Mr. Abhishek Sinha              |                              |                                      |                             |  |  |                                     |  |                       |
| 6      | Mr. Alind Saxena                |                              |                                      |                             |  |  |                                     |  |                       |
| 7      | Mr. Narayanan Kumar             |                              |                                      |                             |  |  |                                     |  |                       |
| 8      | Mr. Chandrasekaran Ramakrishnan |                              |                                      |                             |  |  |                                     |  |                       |
| 9      | Mr. Sudip Banerjee              |                              |                                      |                             |  |  |                                     |  |                       |
| 10     | Ms. Apurva Purohit              |                              |                                      |                             |  |  |                                     |  |                       |
| 11     | Mr. Luis Miranda                |                              |                                      |                             |  |  |                                     |  |                       |
| 12     | Ms. Aruna Sundararajan          |                              |                                      |                             |  |  |                                     |  |                       |

The identified skills/competencies are broad-based. 'Proficient' marked against a particular Director does not indicate that he/she does not possess the corresponding skills/competencies

### 3. BOARD COMMITTEES

The Board currently has 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 SEBI Listing Regulations 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 recommendations, suggestions and observations of the Committee, the Board of Directors takes informed decisions. 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 Meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India.

The minutes of the Committee meetings are also placed in the Board meeting of the Company. A 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.

#### A. AUDIT COMMITTEE

##### • Terms of Reference

The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act, which are briefly described below:

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, 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 thereon;
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. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
22. Review of Management's Discussion and Analysis of financial condition and results of operations;
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;
26. Review of Statement of deviations if any; and
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 by any other regulatory authority.

- **Composition and Attendance during the Year**

The Audit Committee comprises of 3 (Three) Independent Directors. During the year ended March 31, 2024, the Audit Committee met 7 (Seven) times on

April 25, 2023, April 26, 2023, July 18, 2023, October 16, 2023, October 17, 2023, January 16, 2024 and March 7, 2024. The requisite quorum was present for all the meetings.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

| Name of Director    | Category             | Position in the Committee | No. of Meetings |          |
|---------------------|----------------------|---------------------------|-----------------|----------|
|                     |                      |                           | Held            | Attended |
| Mr. Luis Miranda    | Independent Director | Chairman                  | 7               | 7        |
| Mr. Narayanan Kumar | Independent Director | Member                    | 7               | 4        |
| Ms. Apurva Purohit  | Independent Director | Member                    | 7               | 7        |

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

Additionally, the Whole-Time Director & CFO of Larsen & Toubro Limited, CEO & Managing Director, COO & Whole-Time Director and CFO of the Company are permanent invitees to the meetings of the Audit Committee. Statutory and Internal Auditors or their representatives are permanent invitees to the meetings of the Committee. Further, Senior Management Personnel are invited, as and when necessary, to the meetings to provide additional input 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 the Statutory and Internal Auditors without presence of the management.

The Chairman of the Audit Committee was present at the previous AGM of the Company held on July 18, 2023.

- **Internal Audit**

M/s. Aneja Associates are the Internal Auditors of the Company. From time to time, they review the Company's systems of internal controls covering financial, operational, compliance, IT applications, etc. Presentations are 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 earlier 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. The Board, at its meeting

held on April 26, 2023, re-appointed M/s. Aneja Associates as the Internal Auditors of the Company for a further period of 3 years from May 3, 2023 till May 2, 2026.

## B. NOMINATION AND REMUNERATION COMMITTEE

### • Terms of Reference

The terms of reference of Nomination and Remuneration Committee ("NRC") have been drawn up in line with Section 178(1) of the Act and Regulation 19 of the SEBI Listing Regulations, which are briefly described below:

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 may be referred to by the Board or as may be provided under the Companies Act, or the Listing Regulations, or by any other regulatory authority.

### • Composition and Attendance during the year

The NRC comprises of 2 (Two) Independent Directors and one Non-Executive Director. During the year ended March 31, 2024, the NRC met 4 (Four) times on April 26, 2023, October 17, 2023, January 16, 2024 and March 7, 2024. The requisite quorum was present for all the meetings.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

| Name of Director    | Category               | Position in the Committee | No. of Meetings |          |
|---------------------|------------------------|---------------------------|-----------------|----------|
|                     |                        |                           | Held            | Attended |
| Mr. Narayanan Kumar | Independent            | Chairman                  | 4               | 3        |
| Mr. A.M. Naik       | Non-Executive Director | Member                    | 4               | 4        |
| Mr. Sudip Banerjee  | Independent            | Member                    | 4               | 4        |

The Chairman of the NRC was present at the previous AGM of the Company held on July 18, 2023.

### • Board Membership Criteria

While screening, selecting and recommending new members to the Board, 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 SEBI Listing Regulations 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 SEBI Listing Regulations.

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

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 SEBI Listing Regulations 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 Independent Directors and the Non-Executive Chairman/Directors have been paid sitting fees of ₹ 50,000/- for attending each meeting of the Board and ₹ 25,000/- for attending each Committee Meeting during the year. 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 approved by the Board.

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

The Company also has in place a Nomination and Remuneration Policy as per the provisions of the Act and SEBI Listing Regulations as amended from time to time. The said Policy also forms part of this Integrated Annual Report. The Policy is amended from time to time in line with amendments in the applicable provisions of the Act.

As required under the provisions of Regulation 46 of the SEBI Listing Regulations, the criteria for payment to Independent Directors/Non-Executive Directors is made available on the investor page of our corporate website at <https://www.lts.com/investors/corporate-governance>

## • 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 had 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 NRC in the NRC meeting and Board Meeting held on April 25, 2024.

## • Details of Remuneration Paid/Payable to Directors for the year ended March 31, 2024

### (a) Executive Directors:

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

| Name of Director  | Salary | Perquisites | Perquisites related to ESOPs* | Commission | Variable Pay | (₹ million) |
|---|--------|-------------|-------------------------------|------------|--------------|-------------|
|   |        |             |                               |            |              | Total       |
| Mr. Amit Chadha, Chief Executive Officer and Managing Director <sup>§</sup> | 46.81  | -           | 72.56                         | 19.02      | 15.79        | 154.17      |
| Mr. Abhishek Sinha, COO and Whole-Time Director                             | 13.86  | 0.07        | 46.22                         | -          | 3.23         | 63.38       |
| Mr. Alind Saxena, President, Sales and Whole-Time Director <sup>§#</sup>    | 37.25  | -           | 48.77                         | -          | 17.10        | 103.12      |

\* 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 borne by the Company wherever applicable.

§ Mr. Amit Chadha and Mr. Alind Saxena have been paid remuneration in USD. However, the figures mentioned above are in INR equivalent to USD.

# Mr. Alind Saxena has been appointed as President, Sales and Whole-Time Director w.e.f. April 26, 2023.

The above amounts do not include gratuity.

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 at <https://www.lts.com/investors/exchange-announcements>.

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

The details of remuneration paid/payable to the Independent Directors/Non-Executive Directors is 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                            | 0.10                                | 14.8       | 15.15 |
| Mr. S. N. Subrahmanyam | Non-Executive Vice-Chairman | -                               | -                                   | -          | -     |
| Dr. Keshab Panda*      | Non-Executive Director      | 0.25                            | 0.10                                | 4.50       | 4.85  |
| Mr. Narayanan Kumar    | Independent Director        | 0.15                            | 0.18                                | 1.53       | 1.86  |
| Mr. Sudip Banerjee     | Independent Director        | 0.25                            | 0.15                                | 1.73       | 2.13  |
| Ms. Apurva Purohit     | Independent Director        | 0.25                            | 0.23                                | 2.03       | 2.51  |
| Mr. R. Chandrasekaran  | Independent Director        | 0.25                            | 0.13                                | 1.63       | 2.01  |
| Mr. Luis Miranda       | Independent Director        | 0.25                            | 0.20                                | 2.28       | 2.73  |
| Ms. Aruna Sundararajan | Independent Director        | 0.20                            | 0.08                                | 1.20       | 1.48  |

\* The Commission and sitting fees paid to Dr. Keshab Panda were in USD, the figure mentioned above is INR Equivalent of USD.

Shares and convertible instruments held by the Non-Executive Directors as on March 31, 2024, are as follows:

| Names                 | No. of Shares held |
|-----------------------|--------------------|
| Mr. A.M. Naik         | 1,000              |
| Mr. S.N. Subrahmanyam | 2,00,000           |
| Dr. Keshab Panda      | 49,600             |
| Mr. R. Chandrasekaran | 379                |

## C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

### • Terms of Reference

The terms of reference of Stakeholders' Relationship Committee ("SRC") of the Board of Directors have been drawn up in line with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations, which are briefly described below:

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 and Attendance during the year

The SRC comprises of 2 (Two) Independent Directors and 1 (One) Non-Executive Director. During the year ended March 31, 2024, the SRC met 2 (Two) times on April 25, 2023 and October 16, 2023. During the year

under review, the SRC was re-constituted by inducting Ms. Aruna Sundararajan as a member in place of Mr. Luis Miranda. The requisite quorum was present for all the meetings.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

| Name of Director                    | Category               | Position in the Committee | No. of Meetings |          |
|-------------------------------------|------------------------|---------------------------|-----------------|----------|
|                                     |                        |                           | Held            | Attended |
| Ms. Apurva Purohit                  | Independent Director   | Chairperson               | 2               | 2        |
| Mr. Luis Miranda <sup>1</sup>       | Independent Director   | Member                    | 1               | 1        |
| Dr. Keshab Panda                    | Non-Executive Director | Member                    | 2               | 2        |
| Mr. Aruna Sundararajan <sup>2</sup> | Independent Director   | Member                    | 1               | 1        |

<sup>1</sup>Ceased to be a member of the Committee w.e.f. June 7, 2023.

<sup>2</sup>Appointed as a member of the Committee w.e.f. June 7, 2023.

The Chairperson of the SRC was present at the previous AGM of the Company held on July 18, 2023.

Ms. Prajakta Powle, Company Secretary is the Compliance Officer of the Company till 30<sup>th</sup> April 2024. Mr. Prasad Shanbhag is the Company Secretary and Compliance Officer of the Company w.e.f. May 1, 2024.

#### • Number of Requests/Complaints

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 set down by SEBI:

| Particulars                             | Opening Balance | Received | Resolved | Pending |
|---|-----------------|----------|----------|---------|
| Statutory Complaints:                   | NIL             | 6        | 6        | NIL     |
| SEBI/ Stock Exchange                    |                 |          |          |         |
| Shareholder Queries related to Dividend | NIL             | 84       | 84       | NIL     |
| Transmission /Transfer                  | NIL             | NIL      | NIL      | NIL     |
| Demat/ Remat                            | NIL             | NIL      | NIL      | NIL     |

The Board has delegated the powers to approve the transfer of shares to the Share Transfer Committee comprising of the CEO & Managing Director, Chief Financial Officer and Company Secretary. Pursuant to Regulation 40(1) of SEBI Listing Regulations, requests for effecting transfer of securities are to be processed only if the securities are held in dematerialized form. Hence no requests for transfer of shares in physical form has been approved by the Share Transfer Committee during the year under review.

## D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### • Terms of Reference

The terms of reference of the Corporate Social Responsibility ("CSR") Committee have been drawn up in line with Section 135 of the Act, which are briefly described below:

#### Corporate Social Responsibility:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 including any amendments thereto;
- To recommend the amount of expenditure to be incurred on the CSR activities referred to in the above clause; and
- 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.

#### Sustainability:

- Provide guidance for the development of a long-term Sustainability Plan of the Company and monitor the implementation of the same from time to time;
- Review the various sustainability initiatives undertaken by the Company, its performance, and other related aspects;
- Oversee the overall ESG performance, disclosure, strategies, goals, and objectives; and
- Ensure compliance with the relevant laws, rules and regulations governing Sustainability and to periodically report to the Board of Directors.

### • Composition and Attendance during the year

The CSR Committee comprises of 2 (Two) Independent Directors and 1 (One) Non-Executive Director as its members. The Chairman of the Committee is an Independent Director. During the year, the Committee met 2 (Two) times on April 25, 2023 and October 17, 2023. The requisite quorum was present for all the meetings.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

| Name of Director      | Category               | Position in the Committee | No. of Meetings |          |
|-----------------------|------------------------|---------------------------|-----------------|----------|
|                       |                        |                           | Held            | Attended |
| Mr. Sudip Banerjee    | Independent Director   | Chairman                  | 2               | 2        |
| Mr. R. Chandrasekaran | Independent Director   | Member                    | 2               | 2        |
| Dr. Keshab Panda      | Non-Executive Director | Member                    | 2               | 2        |

The Chairman of the CSR Committee was present at the previous AGM of the Company held on July 18, 2023.



## RISK MANAGEMENT COMMITTEE

- Terms of Reference**

The terms of reference of the Risk Management Committee ("RMC") have been drawn up in line with Regulation 21 of the SEBI Listing Regulations, which are briefly described below:

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. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
6. Review significant operational risks;
7. Review of risks specifically associated with cyber security; and
8. Performing such other activities as may be delegated by the Board of Directors 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 and Attendance during the year**

The RMC comprises of 2 (Two) Independent Directors, the CEO & MD and the CFO as its members. The Chairman of the Committee is an Independent Director. The majority of members including the Chairman of the Committee are Board members. During the year ended March 31, 2024, the RMC met 3 (Three) times on April 26, 2023, October 16, 2023 and March 7, 2024. The requisite quorum was present for all the meetings. During the year under review, the RMC was re-constituted by inducting Ms. Aruna Sundararajan as a member. The requisite quorum was present for all the meetings.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

| Name of Director                    | Category                                      | Position in the Committee | No. of Meetings |          |
|-------------------------------------|---|---------------------------|-----------------|----------|
|                                     |   |                           | Held            | Attended |
| Mr. R. Chandrasekaran               | Independent Director                          | Chairman                  | 3               | 3        |
| Ms. Aruna Sundararajan <sup>1</sup> | Independent Director                          | Member                    | 2               | 2        |
| Mr. Amit Chadha                     | Chief Executive Officer and Managing Director | Member                    | 3               | 3        |
| Mr. Rajeev Gupta                    | Chief Financial Officer                       | Member                    | 3               | 3        |

<sup>1</sup>Appointed as a member of the Committee w.e.f. June 7, 2023.

The Chairman of the RMC was present at the previous AGM of the Company held on July 18, 2023.

## 4. 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. The press releases and all business developments are uploaded on the website of the Company so that our Directors are updated about the operations of the Company.

The Board of Directors have complete access to the information within the Company. Minutes of all Committee meetings and a summary of the minutes of the meetings of the subsidiaries are being included as a part of the Agenda to the Board. Systems, procedures, and resources are in place to ensure that every Director is provided with precise and timely information which enables them to exercise their duties effectively.

Presentations are made regularly to the Board and the various Committees 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 the

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 at <https://www.lts.com/investors/corporate-governance>.

- **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 <https://www.lts.com/investors/corporate-governance>. During the year, no personnel have 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 wrongdoings having an adverse effect on the Company's financials/image and instances of leak of unpublished price sensitive information. An employee can report any wrongdoing 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 always maintain anonymity of the whistle-blower. It helps build a culture of trust, transparency, honest communication, and ethical conduct and provides employees with a 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 under review, the Company received a total of 15 (fifteen) complaints under the Ethics Line. Appropriate actions wherever required were taken by the Company on the same .

- **Particulars of Senior Management Personnel ("SMP") as on March 31, 2024:**

| Name of SMP              | Designation  |
|--------------------------|--|
| Amit Chadha              | Chief Executive Officer & Managing Director                              |
| Abhishek Sinha           | Chief Operating Officer & Whole-time Director                            |
| Alind Saxena             | President, Sales & Whole-time Director (Appointed w.e.f. April 26, 2023) |
| Rajeev Trilokinath Gupta | Chief Financial Officer  |
| Lakshmanan M             | Chief Human Resource Officer   |
| Bhanu P Gopalam          | Chief Delivery Officer   |
| Subrat Tripathy          | Chief Business Officer   |
| Rajkumar Ravindranathan  | Chief Business Officer   |
| Srinath Nagarur          | Chief Business Officer   |
| Shailendra J Shrivastava | Chief Delivery Officer   |
| Seema U Ghanekar         | Chief Delivery Officer   |
| Kirupa Shankar S         | Chief Business Officer   |
| Prajakta Powle           | Company Secretary & Compliance Officer (upto April 30, 2024)             |
| Prasad Shanbhag          | Company Secretary & Compliance Officer (w.e.f. May 1, 2024)              |

- **Statutory Auditors**

In the case of appointment of new auditors, the Audit Committee evaluates various audit firms based on approved criteria 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. The Audit firms are required to make a presentation to the Audit Committee. The Committee considers the above factors during the process of evaluation and based on merit, 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. MSKA & Associates, Chartered Accountants as the Statutory Auditors of the Company for a period of 5 continuous years from the conclusion of 10<sup>th</sup> Annual General Meeting till the conclusion of 15<sup>th</sup> Annual General Meeting of the Company.

For the financial year 2023-24, the total fees paid by the Company to statutory auditors is ₹ 4.47 million.

Members may also refer to the Board's Report for additional information pertaining to Statutory Auditors.

- **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](http://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.

Date: April 25, 2024

Place: Mumbai

**Amit Chadha**

**CEO & Managing Director**

## 5. GENERAL BODY MEETINGS

### A. Details of Annual General Meetings of last three years:

| Financial Year | Date          | Venue  | Time    | Details of special resolution passed  |
|----------------|---------------|--|---------|---|
| 2022-23        | July 18, 2023 | Held through Video Conferencing/Other Audio-Visual Means | 3.45 PM | To approve the appointment of Ms. Aruna Sundararajan (DIN: 03523267) as an Independent Director of the Company.   |
| 2021-22        | July 15, 2022 | Held through Video Conferencing/Other Audio-Visual Means | 4.30 PM | --  |
| 2020-21        | July 16, 2021 | Held through Video Conferencing/Other Audio-Visual Means | 4.30 PM | To approve the Re-appointment of Mr. Narayanan Kumar (DIN: 00007848) as an Independent Director of the Company.<br>To approve the Appointment/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. |

### B. Postal Ballot

During the year under review, no matters were transacted through postal ballot.

## 6. MEANS OF COMMUNICATION:

|                   |  |
|-------------------|--|
| Financial Results | The quarterly, half-yearly and annual financial results of the Company (both standalone and consolidated) are submitted to National Stock Exchange of India Limited and BSE Limited within the prescribed timelines, and they are published in newspapers, which include the Financial Express and local newspaper Loksatta. Simultaneously, the results are also hosted on the Company's website at <a href="https://www.ltts.com/investors/financial-information">https://www.ltts.com/investors/financial-information</a> |
| News releases     | Official news releases are sent to Stock Exchanges as required under Regulation 30 of SEBI Listing Regulations as well as displayed on the Company's website at <a href="https://www.ltts.com/investors/financial-information">https://www.ltts.com/investors/financial-information</a>  |

|  |   |
|--|---|
| Website  | The Company's website <a href="http://www.LTTS.com">www.LTTS.com</a> 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 subsidiaries are also available on the website of the Company in downloadable format. |
| Presentations/<br>Investor call made to<br>Institutional Investors<br>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 at <a href="https://www.ltts.com/investors/financial-information">https://www.ltts.com/investors/financial-information</a>  |

## 7. GENERAL SHAREHOLDERS' INFORMATION

### A. Annual General Meeting:

| Day and Date             | Time            | Venue  |
|--------------------------|-----------------|--|
| Wednesday, June 26, 2024 | 4.00 P.M. (IST) | In compliance with General Circular No. 9/ 2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs, the AGM will be conducted through Video Conference (VC)/Other Audio Visual Means (OAVM). Accordingly, there is no requirement to have a venue for the AGM.<br><br>For the purpose of compliance of Section 96 of the Act, the registered office of the Company at L&T House, Ballard Estate, Mumbai 400 001, shall be deemed to be the venue of the AGM. |

### B. Financial calendar:

The Company follows April to March as the financial year. Tentative calendar of Board meetings for consideration of financial results during the financial year ending March 31, 2025 is as under:

| Particulars  | Period                         |
|--|--------------------------------|
| Results for quarter ending June 30, 2024               | On or before August 14, 2024   |
| Results for quarter ending September 30, 2024          | On or before November 14, 2024 |
| Results for quarter ending December 31, 2024           | On or before February 14, 2025 |
| Results for the quarter and year ending March 31, 2025 | On or before May 30, 2025      |

### C. Dividend Payment

The Board of Directors of the Company have recommended a final dividend of ₹ 33/- per equity share of face value of ₹ 2/- each. The final dividend, if approved, by the members at the 12<sup>th</sup> AGM, would be paid within 30 days from the date of the AGM. The Company shall deduct tax at source at prescribed rates on the dividend paid to the members, as stipulated under the Income Tax Act, 1961. For more details, members are requested to refer to the 'TDS on dividend' section of the Notice convening the 12<sup>th</sup> AGM.

### D. Listing of Equity Shares on Stock Exchanges:

The shares of the Company are listed on the following stock exchanges:

| Name                                     | Address  | Stock Code/ Symbol |
|--|--|--------------------|
| BSE Limited                              | 25 <sup>th</sup> Floor, P J Towers, Dalal Street Mumbai- 400 001                     | 540115             |
| National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex<br>Bandra, East, Mumbai - 400 051 | LTTS               |

#### Listing Fees to Stock Exchanges:

The Company has paid the Listing Fees for the year 2023-2024 to the above Stock Exchanges.

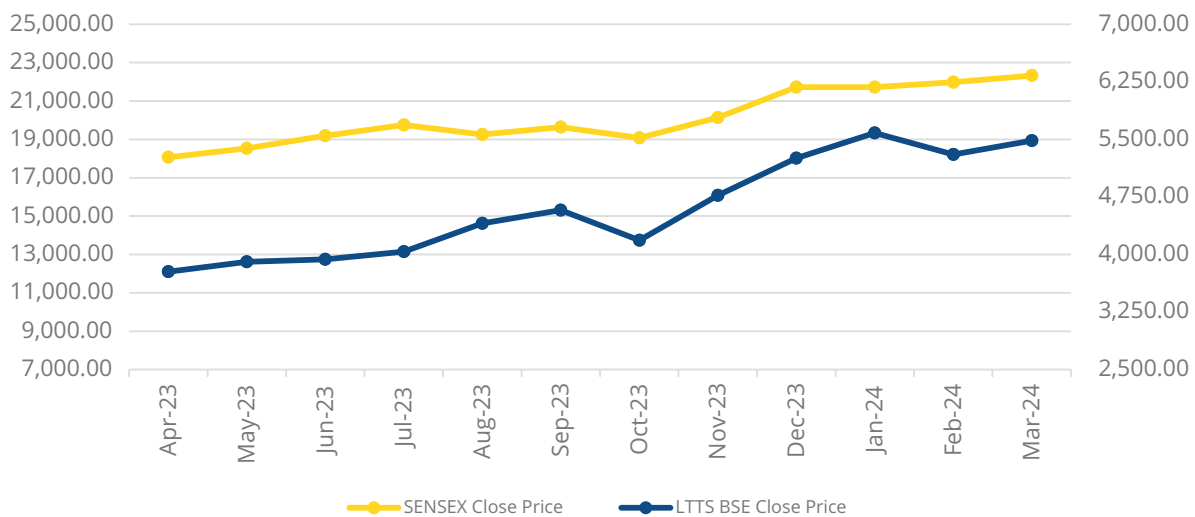
#### Custodial Fees to Depositories:

The Company has paid custodial fees for the year 2023-2024 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The ISIN of the Company is INE010V01017.

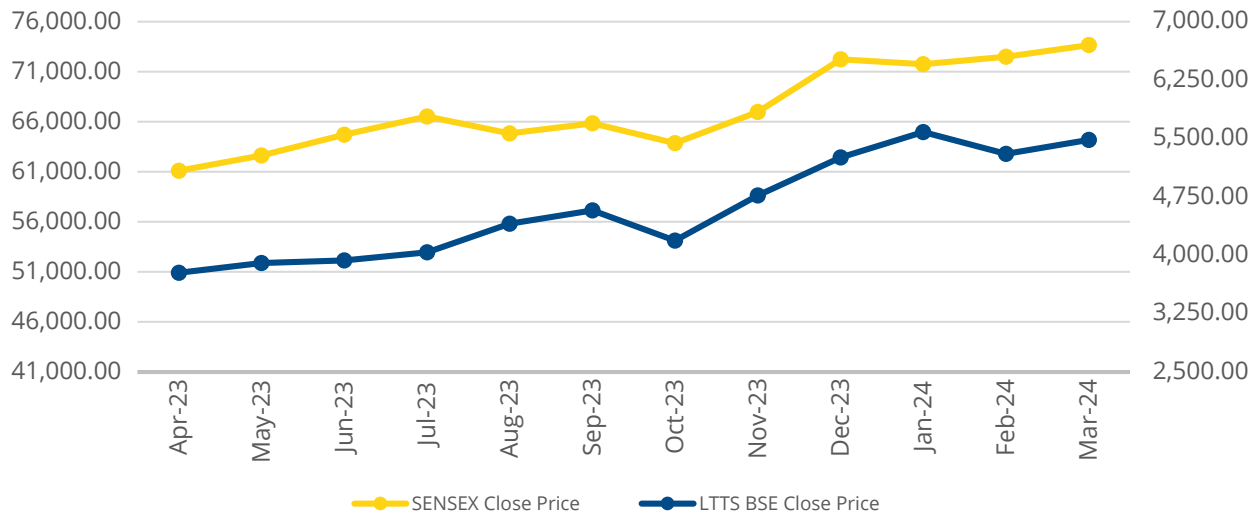
**E. Stock market data for the year 2023-2024:**

| Month       | LTTS NSE Price (₹) |          |             | NIFTY    |          |             |
|-------------|--------------------|----------|-------------|----------|----------|-------------|
|             | High               | Low      | Month Close | High     | Low      | Month Close |
| <b>2023</b> |                    |          |             |          |          |             |
| April       | 3,873.50           | 3,310.00 | 3,775.25    | 18089.15 | 17312.75 | 18065.00    |
| May         | 3,996.90           | 3,670.00 | 3,903.00    | 18662.45 | 18042.40 | 18534.40    |
| June        | 4,033.25           | 3,755.25 | 3,936.10    | 19201.70 | 18464.55 | 19189.05    |
| July        | 4,209.90           | 3,821.70 | 4,036.25    | 19991.85 | 19234.40 | 19753.80    |
| August      | 4,466.95           | 4,037.95 | 4,404.25    | 19795.60 | 19223.65 | 19253.80    |
| September   | 4,807.15           | 4,411.40 | 4,575.95    | 20222.45 | 19255.70 | 19638.30    |
| October     | 4,858.60           | 4,111.00 | 4,186.70    | 19849.75 | 18837.85 | 19079.60    |
| November    | 4,804.60           | 4,155.15 | 4,768.95    | 20158.70 | 18973.70 | 20133.15    |
| December    | 5,367.00           | 4,620.55 | 5,254.95    | 21801.45 | 20183.70 | 21731.40    |
| <b>2024</b> |                    |          |             |          |          |             |
| January     | 5,632.40           | 5,061.00 | 5,583.95    | 22124.15 | 21137.20 | 21725.70    |
| February    | 5,678.90           | 5,235.10 | 5,302.55    | 22297.50 | 21530.20 | 21982.80    |
| March       | 5,555.00           | 5,100.00 | 5,482.65    | 22526.60 | 21710.20 | 22326.90    |

**Stock Performance - Graph**


| Month       | LTTS BSE Price (₹) |          |             | BSE SENSEX |          |             |
|-------------|--------------------|----------|-------------|------------|----------|-------------|
|             | High               | Low      | Month Close | High       | Low      | Month Close |
| <b>2023</b> |                    |          |             |            |          |             |
| April       | 3,872.90           | 3,308.25 | 3,774.85    | 61209.46   | 58793.08 | 61112.44    |
| May         | 3,969.55           | 3,670.00 | 3,901.40    | 63036.12   | 61002.17 | 62622.24    |
| June        | 4,031.95           | 3,756.80 | 3,931.70    | 64768.58   | 62359.14 | 64718.56    |
| July        | 4,209.95           | 3,822.25 | 4,038.70    | 67619.17   | 64836.16 | 66527.67    |
| August      | 4,465.00           | 4,040.05 | 4,406.75    | 66658.12   | 64723.63 | 64831.41    |
| September   | 4,797.95           | 4,411.20 | 4,574.80    | 67927.23   | 64818.37 | 65828.41    |
| October     | 4,859.75           | 4,107.20 | 4,186.45    | 66592.16   | 63092.98 | 63874.93    |
| November    | 4,803.00           | 4,157.00 | 4,766.30    | 67069.89   | 63550.46 | 66988.44    |
| December    | 5,365.00           | 4,623.65 | 5,256.25    | 72484.34   | 67149.07 | 72240.26    |
| <b>2024</b> |                    |          |             |            |          |             |
| January     | 5,630.00           | 5,061.95 | 5,582.70    | 73427.59   | 70001.60 | 71752.11    |
| February    | 5,675.00           | 5,234.55 | 5,300.70    | 73413.93   | 70809.84 | 72500.30    |
| March       | 5,552.00           | 5,102.05 | 5,480.25    | 74245.17   | 71674.42 | 73651.35    |

### Stock Performance - Graph



#### F. Share Transfer System:

Pursuant to the amendments in SEBI Listing Regulations, the Company is not processing any requests for transfer of securities in physical form. Further, 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 are being processed only in demat form. In such cases, the Company issues a letter of confirmation, which needs to be submitted by the shareholder to the Depository Participant in order to get credit of these securities in the demat account.

Pursuant to the SEBI Circular dated March 16, 2023 subsequently amended on November 17, 2023, the Company has sent notice to all shareholders holding shares in physical form asking them to furnish their PAN, details of Nomination, Contact details (viz. address, mobile and E-mail), Bank Account details and specimen signature to our RTA - KFin Technologies Limited for receiving any dividend in respect of their folios through electronic mode, failing which the same shall be withheld by the Company. The concerned Members are requested to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs with the RTA.

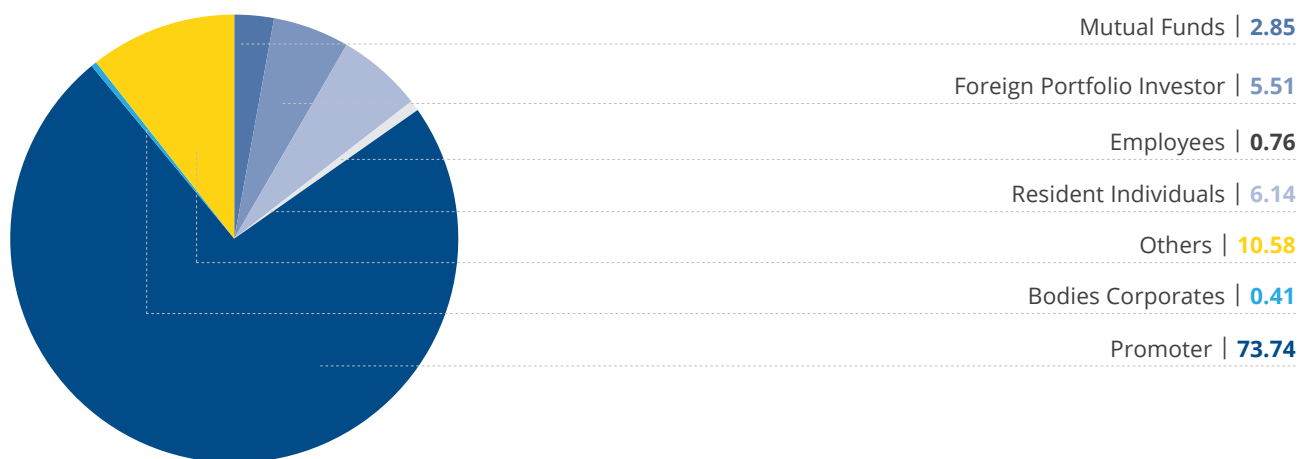
The certificate on yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary, as required under Regulation 40 of the SEBI Listing Regulations, has been submitted to Stock Exchanges within stipulated time.

#### G. Distribution of Shareholding as of March 31, 2024:

| No. of shares  | Shareholders    |            | Shareholding        |            |
|----------------|-----------------|------------|---------------------|------------|
|                | Number          | Percentage | Number              | Percentage |
| 1 - 5000       | 2,43,127        | 99.90      | 72,27,135           | 6.83       |
| 5001 - 10000   | 84              | 0.03       | 6,09,208            | 0.58       |
| 10001 - 20000  | 62              | 0.03       | 8,88,354            | 0.84       |
| 20001 - 30000  | 28              | 0.01       | 6,85,649            | 0.65       |
| 30001 - 40000  | 15              | 0.01       | 5,22,531            | 0.49       |
| 40001 - 50000  | 9               | 0.00       | 4,24,051            | 0.40       |
| 50001 - 100000 | 15              | 0.01       | 10,00,146           | 0.95       |
| 100001 & above | 34              | 0.01       | 9,43,96,768         | 89.26      |
| <b>TOTAL</b>   | <b>2,43,374</b> | <b>100</b> | <b>10,57,53,842</b> | <b>100</b> |

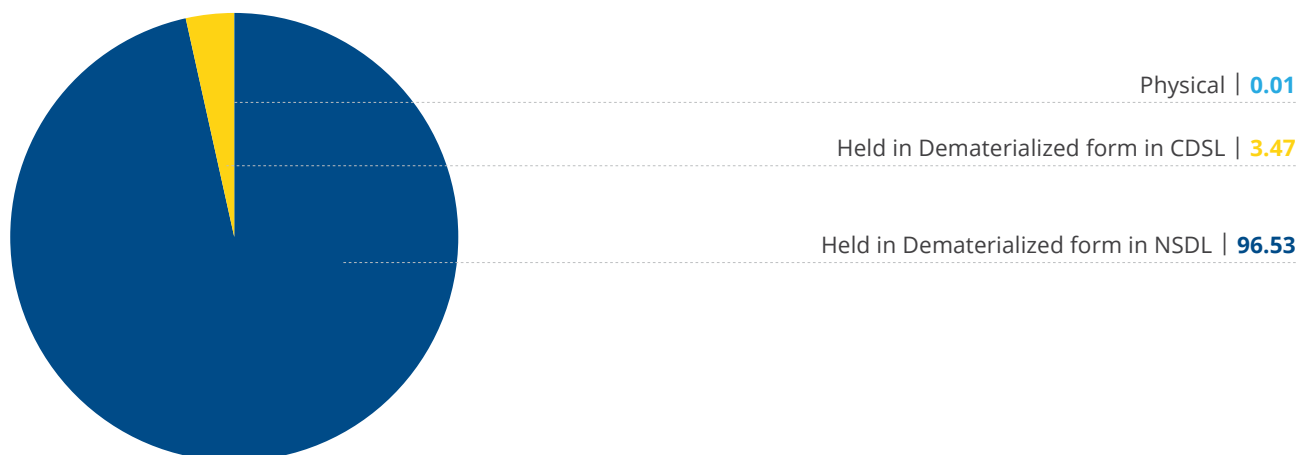
**Categories of Shareholders is as under:**

| Category                   | As on March 31, 2024 |            | As on March 31, 2023 |            |
|----------------------------|----------------------|------------|----------------------|------------|
|                            | No of shares         | %          | No of shares         | %          |
| Mutual Funds               | 30,17,524            | 2.85       | 17,29,781            | 1.64       |
| Foreign Portfolio Investor | 58,30,765            | 5.51       | 70,65,197            | 6.69       |
| Resident Individuals       | 64,90,613            | 6.14       | 84,10,879            | 7.96       |
| Employees                  | 7,98,999             | 0.76       | 8,88,334             | 0.84       |
| Promoters Bodies Corporate | 7,79,86,899          | 73.74      | 7,79,86,899          | 73.85      |
| Bodies Corporates          | 4,33,949             | 0.41       | 5,89,407             | 0.56       |
| Others                     | 1,11,95,093          | 10.58      | 89,37,645            | 8.46       |
| <b>Total</b>               | <b>10,57,53,842</b>  | <b>100</b> | <b>10,56,08,142</b>  | <b>100</b> |


**H. Dematerialization of Shares:**

The Company's Shares are required to be compulsorily traded on the Stock Exchanges in dematerialized form. As on March 31, 2024, the number of shares held in dematerialized and physical mode is as follows:

| Particulars                         | Number of shares    | % of total capital issued |
|-------------------------------------|---------------------|---------------------------|
| Held in Dematerialized form in NSDL | 10,20,79,062        | 96.53                     |
| Held in Dematerialized form in CDSL | 36,68,680           | 3.47                      |
| Physical                            | 6,100               | 0.01                      |
| <b>Total</b>                        | <b>10,57,53,842</b> | <b>100</b>                |



Members holding physical share certificates can convert the same into demat mode which will negate the risks associated with physical certificates.

Members holding shares in dematerialized form can intimate all changes viz. pertaining to change of address, change in e-mail id, bank details etc. to their Depository Participants while those holding shares in physical form can intimate such changes to the Company's Registrar and Share Transfer Agent (RTA).

**I. Address for Correspondence:**

|   |   |
|---|---|
| Address of the RTA                                      | KFin Technologies Limited<br>Unit: L&T Technology Services Limited<br>Selenium Tower B, Plot 31-32, Financial District, Nanakramguda,<br>Serilingampally Mandal, Hyderabad 500 032<br>Tel: (91 40) 6716 2222<br>Fax: (91 40) 2343 1551<br>Toll free no.: 1800 419 8283<br>Email: <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a><br>Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a> |
| Address of the Compliance Officer<br>w.e.f. May 1, 2024 | Mr. Prasad Shanbhag<br>L&T Technology Services Limited<br>A.M. Naik Tower, 6 <sup>th</sup> Floor, L&T Campus, Gate No. 3, Jogeshwari-Vikhroli<br>Link Road, Powai, Mumbai - 400072 Tel: (91 022) 6892 5257.<br>Fax: (91 022) 6705 9695<br>E-mail: <a href="mailto:investor@lts.com">investor@lts.com</a>  |

**J. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018, is not required to be given. For detailed information on foreign exchange risk and hedging activities, please refer Management Discussion and Analysis Report.

**K. Business Locations**

- 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 Abu Dhabi, Australia, Belgium, Canada, China, Denmark, Germany, Finland, France, UK, Israel, Italy, Japan, S Korea, Malaysia, Netherlands, Norway, Poland, Saudi Arabia, Sweden, Singapore, USA, South Africa, Switzerland and Taiwan.

- India Locations:**

As on March 31, 2024, the Company has delivery centers located at Bangalore, Chennai, Delhi, Faridabad, Kochi, Hyderabad, Mumbai, Mysore, Pune and Vadodara.

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 5<sup>th</sup> Floor, West Block-II, L&T Knowledge City (IT/ITES) SEZ, N.H. No. 8, Ajwa-Waghodia Crossing, Vadodara 390 019.

**L. Shareholder Grievances:**

The Company has designated an e-mail id [viz. investor@lts.com](mailto: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.

**8. OTHER DISCLOSURES:****A. Materially significant related party transactions & Policy on dealing with Related Party Transactions**

During the year under review, there was no materially significant related party transaction entered into by the Company with its related parties that may have potential conflict with the interests of the Company at large. The Audit Committee has approved the Related Party Transaction Policy and its Guidelines and the same is available on the Company's website at [www.lts.com/investors/corporate-governance](http://www.lts.com/investors/corporate-governance)

**B. Penalties or Strictures**

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority in any matter related to capital markets during the last three (3) years.

There is no non-compliance of any requirement of Corporate Governance Report as prescribed under sub-para (2) to (10) of Part C of Schedule V of SEBI Listing Regulations.

**C. Policy on determining Material Subsidiaries and details of Material Subsidiaries**

The Company has formulated a policy on the identification of material subsidiaries in line with Regulation 16(c) of the SEBI Listing Regulations, and the same is available on the Company's website at [www.lts.com/investors/corporate-governance](http://www.lts.com/investors/corporate-governance)

The Company has 1 (one) Material Subsidiary as per the aforesaid policy and SEBI Listing Regulations and the details are as follows:

| Name   | L&T Technology Services LLC                 |
|--|---|
| Date of Incorporation                              | June 26, 2014                               |
| Place of Incorporation                             | Illinois, United States of America          |
| Name and date of appointment of Statutory Auditors | KNAV P.A. (Appointed w.e.f. March 10, 2023) |



**D. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**  
– Not applicable

**E. Certification for non-disqualification of Director**

The Company has obtained a Certificate from Alwyn Jay & Co., Company Secretaries confirming that Directors have not been debarred or have not been disqualified from being appointed or continuing as Directors by SEBI/ MCA or any other authority. The said Certificate is annexed to this report.

**F. Disclosure on acceptance of recommendations made by Board Committees**

During the year under review, the Board, after due deliberations, accepted the various recommendations made by the Committees to the Board of Directors.

**G. Total fees paid to Statutory Auditors**

For the Financial year 2023-24, the total fees paid by the Company and its subsidiaries on a consolidated basis, to M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), 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 ₹ 4.47 Mn.

Members may also refer the Board's Report for additional information pertaining to Statutory Auditors.

**H. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has framed the Policy for Prevention of Sexual Harassment at Workplace to ensure prevention, prohibition and protection against sexual harassment. The policy provides the guidelines for reporting such harassment and the procedure for redressal of complaints of such nature. During the financial year ended March 31, 2024, eight complaints were filed, out of which seven complaints were disposed of during the year and there is one complaint pending as at the end of the financial year.

**I. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

The Company has not given loans to firms/companies in which Directors are interested.

**J. Compliance with mandatory requirements of Corporate Governance**

During the year under review, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, as applicable.

**K. Disclosure of certain types of agreements binding listed entities**

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

**9. Compliance with discretionary requirements as prescribed under SEBI Listing Regulations**

The Company has complied with following requirements of Part E of Schedule II of SEBI Listing Regulations:

**A. The Board**

The Chairman of the Board does not maintain a Chairman's office at the Company's expense. However, the Company, from time to time, reimburses the expenses in relation to the Chairman's office in connection with performance of his duties as the Chairman of the Company.

**B. Shareholder Rights**

The quarterly and half-yearly financial performance are published in the newspaper and are also posted on the website of the Company and hence, it is not being sent to the Shareholders.

**C. Modified opinion(s) in audit report**

The auditor's report on standalone and consolidated financial statements of the Company are unqualified.

**D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

The positions of the Chairman and the Managing Director are separate. The Chairman is a Non-Executive Director and not related to the Managing Director.

**E. Reporting of internal auditor**

The internal auditors of the Company report to the Audit Committee and make detailed presentation at quarterly meetings.

**10. UNCLAIMED SHARES**

During the year under review, no shareholder approached the Company for transfer of shares lying in the escrow account. As on March 31, 2024, the escrow account has 16 unclaimed shares arising from the Company's public issue.

The Voting rights on these shares shall remain frozen till the rightful owner claims the shares.

**11. 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 a 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 him / her, but not publicly available, which, when made publicly available, can materially impact the price of the Company's securities.

The Code lays down stringent guidelines and creates the necessary framework for Designated Persons to transact in the Company's securities and a mechanism for periodical reporting of transactions.

Under this Code, Designated Persons (Directors, Officers, and other concerned employees/persons) are prevented from dealing in the Company's shares during the closure of the Trading Window. To deal in securities beyond specified limits, permission of the Compliance Officer is also required.

The Designated Persons are also required to disclose information as statutorily required under the SEBI Insider Trading Regulations and defined in the Code. The Code is reviewed periodically and amended as and when required to meet the requirements under the SEBI Insider Trading Regulations.

Mr. Prasad Shanbhag, has been designated as the Company Secretary and Compliance Officer w.e.f. May 1, 2024. 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 at [www.LTTS.com](http://www.LTTS.com).

## 12. AWARENESS SESSIONS/WORKSHOPS ON GOVERNANCE PRACTICES

The Company sensitizes its employees about the various policies and governance practices of the Company through in-house training workshops with the help of an external faculty covering basics of Corporate Governance, 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.

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 reports thereon are 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.

## 13. SHARE CAPITAL 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 reports thereon are 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.

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

## 14. SECRETARIAL AUDIT AS PER COMPANIES ACT, 2013

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, 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 8<sup>th</sup> February 2019, the Company has obtained an annual secretarial compliance report from Alwyn Jay D'Souza & Co., Company Secretaries and the same has been submitted to the Stock Exchanges within the prescribed timelines.

## 15. COMPLIANCE MONITORING SYSTEM

Statutory compliance has become a catalyst for Corporate Governance. A good statutory compliance system has become vital for the 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 a presence.

With a view to strengthening this system, the Company has taken steps to automate the said system and has framed a web-based portal which provides the user with web-based access, control based on a defined authorization matrix. Besides connecting all the compliance owners across time zones to a common corporate platform, the portal serves 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 locations of the Company as well as monitoring the compliance more efficiently and making it more user-friendly.

## 16. GROUP GOVERNANCE

All the subsidiaries of the Company are following strong governance practices as prescribed by the Company. 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 financial statements and the cash flow statement of L&T Technology Services Limited for the year ended March 31, 2024, 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 25,2024

**Amit Chadha**  
CEO & Managing Director

Place: Mumbai  
Date: April 25,2024

# CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of **L&T TECHNOLOGY SERVICES LIMITED**,

1. We have examined the compliances of the conditions of Corporate Governance by **L&T TECHNOLOGY SERVICES LIMITED** ("the Company") for the financial year ended **31<sup>st</sup> March, 2024**, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ('Listing Regulations').
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further 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.

Place : Mumbai  
Date : 25<sup>th</sup> April, 2024

**Office Address :**  
Annex-103, Dimple Arcade  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

**ALWYN JAY & Co.**  
Company Secretaries

**Jay D'Souza**  
FCS.3058  
Partner  
Certificate of Practice No.6915  
UDIN : F003058F000237853

# 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 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](http://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 **31<sup>st</sup> March, 2024** 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            | 01/04/2021          |
| 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          |
| 11      | Alind Saxena                        | 10118258 | Whole-time director | 26/04/2023          |
| 12      | Aruna Sundararajan                  | 03523267 | Director            | 26/04/2023          |

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.

Place : Mumbai  
Date : 25<sup>th</sup> April, 2024

**Office Address :**  
Annex-103, Dimple Arcade  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

**ALWYN JAY & Co.**  
Company Secretaries

**Jay D'Souza**  
FCS.3058  
Partner  
Certificate of Practice No.6915  
UDIN : F003058F000237811

# Annexure E

## NOMINATION AND 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 ("Act") 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 Act 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"** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole-Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer."

### 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 Directors 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(s), Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance.

The Company may disclose in the Annual Report:

- Observation of the Board Evaluation for the year under review
- Previous years observations and actions taken
- 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 and Central Government, wherever required.
- b) The remuneration and commission to be paid to the 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 and Central Government, wherever required.

##### 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.

##### 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) 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.

**d) 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. Nominee Directors are not entitled to stock options as per their respective nomination letters received by the Company.

#### **4. MEMBERSHIP**

- 4.1** The Committee shall consist of three or more non-executive directors, half of them shall be independent directors.
- 4.2** Minimum two (2) members or one-third of the members whichever is greater including at least one Independent Director shall constitute a quorum for the Committee meeting.
- 4.3** Membership of the Committee shall be disclosed in the Annual Report.
- 4.4** Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **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.

**11.4** To consider any other matters as may be requested by the Board.

**11.5** To review Professional indemnity and liability insurance for Directors and Officers.

## **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.

## **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**

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.

# Annexure F

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

[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").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 **31<sup>st</sup> March, 2024** 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 **31<sup>st</sup> March, 2024** 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 and Sweat Equity) Regulations, 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.

**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. Issue and Allotment of 1,45,700 Equity shares of face value of ₹2/- each under the Employee Stock Option Scheme, 2016 during the financial year.
2. Orchestra Technology Inc. has ceased to be step-down wholly owned subsidiary of the Company w.e.f. February 1, 2024, consequent to its merger with L&T Technology Services LLC, wholly owned subsidiary of the Company.
3. The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench vide its order dated 29<sup>th</sup> November, 2023 has approved the Scheme of Amalgamation between Esencia Technologies India Private Limited, Graphene Semiconductor Services Private Limited and Seastar Labs Private Limited with the Company and their respective shareholders. The amalgamation was effective on December 7, 2023, upon filing of the certified true copy of the NCLT Order with Registrar of Companies, Mumbai.
4. During the financial year, the Company has incorporated its Wholly Owned Subsidiary in Krakow, Poland with initial investment of an amount PLN 5,000.
5. The Company has completed the acquisition of substantial portion of Smart World & Communication Business of Larsen & Toubro Limited (L&T) on April 1, 2023, consequent to completion of conditions precedent as identified in the Business Transfer Agreement dated January 12, 2023 entered between the Company and L&T.

**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.

## Annexure A

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.

## Annexure G

### Statement under Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### A) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24, the percentage increase in remuneration of each Director & Key Managerial Personnel (KMP) during the financial year 2023-24

| Name of the Director/KMP      | Designation                                     | 2023-2024                                    |  |
|-------------------------------|---|--|--|
|                               |   | Ratio of Remuneration to median remuneration | Percentage increase in Remuneration <sup>3</sup> |
| Mr. A. M. Naik                | Founder Chairman                                | 15.98  | 22.4%  |
| Mr. S. N. Subrahmanyam        | Non-Executive Vice Chairman                     | NA   | NA   |
| Mr. Amit Chadha <sup>1</sup>  | Chief Executive Officer & Managing Director     | 162.61                                       | 110.0% <sup>5</sup>                              |
| Mr. Abhishek Sinha            | Chief Operating Officer and Whole-Time Director | 66.84  | 71.5% <sup>5</sup>                               |
| Mr. Alind Saxena              | President, Sales and Whole-Time Director        | 108.76                                       | #  |
| Dr. Keshab Panda <sup>1</sup> | Non-Executive Director                          | 5.12   | -13.0%   |
| Mr. Narayanan Kumar           | Independent Director                            | 1.95   | -29.5%   |
| Ms. Apurva Purohit            | Independent Director                            | 2.64   | -9.1%  |
| Mr. Sudip Banerjee            | Independent Director                            | 2.24   | -6.6%  |
| Mr. R Chandrasekaran          | Independent Director                            | 2.11   | 14.3%  |
| Mr. Luis Miranda              | Independent Director                            | 2.87   | -3.5%  |
| Ms. Aruna Sundararajan        | Independent Director                            | 1.56   | #  |
| Mr. Rajeev Gupta              | Chief Financial Officer                         | -  | 47.8% <sup>5</sup>                               |
| Ms. Prajakta Powle            | Company Secretary                               | -  | -2.9%  |

<sup>1</sup> 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.

<sup>5</sup>The remuneration paid were higher on account of perquisite value related to employee stock options exercised during the year.

# Percentage increase for Mr. Alind Saxena and Ms. Aruna Sundararajan will not be comparable with the previous year as their appointments were made on April 26, 2023.

#### B) Percentage increase in the median remuneration of employees as at March 31, 2024

The median remuneration of employees of the Company as at March 31, 2024 ₹ 0.95 million. In the financial year, there was an increase of 6.75% in the median remuneration of employees.

#### C) Number of permanent employees on the rolls of Company as on March 31, 2024

There were 21,271 permanent employees on the rolls of Company as on March 31, 2024.

#### 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 5.5% in India and around 2.75% outside India. The average increase in managerial remuneration was 132%, primarily due to exercise of stock options by the Executive Directors during the year under review.

#### 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.

#### For and on behalf of the Board

##### Amit Chadha

CEO & Managing Director  
(DIN: 07076149)

Place: Mumbai

Date: April 25, 2024

##### S. N. Subrahmanyam

Vice Chairman  
(DIN: 02255382)

Place: Mumbai

Date: April 25, 2024

# Business Responsibility and Sustainability Report FY 24

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

**1. Corporate Identity Number (CIN) of the Listed Entity**

L72900MH2012PLC232169

**2. Name of the Listed Entity**

L&T Technology Services Limited

**3. Year of incorporation**

14 Jun 2012

**4. Registered office address**

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

**5. Corporate address**

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

**6. E-mail**

[corporate.sustainability@lts.com](mailto:corporate.sustainability@lts.com)

**7. Telephone**

91-22-68925257

**8. Website**

[www.lts.com](http://www.lts.com)

**9. Financial year for which reporting is being done**

1st April 2023- 31st March 2024

**10. Name of the Stock Exchange(s) where shares are listed**

BSE and NSE

**11. Paid-up Capital**

INR 211.5 million

**12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**

| SL No. | Particulars      | Details  |
|--------|------------------|--|
| 1      | Name             | Jayashree Ramasubbu  |
| 2      | Designation      | Chief Risk Officer   |
| 3      | Telephone Number | (022) 68925257   |
| 4      | Email ID         | <a href="mailto:corporate.sustainability@lts.com">corporate.sustainability@lts.com</a> |

**13. Reporting boundary**

The BRSR report provides details of our non-financial performance from April 1, 2023 to March 31, 2024. All non-financial disclosures are done on standalone basis except energy, water and waste data which is collected from our 32 major offices in India and 8 major offices at international locations. Except 1 subsidiary, all of our subsidiaries operate from LTTs' standalone premises.

The following table represents the boundary conditions specific to the BRSR Core Attributes:

| Sr. No. | Attribute   | Parameter   | Measurement  | Cross - reference to the BRSR  | Boundary of Assurance  |
|---------|---|---|--|--|--|
| 1       | Green-house gas (GHG) footprint<br>Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard | Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF6, NF3, if available)<br><br>Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)<br><br>GHG Emission Intensity (Scope 1 +2) | GHG (CO2e) Emission in Mn MT / KT / MT Direct emissions from organization's owned- or controlled sources<br><br>GHG (CO2e) Emission in Mn MT / KT / MT Indirect emissions from the generation of energy that is purchased from a utility provider<br><br>Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP | Principle 6, Question 7 of Essential Indicators<br><br>Principle 6, Question 7 of Essential Indicators<br><br>Principle 6, Question 7 of Essential Indicators  | Boundary of assurance covers data from 1 Apr 2023 to 31 Mar 2024. This data is from the DG set emissions and fugitive emissions from our Indian locations.<br><br>Boundary of assurance covers data from 1 Apr 2023 to 31 Mar 2024. This data is from the purchased electricity emissions from our Indian locations.<br><br>Boundary of assurance covers data from 1 Apr 2023 to 31 Mar 2024. This data is from the DG set emissions, fugitive emissions and purchase electricity emissions from our Indian locations. |
| 2       | Water footprint   | Total water consumption<br><br>Water consumption intensity<br><br>Water Discharge by destination and levels of Treatment  | Mn Lt or KL<br><br>Mn Lt or KL / Rupee adjusted for PPP<br><br>Mn Lt or KL / Product or Service<br><br>Mn Lt or KL   | Principle 6, Question 7 of Essential Indicators<br><br>Principle 6, Question 3 of Essential Indicators<br><br>Principle 6, Question 3 of Essential Indicators<br><br>Principle 6, Question 4 of Essential Indicators | Not Applicable<br><br>The BRSR report provides details of our non-financial performance from April 1, 2023 to March 31, 2024. The data is collected from our 32 major offices in India and 6 major offices at international locations.   |
| 3       | Energy footprint  | Total energy consumed<br>% of energy consumed from renewable sources<br>Energy intensity<br><br>Joules or multiples / Product or Service  | In Joules or multiples<br>In % terms<br><br>Joules or multiples / Rupee adjusted for PPP<br>Joules or multiples / Product or Service   | Principle 6, Question 1 of Essential Indicators<br><br>Principle 6, Question 1 of Essential Indicators<br><br>Principle 6, Question 1 of Essential Indicators  | Boundary of assurance covers data from April 1, 2023 to March 31, 2024. This data is from the renewable and non renewable energy consumption from 32 Indian offices and 8 international offices  |



| Sr. No. | Attribute   | Parameter   | Measurement  | Cross - reference to the BRSR  | Boundary of Assurance  |
|---------|---|---|--|--|--|
| 4       | Embracing circularity - details related to waste management by the entity | Plastic waste (A)<br>E-waste (B)<br>Bio-medical waste (C)<br>Construction and demolition waste (D)<br>Battery waste (E)<br>Radioactive waste (F)<br>Other Hazardous waste. Please specify, if any. (G)<br>Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)<br>Total waste generated ((A+B + C + D + E + F + G + H)<br>Waste intensity | Kg or MT<br>Kg or MT<br>Kg or MT<br>Kg or MT<br>Kg or MT<br>Kg or MT<br>Kg or MT   | Principle 6, Question 9 of Essential Indicators  | Boundary of assurance covers data from April 1, 2023 to March 31, 2024. This data is from 14 major Indian offices.                       |
| 5       | Enhancing Employee Wellbeing and Safety                                   | Spending on measures towards well being of employees and workers -cost incurred as a % of total revenue of the company<br>Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)   | In % terms<br>Number of Permanent Disabilities<br>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)<br>No. of fatalities | Principle 3, Question 1(c) of Essential Indicators<br>Principle 3, Question 11 of Essential Indicators<br>Principle 3, Question 11 of Essential Indicators<br>Principle 3, Question 11 of Essential Indicators | Boundary of assurance covers data from April 1, 2023 to March 31, 2024. This data is from 32 Indian offices and 8 international offices. |

| Sr. No. | Attribute   | Parameter   | Measurement   | Cross - reference to the BRSR   | Boundary of Assurance   |
|---------|---|---|---|---|---|
| 6       | Enabling Gender Diversity in Business             | Gross wages paid to females as % of wages paid<br><br>Complaints on POSH  | In % terms<br><br>Total Complaints on Sexual Harassment (POSH) reported<br>Complaints on POSH as a % of female employees / workers<br>Complaints on POSH upheld   | Principle 5, Question 3(b) of Essential Indicators<br><br>Principle 5, Question 7 of Essential Indicators | Boundary of assurance covers data from April 1, 2023 to March 31, 2024.<br>This data is from 32 Indian offices and 8 international offices. |
| 7       | Enabling Inclusive Development                    | Input material sourced from following sources as % of total purchases –<br>Directly sourced from MSMEs/ small producers and from within India<br>Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent / on contract) as % of total wage cost | In % terms – As % of total purchases by value<br><br>In % terms – As % of total wage cost   | Principle 8, Question 4 of Essential Indicators<br><br>Principle 8, Question 5 of Essential Indicators    | Boundary of assurance covers data from April 1, 2023 to March 31, 2024.<br>This data is from 32 Indian offices and 8 international offices. |
| 8       | Fairness in Engaging with Customers and Suppliers | Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events<br><br>Number of days of accounts payable  | In % terms  | Principle 9, Question 7 of Essential Indicators   | Boundary of assurance covers data from April 1, 2023 to March 31, 2024.<br>This data is from 32 Indian offices and 8 international offices. |
| 9       | Open-ness of business                             | Concentration of purchases & sales done with trading houses, dealers, and related parties<br>Loans and advances & investments with related parties  | (Accounts payable *365) / Cost of goods/services procured<br><br>Purchases from trading houses as % of total purchases<br>Purchases from top 10 trading houses as % of total purchases from trading houses<br>Number of trading houses where purchases are made from<br>Sales to dealers / distributors as % of total sales<br>Number of dealers / distributors to whom sales are made<br>Sales to top 10 dealers / distributors as % of total sales to dealers / distributors<br>Share of RPTs<br>(as respective %age) in -<br><ul style="list-style-type: none"> <li>• Purchases</li> <li>• Sales</li> <li>• Loans &amp; advances</li> <li>• Investments</li> </ul> | Principle 1, Question 8 of Essential Indicators<br><br>Principle 1, Question 9 of Essential Indicators    | Boundary of assurance covers data from April 1, 2023 to March 31, 2024.<br>This data is from 32 Indian offices and 8 international offices. |

**14. Name of assurance provider**

DNV Business Assurance India Pvt Ltd

**15. Type of assurance obtained**

Reasonable Assurance for Core Attributes

**II. Products/services**
**16. Details of business activities (accounting for 90% of the turnover):**

| Sr. No. | Description of Main Activity | Description of Business Activity  | % of Turnover of the entity |
|---------|------------------------------|---|-----------------------------|
| 1       | Transportation               | 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 segments. LTTTS provides strong expertise across SDV, ADAS & Safety Systems, EACV, Infotainment & Driver Information Systems, Body Electronics & Comfort Systems, Aerospace Aftermarket Services, Inflight Entertainment & Communication Services, among others.            | 32.8%                       |
| 2       | Industrial Products          | LTTTS industrial products offerings span across Industrial machinery and building automation, Electrical drives and power utilities, machinery and handling equipment. This translates into a robust presence across building automation, home and office product design, energy management, process control, and machinery design.   | 16.9%                       |
| 3       | Telecom & Hi-tech            | LTTTS offers engineering services and solutions across five key segments: Telecom, Consumer Electronics, Semiconductor, ISV, and Media & Entertainment. LTTTS' engineers are leveraging emerging technologies including AI, SDX, and cybersecurity, to unlock new value paradigms for global customers.   | 26.4%                       |
| 4       | Plant Engineering            | LTTTS' comprehensive chip-to-cloud capabilities – from design and engineering to project management – help drive delivery, maintenance, and sustenance of bespoke solutions for a global Plant Engineering clientele. With its focus on Engineering, Procurement, and Construction Management (EPCM), the Company supports every phase of a plant's lifecycle management through its industry-leading consulting-driven approach and multi-geography Value Engineering Centers. | 14.0%                       |
| 5       | Medical Devices              | LTTTS helps enable remote medical care, ensure regulatory compliances and approvals (QARA), transform in-vitro diagnostics, drive new age AI-enabled solutions and surgical services, facilitate software-defined wellness journeys, and streamline the growing adoption of the Medical Internet of Things (MIoT).  | 9.8%                        |

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| Sr. No. | Product/Service   | NIC Code | % of total Turnover contributed |
|---------|---|----------|---------------------------------|
|         | To Provide a range of Engineering Services and related technologies in the areas of Embedded Systems, Mechanical etc and to act as a services provider to companies in India and abroad | 620      | 100%                            |

**III. Operations**
**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      |                  | 23                | 23    |
| International |                  | 46                | 46    |

**19. Markets served by the entity:**
**19.a. Number of locations**

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States)         | 24     |
| International (No. of Countries) | 60     |

**19.b. What is the contribution of exports as a percentage of the total turnover of the entity?**

78.1%

**19.c. A brief on types of customers**

LTTs caters to a wide range of customers across industries and creates targeted partnership models that address specific challenges and business goals. The Company has a customer base covering 57 of the world's top 100 ER&D companies across 5 Major segments:

- **Transportation:** Our global customers in the transportation sector are the top Original Equipment Manufacturers (OEMs) and Tier 1 suppliers across the Automotive, Trucks & Off-Highway vehicles and the Aerospace sector
- **Telecom & Hi-Tech:** We offer engineering services and solutions for five key segments: Telecom, Consumer Electronics, Semiconductor, ISV and Media & Entertainment. LTTs' team of experts that work across the value chain to provide digital services and solutions for Communications Service Providers, Networking and Technology System Operators, OEMs, and chipset makers.
- **Industrial Products:** Our varied global customers who seek for services across building automation, home and office product design, energy management, process control, machinery design and digital manufacturing.
- **Plant Engineering:** LTTs provides end-to-end solutions across designing, engineering, project management, handover operations and the delivery and maintenance of customized digital solutions. As a leading Engineering, Procurement, and Construction Management (EPCM) services specialist, we support all key stages across a modern plant life-cycle — from conceptualization to commissioning for our global customers.
- **Medical Devices:** We help medical device OEMs worldwide accelerate product development cycles, reduce time to market, deliver sustained value engineering, and ensure seamless multi-geography compliant product launches. LTTs collaborates with leading global medical device manufacturers and healthcare providers to offer solutions around remote medical care, regulatory compliances, and approvals, invitro diagnostics, patient mobility solutions, surgical services, home healthcare, and Medical Internet of Things (MIoT).

**IV. Employees****20. Details as at the end of Financial Year:****20.a. Employees and workers (including differently abled):**

| S. No.           | Particulars              | Total (A) | Male    |         | Female  |         |
|------------------|--------------------------|-----------|---------|---------|---------|---------|
|                  |                          |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>EMPLOYEES</b> |                          |           |         |         |         |         |
| 1.               | Permanent (D)            | 21,271    | 16,750  | 79%     | 4,521   | 21%     |
| 2.               | Other than Permanent (E) | 2,772     | 2,109   | 76%     | 663     | 24%     |
| 3.               | Total Employees (D+E)    | 24,043    | 18,859  | 78%     | 5,184   | 22%     |
| <b>WORKERS</b>   |                          |           |         |         |         |         |
| 4.               | Permanent (F)            | NA        | NA      | NA      | NA      | NA      |
| 5.               | Other than Permanent (G) | NA        | NA      | NA      | NA      | NA      |
| 6.               | Total Workers (F + G)    | NA        | NA      | NA      | NA      | NA      |

**20.b. Differently abled Employees and workers:**

| S. No.                             | Particulars                             | Total (A) | Male    |         | Female  |         |
|------------------------------------|---|-----------|---------|---------|---------|---------|
|                                    |   |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>DIFFERENTLY ABLED EMPLOYEES</b> |   |           |         |         |         |         |
| 1.                                 | Permanent (D)                           | 25        | 23      | 92%     | 2       | 8%      |
| 2.                                 | Other than Permanent (E)                | 7         | 7       | 100%    | 0       | 0%      |
| 3.                                 | Total differently abled employees (D+E) | 32        | 30      | 94%     | 2       | 6%      |

| S. No.                           | Particulars                             | Total (A) | Male    |         | Female  |         |
|----------------------------------|---|-----------|---------|---------|---------|---------|
|                                  |   |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| <b>DIFFERENTLY ABLED WORKERS</b> |   |           |         |         |         |         |
| 4.                               | Permanent (F)                           | NA        | NA      | NA      | NA      | NA      |
| 5.                               | Other than Permanent (G)                | NA        | NA      | NA      | NA      | NA      |
| 6.                               | Total differently abled workers (F + G) | NA        | NA      | NA      | NA      | NA      |

## 21. Participation/Inclusion/Representation of women

|                          | Total (A) | No. and percentage of Females |         |
|--------------------------|-----------|-------------------------------|---------|
|                          |           | No. (B)                       | % (B/A) |
| Board of Directors       | 12        | 2                             | 16.7%   |
| Key Management Personnel | 2         | 1                             | 50%     |

## 22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

|                   | FY 24<br>(Turnover rate in current FY) |        |       | FY 23<br>(Turnover rate in previous FY) |        |       | FY 22<br>(Turnover rate in the year prior to the previous FY) |        |       |
|-------------------|--|--------|-------|---|--------|-------|---|--------|-------|
|                   | Male                                   | Female | Total | Male                                    | Female | Total | Male  | Female | Total |
|                   | Permanent Employees                    | 24.0%  | 25.2% | 24.2%                                   | 32.5%  | 33.2% | 32.7%   | 31.0%  | 32.9% |
| Permanent Workers | NA                                     | NA     | NA    | NA                                      | NA     | NA    | NA  | NA     | NA    |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| 1      | L&T Thales Technology Services Private Limited                              | Subsidiary   | 74%                               | Y  |
| 2      | L&T Technology Services LLC   | Subsidiary   | 100%                              | Y  |
| 3      | L&T Technology Services (Canada) Limited                                    | Subsidiary   | 100%                              | Y  |
| 4      | Graphene Solutions Pte. Ltd   | Subsidiary   | 100%                              | Y  |
| 5      | Graphene Solution SDN. BHD  | Subsidiary   | 100%                              | Y  |
| 6      | Graphene Solutions Taiwan Limited   | Subsidiary   | 100%                              | Y  |
| 7      | L&T Technology Services (Shanghai) Co. Ltd                                  | Subsidiary   | 100%                              | Y  |
| 8      | L&T Technology Services Poland spółka z ograniczoną odpowiedzialnością      | Subsidiary   | 100%                              | Y  |

## VI. CSR Details

### 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

### 24. (ii) Turnover (in Rs.)

96,473 million

### 24. (iii) Net Worth (in Rs.)

56,821 million

## VII. Transparency and Disclosures Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)          | FY 24                                      |  |                           | FY 23                                      |  |               |
|---|---|--|--|---------------------------|--|--|---------------|
|   |   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks                   | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks       |
| Communities                                       | <a href="https://www.ltts.com/about-us/csr">ltts.com/about-us/csr</a>   | 0  | 0  | No Complaints             | 0  | 0  | No Complaints |
| Investors (other than shareholders)               | <a href="https://www.ltts.com/investors/investor-services">https://www.ltts.com/investors/investor-services</a>       | 0  | 0  | No Complaints             | 0  | 0  | No Complaints |
| Shareholders                                      | <a href="https://www.ltts.com/investors/investor-services">https://www.ltts.com/investors/investor-services</a>       | 90   | 0  | No Complaints outstanding | 420  | 1  |               |
| Employees and workers                             | <a href="https://www.ltts.com/investors/corporate-governance">https://www.ltts.com/investors/corporate-governance</a> | 0  | 0  | No Complaints             | 0  | 0  | No Complaints |
| Customers   | Yes. Escalation mechanisms are defined in individual Client contracts and addressed as per LTTS Quality policy        | 0  | 0  | No Complaints             | 0  | 0  | No Complaints |
| Value Chain Partners                              | Yes. Escalation mechanisms are defined in individual Vendor contracts and addressed as per LTTS Quality               | 0  | 0  | No Complaints             | 0  | 0  | No Complaints |
| Other (please specify)                            |   |  |  |                           |  |  |               |

### 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified                | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|--|---|--|
| 1      | Business Ethics and Corporate Governance | Risk                                       | Ethics and Integrity is one of our Core Values which governs every decision, action and future growth areas. Compliance with local and international laws, ethical guidelines and operating with integrity and social responsibility are important to maximise value for all stakeholders including investors, employees, shareholders, customers, suppliers, the environment, and the community. Unethical business practices can lead to regulatory and/or legal repercussions leading to financial and reputational damages | LTTS has a mature Risk management program that is agile while ensuring compliance, governance, and accountability. This helps LTTS in taking optimal decisions for the benefit of all stakeholders. LTTS have implemented employee code of conduct and is reinforced through periodic training. In addition, LTTS has implemented a strong anti-corruption and anti-bribery policy. Whistle blower policy and Ethics-line are channels to resolve any disputes / complaints. Compliance portal is implemented to track all global compliance applicable to the Company. | Negative   |

| S. No. | Material issue identified                | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--|--|--|---|--|
| 2      | Talent management and employee wellbeing | Opportunity / Risk                         | <p>Talent Management is crucial success factor for the Company. Highly motivated employees and continuous improvement in their performance are necessary for the Company to succeed and create value for stakeholders.</p> <p>Employee health, safety and well-being is critical for the employees to remain motivated and perform at their best.</p> <p>Rapid evolution of newer technologies requires continuous up-skilling to match the pace of demands of the business.</p> <p>Ability to retain highly skilled &amp; motivated employees by continuous upskilling, and reskilling would help keep talent attrition in check and attract new talent.</p> <p>It is important to create an environment that is safe, and the employees have the confidence, trust, and safety to report on any kind of discrimination or harassment at the workplace.</p> | <p>LTTS has employee-centric policies, skill enhancement programs, rewards and recognition schemes, and engagement programs that encompass technical and non-technical aspects. These initiatives encourage our employees to reach their full potential and thrive.</p> <p>To cater to the dynamic ER&amp;D industry, LTTS aims to attract candidates with specialised skills and qualifications. Our strategic partnerships with leading educational institutes enable us to address project-specific hiring needs efficiently.</p> <p>LTTS aims to enhance individual development and effectiveness by creating a thriving learning culture through strategic alignment, thorough diagnosis, and targeted interventions.</p> <p>These initiatives support the organisation's commitment to employee growth and talent development.</p> <p>Employee wellbeing is a top priority for LTTS. LTTS fosters a positive work environment.</p> <p>LTTS has amplified the reach and effectiveness of holistic wellness initiatives with regards to physical and mental well-being</p> <p>LTTS has Implemented Occupational Health and Safety Management System, adhering to ISO 45001:2018 standards</p> | Positive and Negative  |

| S. No. | Material issue identified                 | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity  | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---|--|---|---|--|
| 3      | Data Privacy and Cybersecurity            | Risk                                       | Compliance requirements of GDPR in Europe and similar legislations in other countries carry severe consequences on non-compliance or breach. Such consequences can result in substantive liabilities, fines, penalties, and impact on reputation. Complexities of digital ecosystems can result in the increased risk of cybersecurity threats, security vulnerabilities and cybersecurity incidents which can further lead to business disruptions, impact client service delivery, unauthorized disclosure of sensitive information, etc. | LTTTS has implemented comprehensive Information Security Management System (ISMS) to ensure cybersecurity preparedness with mandatory employee training. Established managed defence, security monitoring and incident response process to detect and respond to cybersecurity threats and incidents. LTTTS has developed a structured global data privacy framework to manage the current and emerging data privacy compliance requirements. LTTTS has implemented a personal data breach response and mitigation plan in alignment with applicable data protection laws. LTTTS has embedded privacy by design as a backbone for new systems and applications. | Negative   |
| 4      | Technology, Innovation, and opportunities | Opportunity                                | Inability to innovate and develop new services and solutions to keep up with customer expectations and evolving technologies which could result in lower business growth traction.  | LTTTS continuously explores opportunities in new technologies by way of investments for solution and competency building. LTTTS also collaborates with customers for jointly exploring and developing new technological solutions in customer projects. Strategic collaborations with leading technology companies for training and capacity building on new age technologies. LTTTS invests in labs such as technology labs, Innovation labs, etc. and Centers of Excellence (CoE), which are focused towards building cutting edge technologies.  | Positive   |



| S. No. | Material issue identified        | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|----------------------------------|--|--|---|--|
| 5      | Sustainable business and quality | Opportunity                                | <p>A sustainable business performance enables the company to create value for all stakeholders. The company follows a prudent approach within an adequate Risk management framework for a sustainable business growth.</p> <p>A robust Quality management system provides a robust framework for global delivery of engineering &amp; R&amp;D services. This has enabled it to win various prestigious awards and accolades, high percentage of repeat orders due to confidence of our customers on our capabilities and quality of services</p> |   | Positive   |
| 6      | Diversity and Inclusion          | Opportunity / Risk                         | <p>A diverse and inclusive workplace boosts the Company's reputation, help attract top talent, and fuels business growth and success. Diverse teams bring in different perspectives and help us build better solutions. By being more diverse and inclusive, the company can experience higher innovation, improved resilience in times of crisis, and a more engaged workforce. A lack of inclusion can affect teams' potential to respect differences and collaborate meaningfully.</p>  | <p>LTTTS has clear policies, processes, and governance structure to oversee the performance in this aspect. On-going awareness sessions on Diversity and Inclusion including Disability Sensitization. Focussed initiatives (WINGS), support forums and training and mentorship of women to help them grow in their careers</p> | Positive   |

| S. No. | Material issue identified   | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity   | In case of risk, approach to adapt or mitigate  | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---|--|--|---|--|
| 7      | Environmental Management - Climate strategy, emission, water and waste management | Opportunity/<br>Risk                       | Climate change risks has led to a growing requirement of disclosures, commitments, and action towards reducing carbon emissions. Increased water consumption and waste generation would lead to already stressed water availability and environmental issues related to landfills in cities that we operate in. Growing requirement to mitigate environmental impact by our customers would require making changes in their processes. This presents us with a unique opportunity to provide dedicated sustainability services to our customers. | At LTTS there are various ongoing initiatives to reduce emissions, reduce consumption of energy and water and improve our waste recycling processes. LTTS has taken active efforts to increase awareness amongst employees and partners. LTTS also has active CSR initiatives that help alleviate climate change impacts in the society that also help the vulnerable groups. | Positive   |
| 8      | Community Development   | Opportunity                                | Empowering communities that we operate accrue direct and indirect economic benefits often leading to a multiplier effect in the society especially the vulnerable groups.  |   | Positive   |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions   | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes  |   |     |     |     |     |     |     |     |     |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| b. Has the policy been approved by the Board? (Yes/No)   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| c. Web Link of the Policies, if available  | <a href="https://www.ltts.com/investors/corporate-governance">https://www.ltts.com/investors/corporate-governance</a> |     |     |     |     |     |     |     |     |
| 2. Whether the entity has translated the policy into procedures. (Yes / No)                                    | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No)                                      | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |

| Disclosure Questions   | P 1                              | P 2       | P 3           | P 4     | P 5                | P 6       | P 7 | P 8     | P 9 |
|--|----------------------------------|-----------|---------------|---------|--------------------|-----------|-----|---------|-----|
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | ISO 27001, ISO 14001 & ISO 45001 | ISO 45001 | ILO Standards | SA 8000 | ISO 14001, SA 8000 | ISO 50001 |     | SA 8000 |     |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any.   |                                  |           |               |         |                    | (a)       |     |         |     |
| 6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same is not met   |                                  |           |               |         |                    | (a)       |     |         |     |

(a) Carbon & Water Neutrality by 2030. Reduction of of Scope 1+2 emissions by 7.4 % year on year.

### Governance, leadership and oversight

#### 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

As the largest pure-play ER&D services company based out of India, LTTS recognizes its role as a steward of the environment. Embracing the transformative potential of technology to drive positive change, we aim at "engineering a sustainable tomorrow through technology and innovation." LTTS proactively embraces and implements robust initiatives aimed at advancing sustainability objectives for our diverse global clientele. These initiatives encompass a strategic focus on product circularity, water and waste management, energy transition and optimization, environmental stewardship, climate action, cutting-edge digital solutions, and sustainability-centric advisory services. We remain committed to pioneering sustainable enterprise transformations leveraging digital technologies and ushering in new value paradigms. Your continued support and encouragement are invaluable as we forge ahead in engineering the next frontiers of profitable, inclusive, and sustainable growth.

#### Amit Chadha

CEO & Managing Director, LTTS

#### 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

Name: Mr Amit Chadha

Designation: CEO & Managing Director

#### 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, the company's CSR committee is responsible for sustainability related issues. The committee has the following set of responsibilities:

1. Provide guidance for the development of a long-term Sustainability Plan of the Company and monitor the implementation of the same from time to time.
2. Review the various sustainability initiatives undertaken by the Company, its performance, and other related aspects.
3. Oversee the overall ESG performance, disclosure, strategies, goals, and objectives.
4. Ensure compliance with the relevant laws, rules and regulations governing Sustainability and to periodically report to the Board of Directors.

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review   | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee |     |     |     |     |     |     |     |     | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |     |     |     |     |     |     |     |     |          |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|----------|
|  | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1  | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |          |
| Performance against above policies and follow up action  | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |  |     |     |     |     |     |     |     |     | Annually |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Y  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |  |     |     |     |     |     |     |     |     | Annually |

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

Following are the external agencies involved in assessment of policies related to respective certifications:

- ISO 27001: Bureau Veritas
- SA 8000: BSI
- ISO 45001: Lloyd's Register
- ISO 14001: Lloyd's Register
- ISO 50001: Lloyd's Register

| Disclosure Question   | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable**

| Questions   | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the Principles material to its business (Yes/No)   |     |     |     |     |     |     |     |     |     |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) |     |     |     |     |     |     |     |     |     |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         |     |     |     |     |     |     |     |     |     |
| It is planned to be done in the next financial year (Yes/No)  |     |     |     |     |     |     |     |     |     |
| Any other reason (please specify)   |     |     |     |     |     |     |     |     |     |

**SECTION C: MANAGEMENT AND PROCESS DISCLOSURES****PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.****I. Essential Indicators****1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment                  | Total number of training and awareness programs held | Topics /principles covered under the training and its impact | %age of persons in respective category covered by the awareness programs |
|--------------------------|--|--|--|
| Board of Directors       | 8  | Business, Strategy, risk and update of laws                  | 100%   |
| Key Managerial Personnel | 8  | Business, Strategy, risk and update of laws                  | 100%   |

| Segment                           | Total number of training and awareness programs held | Topics /principles covered under the training and its impact  | %age of persons in respective category covered by the awareness programs |
|-----------------------------------|--|---|--|
| Employees other than BoD and KMPs | 3,444  | Agile Methodology, Design Thinking for Innovation, Awareness of Finance (Cost Management), Supervised Machine Learning: Classification, MDP – CORElevate - Power Bi, Finance Basics (HBR 20-Minute Manager Series), 10 Steps to Successful Business Writing etc | 92.6%  |
| Workers                           | -  | -   | -  |

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| <b>Monetary</b>     |                 |   |                   |  |  |
|---------------------|-----------------|---|-------------------|--|--|
|                     | NGRBC Principle | Name of the regulatory / enforcement agencies / judicial institutions | Amount (In INR)   | Brief of the Case                      | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine       |                 |   | NIL               |  |  |
| Settlement          |                 |   |                   |  |  |
| Compounding fee     |                 |   |                   |  |  |
| <b>Non-Monetary</b> |                 |   |                   |  |  |
|                     | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions   | Brief of the Case | Has an appeal been preferred? (Yes/No) |  |
| Imprisonment        |                 |   | NIL               |  |  |
| Punishment          |                 |   |                   |  |  |

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
|              | NA  |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, Anti-corruption and anti-bribery policy is available on the company website - <https://www.lttts.com/sites/default/files/investors/corporate-gov/pdf/Global-ABAC-Statement.pdf>

Following are the key points of the policy:

- LTTTS values its reputation for maintaining ethical behaviour, integrity, and reliability
- LTTTS is committed to demonstrating compliance with all applicable laws
- LTTTS follows a zero-tolerance policy towards all forms of bribery and corruption
- All persons working with LTTTS or on behalf of LTTTS in any capacity, including employees at all levels, directors, interns, agents, contractors, consultants, third-parties, and business partners are required to operate in an ethical manner with integrity and transparency
- LTTTS does not give, promise to give, bribe, make any payment, gift, hospitality, kickbacks, or other benefits with the expectation of gaining a business advantage nor it allows its third parties to do so
- LTTTS does not accept any payment, gift, or hospitality from third parties that is believed to have been offered with the expectation of a business advantage in return
- LTTTS does not retaliate against any individual who has reported any incident concerning bribery or corruption
- LTTTS will not engage in any activity that might lead to a breach of this statement.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

|           | FY 24 | FY 23 |
|-----------|-------|-------|
| Directors | 0     | 0     |
| KMPs      | 0     | 0     |
| Employees | 0     | 0     |
| Workers   | NA    | NA    |

**6. Details of complaints with regard to conflict of interest:**

|  | FY 24  |         | FY 23  |         |
|--|--------|---------|--------|---------|
|  | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0      | NA      | 0      | NA      |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | 0      | NA      | 0      | NA      |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

NA

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

|                                     | FY 24 | FY 23 |
|-------------------------------------|-------|-------|
| Number of days of accounts payables | 177   | 202   |

**9. Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:**

| Parameter                  | Metrics  | FY 24 | FY 23 |
|----------------------------|--|-------|-------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                                 | 0%    | 0%    |
|                            | b. Number of trading houses where purchases are made from                                | 0%    | 0%    |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses      | 0%    | 0%    |
| Concentration of Sales     | a. Sales to dealers / distributors as % of total sales                                   | NA    | NA    |
|                            | b. Number of dealers / distributors to whom sales are made                               | NA    | NA    |
|                            | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors  | NA    | NA    |
| Share of RPTs in           | a. Purchases (Purchases with related parties / Total Purchases)                          | 12.4% | 6.0%  |
|                            | b. Sales (Sales to related parties / Total Sales)  | 3.3%  | 1.4%  |
|                            | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 3.3%  | 70.7% |
|                            | d. Investments (Investments in related parties / Total Investments made)                 | 1.7%  | 1.1%  |

**II. Leadership Indicators**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programs held | Topics/principles covered under the training   | %age of value chain partners covered under the awareness programs (by the value of business done with such partners) |
|---|--|--|
| 108                                     | Basic Life support and first aid, Self-Discipline & Emergency Duty Awareness, Patrolling Duty Briefing, Fire & Safety Briefing, Food product Labelling, Self-Discipline & Emergency Duty Awareness etc | 100%   |

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

The Company has processes for management of conflict of interests involving members of the Board which may arise due to Directors joining the Boards of other companies, and even conflicts which would take place in the course of normal business activities. The process allows the Directors to recuse themselves from the discussions pertaining to the conflict of interest. The Directors must exercise their responsibilities in a bona fide manner in the interest of the Company, should not allow any extraneous considerations that may vitiate their exercise of objective independent judgment in the paramount interest of the Company and not abuse their position to the detriment of the Company for the purpose of gaining direct or indirect personal advantage. Any conflict of interest arising with the Board Members needs to be reported to the Chairman of the Audit Committee/Chairman of the Board

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**I. Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

|       | FY 24 | FY 23 | Details of improvements in environmental and social impacts   |
|-------|-------|-------|---|
| R&D   | -     | -     | -   |
| Capex | 0.1%  | 0.2%  | LTTS has installed efficiency improvement equipment in HVAC systems and replaced CFL lamps to LED lighting systems. |

**2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

**2.b. If yes, what percentage of inputs were sourced sustainably?**

All Suppliers are mandated to accept and sign the Code of Conduct (COC) which covers EHS and Human Rights parameters to be adhered. We are in process of further improving the sustainable sourcing procedures to include various principles as recommended in the 9 Principles of NGRBC.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company being an ER&D services company, there are no products of the Company to reclaim at the end of life. However, the company recycles and disposes its wastes via authorised vendors as prescribed under the CPCB rules.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

EPR is not applicable for LTTS as it is ER&D services company.

**II. Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product / Service | % of total Turnover contributed | The boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by an independent external agency (Yes/No) | Results communicated in the public domain (Yes/No)<br>If yes, provide the web-link. |
|----------|---------------------------|---------------------------------|--|--|---|
| NA       |                           |                                 |  |  |   |

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---------------------------|-----------------------------------|--------------|
| NA                        |                                   |              |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material |       |
|-------------------------|--|-------|
|                         | FY 24  | FY 23 |
| NA                      | NA   | NA    |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

|                                | FY 24   |          |                 | FY 23   |          |                 |
|--------------------------------|---------|----------|-----------------|---------|----------|-----------------|
|                                | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | 0       | 0        | 0               | 0       | 0        | 0               |
| E-waste                        | 0       | 0        | 0               | 0       | 0        | 0               |
| Hazardous waste                | 0       | 0        | 0               | 0       | 0        | 0               |
| Other waste                    | 0       | 0        | 0               | 0       | 0        | 0               |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in the respective category |
|---------------------------|---|
| NA                        | NA  |

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

I. **Essential Indicators**

1.a. **Details of measures for the well-being of employees:**

| Category                              | Total (A)     | % of employees covered by |             |                    |             |                    |            |                    |            |                     |             |
|---------------------------------------|---------------|---------------------------|-------------|--------------------|-------------|--------------------|------------|--------------------|------------|---------------------|-------------|
|                                       |               | Health insurance          |             | Accident insurance |             | Maternity benefits |            | Paternity Benefits |            | Day Care facilities |             |
|                                       |               | Number (B)                | % (B / A)   | Number (C)         | % (C / A)   | Number (D)         | % (D / A)  | Number (E)         | % (E / A)  | Number (F)          | % (F / A)   |
| <b>Permanent employees</b>            |               |                           |             |                    |             |                    |            |                    |            |                     |             |
| Male                                  | 16,750        | 16,750                    | 100%        | 16,750             | 100%        | 0                  | 0%         | 16,750             | 100%       | 16,750              | 100%        |
| Female                                | 4,521         | 4,521                     | 100%        | 4,521              | 100%        | 4,521              | 100%       | 0                  | 0%         | 4,521               | 100%        |
| <b>Total</b>                          | <b>21,271</b> | <b>21,271</b>             | <b>100%</b> | <b>21,271</b>      | <b>100%</b> | <b>4,521</b>       | <b>21%</b> | <b>16,750</b>      | <b>79%</b> | <b>21,271</b>       | <b>100%</b> |
| <b>Other than Permanent employees</b> |               |                           |             |                    |             |                    |            |                    |            |                     |             |
| Male                                  | 2,109         | 1,345                     | 64%         | 1,345              | 64%         | 0                  | 0%         | 1,345              | 64%        | 1,345               | 64%         |
| Female                                | 663           | 532                       | 80%         | 532                | 80%         | 532                | 80%        | 0                  | 0%         | 532                 | 80%         |
| <b>Total</b>                          | <b>2,772</b>  | <b>1,877</b>              | <b>68%</b>  | <b>1,877</b>       | <b>68%</b>  | <b>532</b>         | <b>19%</b> | <b>1,345</b>       | <b>49%</b> | <b>1,877</b>        | <b>68%</b>  |

1.b. **Details of measures for the well-being of workers:**

| Category                            | Total (A) | % of workers covered by |           |                    |           |                    |           |                    |           |                     |           |
|-------------------------------------|-----------|-------------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
|                                     |           | Health insurance        |           | Accident insurance |           | Maternity benefits |           | Paternity Benefits |           | Day Care facilities |           |
|                                     |           | Number (B)              | % (B / A) | Number (C)         | % (C / A) | Number (D)         | % (D / A) | Number (E)         | % (E / A) | Number (F)          | % (F / A) |
| <b>Permanent workers</b>            |           |                         |           |                    |           |                    |           |                    |           |                     |           |
| Male                                | 0         | 0                       | 0         | 0                  | 0         | 0                  | 0         | 0                  | 0         | 0                   | 0         |
| Female                              | 0         | 0                       | 0         | 0                  | 0         | 0                  | 0         | 0                  | 0         | 0                   | 0         |
| <b>Total</b>                        | <b>0</b>  | <b>0</b>                | <b>0</b>  | <b>0</b>           | <b>0</b>  | <b>0</b>           | <b>0</b>  | <b>0</b>           | <b>0</b>  | <b>0</b>            | <b>0</b>  |
| <b>Other than Permanent workers</b> |           |                         |           |                    |           |                    |           |                    |           |                     |           |
| Male                                | 0         | 0                       | 0         | 0                  | 0         | 0                  | 0         | 0                  | 0         | 0                   | 0         |
| Female                              | 0         | 0                       | 0         | 0                  | 0         | 0                  | 0         | 0                  | 0         | 0                   | 0         |
| <b>Total</b>                        | <b>0</b>  | <b>0</b>                | <b>0</b>  | <b>0</b>           | <b>0</b>  | <b>0</b>           | <b>0</b>  | <b>0</b>           | <b>0</b>  | <b>0</b>            | <b>0</b>  |



**1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

|   | FY 24 | FY 23 |
|---|-------|-------|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.5%  | 0.6%  |

**2. Details of retirement benefits, for Current FY and Previous Financial Year**

| Benefits               | FY 24  |  |  | FY 23  |  |  |
|------------------------|--|--|--|--|--|--|
|                        | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                     | 91.2%  | NA   | Y  | 92.6%  | NA   | Y  |
| Gratuity               | 79%  | NA   | Y  | 79.5%  | NA   | Y  |
| ESI                    | 0.2%   | NA   | Y  | 0.4%   | NA   | Y  |
| Others –please specify | 100% of eligible employees                         | NA   | Y  | 100% of eligible employees                         | NA   | Y  |

**3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, All of our office locations are accessible to differently abled employees and workers, as per requirement of the Rights of Persons with Disability Act 2016.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. These policies can be accessed through the link: <https://www.lts.com/investors/corporate-governance>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender       | Permanent employees |                | Permanent workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male         | 99.5%               | 88.9%          | 0                   | 0              |
| Female       | 49.2%               | 86.5%          | 0                   | 0              |
| <b>Total</b> | <b>85.5%</b>        | <b>88.6%</b>   | <b>0</b>            | <b>0</b>       |

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

|                                | Yes/No (If Yes, then give details of the mechanism in brief)  |
|--------------------------------|---|
| Permanent Workers              | NA  |
| Other than Permanent Workers   | NA  |
| Permanent Employees            | Yes, All employees are given access to EthicsLine portal to lodge their grievances on which further actions as necessary are taken. |
| Other than Permanent Employees | Yes, All employees are given access to EthicsLine portal to lodge their grievances on which further actions as necessary are taken. |

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

| Category                | FY 24  |  |           | FY 23  |  |           |
|-------------------------|--|--|-----------|--|--|-----------|
|                         | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| Total                   | 21,271   | 0  | 0%        | 19,773   | 0  | 0%        |
| Permanent Employees     |  |  |           |  |  |           |
| - Male                  | 16,750   | 0  | 0%        | 15,372   | 0  | 0%        |
| - Female                | 4,521  | 0  | 0%        | 4,401  | 0  | 0%        |
| Total Permanent Workers | -  | -  | -         | -  | -  | -         |
| - Male                  | -  | -  | -         | -  | -  | -         |
| - Female                | -  | -  | -         | -  | -  | -         |

**8. Details of training given to employees and workers:**

| Category         | FY 24     |                               |           |                      |           | FY 23     |                               |           |                      |           |
|------------------|-----------|-------------------------------|-----------|----------------------|-----------|-----------|-------------------------------|-----------|----------------------|-----------|
|                  | Total (A) | On Health and safety measures |           | On Skill upgradation |           | Total (D) | On Health and safety measures |           | On Skill upgradation |           |
|                  |           | No. (B)                       | % (B / A) | No. (C)              | % (C / A) |           | No. (E)                       | % (E / D) | No. (F)              | % (F / D) |
| <b>Employees</b> |           |                               |           |                      |           |           |                               |           |                      |           |
| Male             | 18,859    | 7,152                         | 37.9%     | 9788                 | 51.9%     | 17,347    | 5,380                         | 31.0%     | 7,235                | 41.7%     |
| Female           | 5,184     | 1,307                         | 25.2%     | 2896                 | 55.9%     | 5,031     | 1,515                         | 30.1%     | 2,367                | 47.0%     |
| Total            | 24,043    | 8,459                         | 35.2%     | 12684                | 52.8%     | 22,378    | 6,895                         | 30.8%     | 9,602                | 42.9%     |
| <b>Workers</b>   |           |                               |           |                      |           |           |                               |           |                      |           |
| Male             | 0         | 0                             | 0         | 0                    | 0         | 0         | 0                             | 0         | 0                    | 0         |
| Female           | 0         | 0                             | 0         | 0                    | 0         | 0         | 0                             | 0         | 0                    | 0         |
| Total            | 0         | 0                             | 0         | 0                    | 0         | 0         | 0                             | 0         | 0                    | 0         |

**9. Details of performance and career development reviews of employees and worker:**

| Category         | FY 24     |         |           | FY 23     |         |           |
|------------------|-----------|---------|-----------|-----------|---------|-----------|
|                  | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| <b>Employees</b> |           |         |           |           |         |           |
| Male             | 18,859    | 15,036  | 79.7%     | 17,347    | 13,280  | 76.6%     |
| Female           | 5,184     | 3,832   | 73.9%     | 5,031     | 3,487   | 69.3%     |
| Total            | 24,043    | 18,868  | 78.5%     | 22,378    | 16,767  | 74.9%     |
| <b>Workers</b>   |           |         |           |           |         |           |
| Male             | NA        |         |           | NA        |         |           |
| Female           | NA        |         |           | NA        |         |           |
| Total            | NA        |         |           | NA        |         |           |

**10. Health and safety management system:**

**10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, the Company has implemented OHS management system across all our Indian locations in accordance with the International Standards ISO 45001:2018 (Occupational Health and Safety Management System Standard). The Company's integrated EHS Management System is accredited by international certification bodies.

**10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

LTTTS identifies hazards and risks in accordance with the HIRA (Hazard Identification and Risk Assessment Register) process to fulfil applicable environmental standards and any other compliance requirements. The process to evaluate hazards and risk operation control include regular inspection (to measure unsafe conditions and unsafe acts), internal audits, Management Review Meetings, Mock drills. Mitigation plan and controls are provided to eliminate the identified hazards and risks.

**10.c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes

**10.d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number   | Category  | FY 24 | FY 23 |
|--|-----------|-------|-------|
| Lost Time Injury Frequency Rate (LTIFR)<br>(per one million-person hours worked) | Employees | 0     | 0     |
|  | Workers   | NA    | NA    |
| Total recordable work-related injuries   | Employees | 0     | 0     |
|  | Workers   | NA    | NA    |
| No. of fatalities  | Employees | 0     | 0     |
|  | Workers   | NA    | NA    |
| High consequence work-related injury or ill-health<br>(excluding fatalities)     | Employees | 0     | 0     |
|  | Workers   | NA    | NA    |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

1. Safety Protocols: Our entity has established comprehensive safety protocols tailored to the specific needs of our workplace. These protocols cover areas such as emergency procedures, accident prevention and equipment operation.
2. Training Programs: We provide thorough training programs for all employees to ensure they are well-versed in safety procedures and protocols. This includes initial onboarding training as well as regular refresher courses to reinforce safety knowledge.
3. Regular Inspections: We conduct regular inspections of the workplace to identify and address potential hazards. These inspections are carried out by trained personnel who are knowledgeable about workplace safety standards and regulations.
4. Safety Equipment: We provide all necessary safety equipment and gear to employees, such as personal protective equipment (PPE), fire extinguishers, first aid kits, and safety signage. It is mandatory for employees to use this equipment as required by their job duties.
5. Safety Awareness: We foster a culture of safety awareness among our workforce by promoting the importance of safety in all aspects of their work. This includes regular communication about safety issues, recognition of safe behaviour, and addressing any safety concerns promptly.
6. Compliance: We ensure compliance with relevant local, national, and international safety regulations and standards applicable to our industry. This includes staying updated on changes to regulations and implementing necessary adjustments to our safety protocols and procedures.
7. Communication Channels: We maintain open communication channels for employees to report safety hazards, near misses, or any other safety concerns they may encounter. This allows us to address issues proactively and continuously improve our safety measures.

**13. Number of Complaints on the following made by employees and workers:**

|                    | FY 24                 |                                       |         | FY 23                 |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0                     | 0                                     | NA      | 0                     | 0                                     | NA      |
| Health & Safety    | 0                     | 0                                     | NA      | 0                     | 0                                     | NA      |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100%  |
| Working Conditions          | 100%  |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

No such incidents has taken place during the year.

**II . Leadership Indicators****1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Employees - Yes

Workers - Not Applicable

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

All applicable statutory provisions including payment and deduction of statutory dues are incorporated in the contract agreement with the value chain partners. The Company obligates that the vendors must maintain accurate books and records that comply generally accepted accounting principles and applicable laws and regulations.

**3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

|           | Total no. of affected employees/ workers |       | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment |       |
|-----------|--|-------|---|-------|
|           | FY 24                                    | FY 23 | FY 24   | FY 23 |
| Employees | NA                                       | NA    | NA  | NA    |
| Workers   | NA                                       | NA    | NA  | NA    |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

**5. Details on assessment of value chain partners:**

|                             | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 2.1%  |
| Working Conditions          | 2.1%  |

LTTS' HSE guidelines and Supplier Code of Conduct (SCoC) are included in the Vendor evaluation and Purchase order for all vendors to accept. Some critical suppliers such as regulated waste disposal services (e-waste, hazardous waste, battery wastes), water suppliers, food suppliers for cafeteria and similar suppliers undergo legal due diligence and site inspection before a purchase order is released. The procurement team ensures that SCoC acceptance is done by vendors and all compliances are in place for which a tracker is maintained. LTTS also conducts periodic audits/review of processes/documents of on-boarded vendors for health and safety practices and working conditions. On a monthly basis statutory compliances like WC policy, ESIC are being checked.

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No major risk has been identified during the year

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**I. Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

LTTS has identified its key internal and external stakeholders through a deliberate and comprehensive process, involving the senior leadership team. This process involved assessing various stakeholder groups and evaluating their potential impact on the company. The importance of each group was carefully considered through a series of deliberations and via quantitative and qualitative evaluation taking into account factors such as their influence and potential impact. LTTS have identified 6 important stakeholder groups and the basis for identification is as follows:

**Customers:** Customers play an important role in the revenue generation and by extension the business plans of the company. It is important to build a long term relation with our clients and get repeat business when possible.

**Employees:** LTTS has a workforce of 24,000+ skilled employees. They are the backbone of our services and interaction with all other stakeholders. The upskilling and wellbeing of employees is therefore important for the overall performance of the company.

**Partners & Suppliers:** Partners and suppliers play an important role in providing the necessary support for extension of our operations by way of sub-contracting, providing equipment, services and technical expertise.

**Investors and Shareholders:** Financial resources provided by shareholders and investors play a significant role in the company's success. They play an important role in the company's business plans by exercising their voting rights.

**Communities:** LTTS supports under-privileged sections of the society around its major areas of operations by mobilizing the socio economic development in the region.

**Regulators / government authorities :** LTTS works in accordance with all the rules and regulations of the countries it operates in and supports any new policy formulation

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| <b>Stakeholder Group</b> | <b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b> | <b>Channels of communication (Email, SMS,Newspaper, Pamphlets, Advertisement, Community Meetings,Notice Board, Website), Other</b>  | <b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)</b> | <b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>   |
|--------------------------|---|---|---|--|
| Customers                | No  | <ul style="list-style-type: none"> <li>Customer Meets</li> <li>Annual report</li> <li>Quarterly report</li> <li>Customer satisfaction surveys</li> <li>Customer experience centers</li> </ul>   | As and when required  | <ul style="list-style-type: none"> <li>Better services</li> <li>Competitive Pricing and product quality</li> <li>Optimizing environmental performance</li> </ul> |
| Employees                | No  | <ul style="list-style-type: none"> <li>Transparent performance management systems</li> <li>Skill development, career development and welfare initiatives</li> <li>Inter departmental and in-house magazines</li> <li>Townhalls</li> <li>Celebratory events</li> </ul> | As and when required  | <ul style="list-style-type: none"> <li>Ethical practices</li> <li>Employee safety and wellbeing</li> <li>Work life balance and career growth</li> </ul>          |

| Stakeholder Group                   | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other  | Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement   |
|-------------------------------------|--|--|--|---|
| Suppliers                           | No   | <ul style="list-style-type: none"> <li>Supplier workshops and conferences</li> <li>Supplier location visits</li> <li>Annual Report / Sustainability Reports</li> </ul>   | As and when required. Annual Supplier location visits as applicable                  | <ul style="list-style-type: none"> <li>Stronger partnerships</li> <li>Fair Business Practices</li> <li>Governance</li> </ul>                          |
| Communities                         | Yes  | <ul style="list-style-type: none"> <li>CSR initiatives</li> <li>CSR report</li> <li>Collaboration with various NGOs, academic institutions, rural development organizations</li> </ul>   | As and when required   | <ul style="list-style-type: none"> <li>CSR engagement activities</li> <li>Community development initiatives</li> <li>Generating livelihood</li> </ul> |
| Investors and shareholders          | No   | <ul style="list-style-type: none"> <li>Annual report</li> <li>Quarterly report</li> <li>Media</li> <li>Website</li> <li>Annual General Meeting</li> <li>Investor Conference and Roadshows</li> </ul>                                       | As and when required   | <ul style="list-style-type: none"> <li>Growth and profitability</li> <li>Operational efficiency</li> <li>Future expansion strategies</li> </ul>       |
| Regulators / government authorities | No   | <ul style="list-style-type: none"> <li>Regulatory compliance reporting</li> <li>Industry bodies memberships</li> <li>Stock Exchange filings,</li> <li>Annual reports</li> <li>Quarterly reports</li> <li>Media</li> <li>Website</li> </ul> | As and when required   | <ul style="list-style-type: none"> <li>Transparency and ethics</li> <li>Regulatory Compliance</li> <li>Timely and transparent reporting</li> </ul>    |

## II. Leadership Indicators

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has set up various committees on economic, sustainability, governance and performance monitoring. These committees are CSR Committee, Risk Management Committee, Stakeholder's Relationship Committee, Investor Cell, HSE Council, etc. The CSR Committee is a committee constituted by the Board and is chaired by an Independent Director. The Risk Management Committee is constituted by the Board and is chaired by an Independent Director. The Stakeholders' Relationship Committee is constituted by the Board and is chaired by an Independent Director. The other Committees mentioned here are internally constituted committees. Quarterly performance update and reviews were conducted by the respective committees on these topics and consolidated performance report and outcome were presented to the Board in their quarterly meetings. Also, the Company has been conducting stakeholder engagement exercise from time to time on ESG topics. This stakeholder engagement exercise proceeds on a structural approach on frequency, delegation and reporting of outcome including stakeholders' feedback to the Board. As per their respective terms of reference, the various Committees (statutory as well as internal) meet periodically to review the performance of the Company in various areas.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

Yes, outcome of the materiality assessment and stakeholder engagement exercise are taken forward to identify material topics of concern on sustainability for the Company. Based on these material topics of significance to the Company, further strategy development, policy setting, if required, objectives and goal setting with monitoring mechanism are developed and implemented.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

| Vulnerable Group   | Concerns  | Action Taken  | Impact |
|--|---|---|--------|
| Rural and tribal underprivileged communities                                     | Lack of proper solid waste management, renewable energy, and sustainable agriculture. | Engaged local communities in maintaining native species, solar powers drinking water systems, recycling and reuse of solid waste into useful products, introduction to sustainable agriculture.   | 6,715  |
| Rural underprivileged communities  | Drought, unregulated water management, poor agricultural practices                    | Integrated watershed management, restoration of water bodies,   | 2,344  |
| Rural underprivileged communities  | Limited access to quality healthcare  | Mobile Healthcare service launched. Community treated for basic ailments, cancer prevention, awareness and screening, nutritious food for malnourished,   | 44,116 |
| Underprivileged children, including children from tribal community               | Lack of access to quality education   | Scholarship support to Tribal students, digital classroom program, hands-on practical science learning, Interactive STEM (Science, technology, engineering & math) project-based pedagogy, school upgradation and infrastructure development. | 17,776 |
| Disadvantaged rural youth, students and women, including youth with disabilities | Lack of employment & livelihood opportunities   | Skill development for unemployed youth, tribal women, artisans, disabled youth, Skills training, revival of traditional art, vocational training  | 5,967  |
| Differently abled individuals  | Lack of opportunity   | infrastructure support and sports training for differently abled.   | 152    |

## PRINCIPLE 5: Businesses should respect and promote human rights

### I. Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category             | FY 24     |  |           | FY 23     |  |           |
|----------------------|-----------|--|-----------|-----------|--|-----------|
|                      | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| <b>Employees</b>     |           |  |           |           |  |           |
| Permanent            | 21,271    | 12601                                  | 59.2%     | 19,773    | 7,878                                  | 39.8%     |
| Other than permanent | 2,772     | 2,772                                  | 100%      | 2,605     | 2,605                                  | 100%      |
| Total Employees      | 24,043    | 15,373                                 | 63.9%     | 22,378    | 10,483                                 | 46.8%     |
| <b>Workers</b>       |           |  |           |           |  |           |
| Permanent            | 0         | 0                                      | 0         | 0         | 0                                      | 0         |
| Other than permanent | 0         | 0                                      | 0         | 0         | 0                                      | 0         |
| Total Workers        | 0         | 0                                      | 0         | 0         | 0                                      | 0         |

#### 2. Details of minimum wages paid to employees and workers, in the following format:

| Category             | Total (A) | FY 24                 |           |                        |           | Total (D) | FY 23                 |           |                        |           |
|----------------------|-----------|-----------------------|-----------|------------------------|-----------|-----------|-----------------------|-----------|------------------------|-----------|
|                      |           | Equal to Minimum Wage |           | More than Minimum Wage |           |           | Equal to Minimum Wage |           | More than Minimum Wage |           |
|                      |           | No. (B)               | % (B / A) | No. (C)                | % (C / A) |           | No. (E)               | % (E / D) | No. (F)                | % (F / D) |
| <b>Employees</b>     |           |                       |           |                        |           |           |                       |           |                        |           |
| Permanent            | 21,271    | 0                     | 0%        | 21,271                 | 100%      | 19,773    | 0                     | 0%        | 19,773                 | 100%      |
| Male                 | 16,750    | 0                     | 0%        | 16,750                 | 100%      | 15,372    | 0                     | 0%        | 15,372                 | 100%      |
| Female               | 4,521     | 0                     | 0%        | 4,521                  | 100%      | 4,401     | 0                     | 0%        | 4,401                  | 100%      |
| Other than Permanent | 2,772     | 0                     | 0%        | 2,772                  | 100%      | 2,605     | 0                     | 0%        | 2,605                  | 100%      |

| Category                | FY 24        |                          |           |                           |           | FY 23        |                          |           |                           |           |
|-------------------------|--------------|--------------------------|-----------|---------------------------|-----------|--------------|--------------------------|-----------|---------------------------|-----------|
|                         | Total<br>(A) | Equal to<br>Minimum Wage |           | More than<br>Minimum Wage |           | Total<br>(D) | Equal to<br>Minimum Wage |           | More than<br>Minimum Wage |           |
|                         |              | No. (B)                  | % (B / A) | No. (C)                   | % (C / A) |              | No. (E)                  | % (E / D) | No. (F)                   | % (F / D) |
| Male                    | 2,109        | 0                        | 0%        | 2,109                     | 100%      | 1,975        | 0                        | 0%        | 1,975                     | 100%      |
| Female                  | 663          | 0                        | 0%        | 663                       | 100%      | 630          | 0                        | 0%        | 630                       | 100%      |
| <b>Workers</b>          |              |                          |           |                           |           |              |                          |           |                           |           |
| Permanent               | 0            | 0                        | 0         | 0                         | 0         | 0            | 0                        | 0         | 0                         | 0         |
| Male                    | 0            | 0                        | 0         | 0                         | 0         | 0            | 0                        | 0         | 0                         | 0         |
| Female                  | 0            | 0                        | 0         | 0                         | 0         | 0            | 0                        | 0         | 0                         | 0         |
| Other<br>than Permanent | 0            | 0                        | 0         | 0                         | 0         | 0            | 0                        | 0         | 0                         | 0         |
| Male                    | 0            | 0                        | 0         | 0                         | 0         | 0            | 0                        | 0         | 0                         | 0         |
| Female                  | 0            | 0                        | 0         | 0                         | 0         | 0            | 0                        | 0         | 0                         | 0         |

### 3. Details of remuneration/salary/wages

#### 3.a. Median remuneration / wages:

|                                     | Male   |   | Female |   |
|-------------------------------------|--------|---|--------|---|
|                                     | Number | Median remuneration/<br>salary/ wages of the<br>respective category | Number | Median remuneration/<br>salary/ wages of respective<br>category |
| Board of Directors (BoD)            | 9      | 48,50,996   | 2      | 19,87,500   |
| Key Managerial Personnel            | 1      | 3,51,90,622   | 1      | 49,22,119   |
| Employees other than BoD<br>and KMP | 16,584 | 10,18,668   | 4,477  | 7,12,800  |
| Workers                             | NA     | 0   | NA     | 0   |

#### 3.b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

|   | FY 24 | FY 23 |
|---|-------|-------|
| Gross wages paid to females as % of total wages | 21.7% | 22.6% |

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All grievances related to Human Rights by employees are addressed as and when received by the HR via Ethicsline. Other stakeholder's grievances related to Human Rights are received directly by teams like Investor Relations, CSR, compliance teams whose contact details are publicly available on LTTTS website. All the grievances received are duly investigated and appropriate actions are taken to resolve the issue/complaint. Whenever required, disciplinary actions are initiated as deemed fit and assistance from regulatory authority is sought as necessary. Additionally, anybody can make protected disclosures under the company's Whistle Blower policy where representations are reviewed and appropriate action is taken on substantiated violations.

#### 6. Number of Complaints on the following made by employees and workers:

|                                      | FY 24                    |   |         | FY 23                    |   |         |
|--------------------------------------|--------------------------|---|---------|--------------------------|---|---------|
|                                      | Filed during<br>the year | Pending<br>resolution at<br>the end of year | Remarks | Filed during<br>the year | Pending<br>resolution at<br>the end of year | Remarks |
| Sexual Harassment                    | 8                        | 1   |         | 1                        | 0   |         |
| Discrimination at workplace          | 0                        | 0   |         | 0                        | 0   |         |
| Child Labour                         | 0                        | 0   |         | 0                        |   |         |
| Forced Labour/Involuntary<br>Labour  | 0                        | 0   |         | 0                        | 0   |         |
| Wages                                | 0                        | 0   |         | 0                        | 0   |         |
| Other human rights related<br>issues | 0                        | 0   |         | 0                        | 0   |         |



**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

|  | <b>FY 24</b> | <b>FY 23</b> |
|--|--------------|--------------|
| Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 8            | 1            |
| Complaints on POSH as a % of female employees/workers  | 0.1%         | 0.02%        |
| Complaints on POSH upheld  | 0            | 0            |

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has a Whistle Blower Policy wherein the employees report, without fear of retaliation, any wrong practices, unethical behaviour or noncompliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image. Also, the Code of Conduct of the Company requires employees to behave responsibly in their action and conduct. Apart from that, the Company has Committees at every location for the protection of women at workplace to ensure their rights, receive grievances, conduct investigation and to take actions.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

**10. Assessments for the year:**

|                             | <b>% of your plants and offices that were assessed<br/>(by entity or statutory authorities or third parties)</b> |
|-----------------------------|--|
| Child Labour                | 100%   |
| Forced/involuntary labour   | 100%   |
| Sexual harassment           | 100%   |
| Discrimination at workplace | 100%   |
| Wages                       | 100%   |
| Others – please specify     | 100%   |

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

No such risk were identified.

**II. Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

NA

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

The Company adheres to the UNGC (United Nation Global Compact) principles which include Human Rights clauses. These clauses are part of the Company's contracts in the form of Supplier/Vendor Code of Conduct (CoC) and is extended across entire value chain. Fostering a culture of caring and trust are embedded in various corporate policies like Environment, Health & Safety (EHS) Policy, Whistle-Blower policy, Protection of Women's Rights at Workplace Policy and the CoC. The Company has laid down its CoC, which is applicable to Board members, senior management and employees. The objective is to be committed and vigilant towards the ethical conduct of business processes and instil a sense of ownership within the Company. All designated employees, including Board Members, adhere to the CoC and provide an annual declaration of their compliance. The Code covers all aspects of functioning, including anti-trust behaviour, information security, insider trading rules, professional engagements, use of Company assets and brand logo, intellectual property, human rights etc. A separate CoC has been extended to vendors and service providers which covers the need for compliance with environmental regulations, health and safety, labour practices, ethical behaviour, human rights aspects, minimum wages, freedom of association, collective bargaining, prohibition of child labour and forced and compulsory labour. The Company is committed to treating every employee with dignity and respect. The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules, 2013. The policy is applicable to all LTTs offices located in India.

### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

All our premises are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

### 4. Details on assessment of value chain partners:

|                                  | % of value chain partners (by value of business done with such partners) that were assessed |
|----------------------------------|---|
| Sexual Harassment                | 100   |
| Discrimination at workplace      | 100   |
| Child Labour                     | 100   |
| Forced Labour/Involuntary Labour | 100   |
| Wages                            | 100   |
| Others – please specify          | 100   |

100% of our suppliers were evaluated in FY 24 basis our Vendor Code of Conduct. All value chain partners are expected to adhere to the Vendor Code of Conduct, which does not tolerate any form of sexual harassment, discrimination, child labour, any form of forced labour, Lawful Employment, Freedom of Association, Working hours, Wage and Benefits. Such covenants also form part of our Purchase orders.

### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No such risk were identified

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

### I. Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter (in GJ)  | FY 24      | FY 23    |
|--|------------|----------|
| From renewable sources   |            |          |
| Total electricity consumption (A)  | 23,383.9   | 5,260.3  |
| Total fuel consumption (B)   | 0          | 0        |
| Energy consumption through other sources (C)   | 0          | 0        |
| Total energy consumed from renewable sources (A+B+C)   | 23,383.9   | 5,260.3  |
| % Renewable  | 22.9%      | 5.9%     |
| From non-renewable sources   |            |          |
| Total electricity consumption (D)  | 76,898.1   | 82,290.1 |
| Total fuel consumption (E)   | 1,679.4    | 2,591.6  |
| Energy consumption through other sources (F)   | 0          | 0        |
| Total energy consumed by non-renewable sources (D+E+F)   | 78,577.5   | 84,881.7 |
| Total energy consumed (A+B+C+D+E+F)  | 1,01,961.5 | 90,142   |
| Energy intensity per Million Rupee of turnover<br>(Total energy consumed / Revenue from operations)  | 1.06       | 1.02     |
| Energy intensity per Million USD of turnover adjusted for Purchasing<br>Power Parity (PPP) (Total energy consumed / Revenue from<br>operations adjusted for PPP) | 23.67      | 22.67    |
| Energy intensity in terms of physical output   | NA         | NA       |
| Energy intensity (optional) – the relevant metric may be selected by<br>the entity   |            |          |

**Note:** PPP rate source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes Third Party Assurance has been conducted by DNV Business Assurance India Pvt Ltd

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the organization is not classified as a designated consumer for the Performance, Achieve, and Trade (PAT) program administered by the Bureau of Energy Efficiency (BEE).

### 3. Provide details of the following disclosures related to water, in the following format:

| Parameter   | FY 24    | FY 23    |
|---|----------|----------|
| Water withdrawal by source (in kiloliters)  |          |          |
| (i) Surface water   | 2,35,665 | 1,66,313 |
| (ii) Groundwater  | 34,158   | 18,469   |
| (iii) Third-party water   | 9,368    | 4,844    |
| (iv) Seawater / desalinated water   | 0        | 0        |
| (v) Others  | 0        | 0        |
| Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)  | 2,79,191 | 1,89,626 |
| Total volume of water consumption (in kiloliters)   | 2,79,191 | 1,89,626 |
| Water intensity per Million Rupee of turnover<br>(Total water consumption / Revenue from operations)  | 2.89     | 2.15     |
| Water intensity per Million USD of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | 64.83    | 47.69    |
| Water intensity in terms of physical output   | NA       | NA       |
| Water intensity (optional) – the relevant metric may be selected by the entity  |          |          |

**Note:** PPP rate source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency Yes third party assurance provided by DNV Business Assurance India Pvt Ltd

### 4. Provide the following details related to water discharged:

| Parameter   | FY 24 | FY 23 |
|---|-------|-------|
| Water discharge by destination and level of treatment (in kiloliters)   |       |       |
| (i) To Surface water  | 0     | 0     |
| - No treatment  | 0     | 0     |
| - With treatment – please specify the level of treatment  | 0     | 0     |
| (ii) To Groundwater   | 0     | 0     |
| - No treatment  | 0     | 0     |
| - With treatment – please specify the level of treatment  | 0     | 0     |
| (iii) To Seawater   | 0     | 0     |
| - No treatment  | 0     | 0     |
| - With treatment – please specify the level of treatment  | 0     | 0     |
| (iv) Sent to third-parties  |       |       |
| - No treatment  | 1,200 | 695   |
| - With treatment – please specify the level of treatment.<br>Primary, secondary and tertiary treatment of water | 144   | 0     |
| (v) Others  | 0     | 0     |
| - No treatment  | 0     | 0     |
| - With treatment – please specify the level of treatment *  | 0     | 0     |
| Total water discharged (in kiloliters)  | 1,344 | 695   |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes Third party assurance by DNV Business Assurance India Pvt Ltd

\*Treated water which is sent into municipal sewers goes under Primary, secondary, and tertiary treatment as follows.

1. Primary Treatment: Big chunks of debris are filtered out through a Bar screen chambers as a primary treatment.
  2. Secondary Treatment: The water is pushed into a mixing tank where it mixed homogeneously with the total solids after which it is subject to aerobic treatment of water. The sludge is settled at the bottom of the tank and removed periodically. The water is the passed through a pressurized sand filter to remove total dissolved solids. It is then passed through an activated carbon filter for odour removal.
  3. Tertiary Treatment: In this step chemical dosing of water by sodium hypochlorite is carried out for removal of colour.
- After all the 3 stages of treatment, the treated water is discharged into sewers.

### 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company's Indian campuses are leased premises which have STP facilities and the treated wastewater is reused as appropriate. The Company will be initiating process of conducting comprehensive water audits of these facilities and will come out with a suitable policy to minimise liquid discharge. The Company has also pledged to become Water Neutral in its operations by 2030.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter                           | Please specify unit | FY 24 | FY 23 |
|-------------------------------------|---------------------|-------|-------|
| NOx                                 | kg/year             | 339.0 | 180.3 |
| SOx                                 | kg/year             | 102.2 | 77.1  |
| Particulate matter (PM)             | kg/year             | 236.6 | 99.4  |
| Persistent organic pollutants (POP) |                     |       |       |
| Volatile organic compounds (VOC)    |                     |       |       |
| Hazardous air pollutants (HAP)      |                     |       |       |
| Others – please specify             |                     |       |       |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency Yes. Third party assurance by DNV Business Assurance India Pvt Ltd

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter  | Unit  | FY 24  | FY 23  |
|--|---|--------|--------|
| Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                                    | Metric tonnes of CO <sub>2</sub> equivalent   | 247    | 496    |
| Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)                                    | Metric tonnes of CO <sub>2</sub> equivalent   | 16,950 | 18,075 |
| Total Scope 1 and Scope 2 emission intensity per Million Rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Mn. Revenue from operations)   | Metric tonnes of CO <sub>2</sub> equivalent per million INR turnover                  | 0.18   | 0.21   |
| Total Scope 1 and Scope 2 emission intensity per Million USD of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | Metric tonnes of CO <sub>2</sub> equivalent per million USD turnover adjusted for PPP | 3.99   | 4.67   |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output   |   | NA     | NA     |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity  |   | NA     | NA     |

Scope 1 in MT: 73013.7 (Diesel Consumption in lit) \* 2.51 (Emission factor for diesel)/1000 + 98.8 (Petrol Consumption in lit) \* 2.1 (Emission factor for petrol)/1000 + 35 (fugitive emissions in kg) \* 1810 (Emission factor for fugitive emissions)/1000.

Scope 2 in MT: 20746057.4 (Total grid electricity) \* 0.82 (Emission factor for electricity) /1000

Source for S1 emission factors: Defra Conversion factors 2022: full set (for advanced users) - revised January 2023

Source for S2 emission factors: CEA: Baseline Carbon Dioxide Emission Database Version 19.0

Note: Scope 1 & 2 calculations performed as per GHG Protocol. International location Electricity consumption emissions are calculated in Scope 3 as upstream leased assets.

**Note:** PPP rate source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes third party assurance by DNV Business Assurance India Pvt Ltd

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

The company has undertaken various projects to reduce its Scope 1 and scope 2 emissions. The Company has also declared its commitment to become carbon neutral by 2030. The company has also pledged under SBTi to take steps to reduce emissions so as to keep global warming limited to 1.5degree Celsius. One major project is to shift the sourcing of purchased electricity to Renewable energy.

**9. Provide details related to waste management by the entity, in the following format:**

| Parameter   | Unit of Measurement | FY 24         | FY 23         |
|---|---------------------|---------------|---------------|
| <b>Total waste generated</b>  |                     |               |               |
| Plastic waste (A)   | Metric tonnes       | 0.00          | 0.00          |
| E-waste (B)   | Metric tonnes       | 4.40          | 14.70         |
| Bio-medical waste(C)  | Metric tonnes       | 0.40          | 0.60          |
| Construction and demolition waste (D)   | Metric tonnes       | 0.00          | 0.00          |
| Battery waste (E)   | Metric tonnes       | 0.00          | 19.80         |
| Radioactive waste(F)  | Metric tonnes       | 0.00          | 0.00          |
| Other Hazardous waste. Please specify, if any (G)   | Metric tonnes       | 0.00          | 0.00          |
| - Tube Lights   | Metric tonnes       | 0.00          | 0.00          |
| - CFL Bulbs   | Metric tonnes       | 0.00          | 0.00          |
| - Used Oil:   | Metric tonnes       | 0.00          | 0.00          |
| - Oil-soaked cotton waste   | Metric tonnes       | 0.00          | 0.00          |
| - DG Filters  | Metric tonnes       | 0.00          | 0.00          |
| - Printing Ink/Cartridges   | Metric tonnes       | 0.00          | 0.00          |
| Other Non-hazardous waste generated (H). Please specify if any (Break-up by composition i.e. by materials relevant to the sector)                   | Metric tonnes       | 211.40        | 138.90        |
| - Inorganic Waste   |                     |               |               |
| Packaging waste (corrugated boxes & wood)   | Metric tonnes       | 30.90         | 9.10          |
| Paper waste   | Metric tonnes       | 12.80         | 24.30         |
| Scrap   | Metric tonnes       | 35.30         | 22.50         |
| - Organic Waste   |                     |               |               |
| Dry leaves & garden waste   | Metric tonnes       | 13.90         | 7.60          |
| Food Waste  | Metric tonnes       | 118.50        | 75.40         |
| - Others  | Metric tonnes       | 0.00          | 0.00          |
| <b>Total (A+B+C+D+E+F+G+H)</b>  | Metric tonnes       | <b>216.20</b> | <b>174.00</b> |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)   | MT/million INR      | 0.0022        | 0.0020        |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | MT/million USD      | 0.0500        | 0.0400        |
| Waste intensity in terms of physical output   |                     | NA            | NA            |
| Waste intensity (optional) – the relevant metric may be selected by the entity  |                     |               |               |
| <b>For each category of waste generated, total waste recovered through recycling-using or other recovery operations</b>                             |                     |               |               |
| <b>Category of waste</b>  |                     |               |               |
| <b>(i) Recycled</b>   |                     |               |               |
| <b>Hazardous waste</b>  |                     |               |               |
| - E-waste   | Metric tonnes       | 4.40          | 14.70         |
| - Bio-medical waste   | Metric tonnes       | 0.00          | 0.00          |
| - Battery waste   | Metric tonnes       | 0.00          | 0.00          |
| <b>Other Hazardous waste</b>  |                     |               |               |
| - Used oil  | Metric tonnes       | 0.00          | 0.00          |
| - Tube lights   | Metric tonnes       | 0.00          | 0.00          |
| -CFL  | Metric tonnes       | 0.00          | 0.00          |
| - Printing ink/Cartridges   | Metric tonnes       | 0.00          | 0.00          |
| <b>Non-hazardous waste</b>  |                     |               |               |
| <b>Inorganic waste</b>  |                     |               |               |
| - Packaging waste (corrugated boxes & wood)   | Metric tonnes       | 30.90         | 9.10          |
| - Paper waste   | Metric tonnes       | 12.80         | 24.30         |
| - Scrap   | Metric tonnes       | 0.00          | 0.00          |
| <b>Organic waste</b>  |                     |               |               |
| - Dry leaves & garden waste   | Metric tonnes       | 0.00          | 0.00          |
| - Food Waste  | Metric tonnes       | 0.00          | 0.00          |
| - Others  | Metric tonnes       | 0.00          | 0.00          |

| Parameter  | Unit of Measurement | FY 24         | FY 23         |
|--|---------------------|---------------|---------------|
| (ii) Re-used   | Metric tonnes       | 0.00          | 0.00          |
| (iii) Other recovery operations  | Metric tonnes       | 0.00          | 0.00          |
| <b>Total (i+ii+iii)</b>  | Metric tonnes       | <b>48.10</b>  | <b>48.10</b>  |
| <b>For each category of waste generated, total waste disposed by nature of disposal method</b> |                     |               |               |
| <b>Category of waste</b>   |                     |               |               |
| (i) Incineration   |                     | 0.00          | 0.00          |
| (ii) Landfilling   |                     | 0.00          | 0.00          |
| (iii) Other disposal operations  |                     |               |               |
| <b>Hazardous waste</b>   |                     |               |               |
| - E-waste  | Metric tonnes       | 0.00          | 0.00          |
| - Bio-medical waste  | Metric tonnes       | 0.40          | 0.60          |
| - Battery waste  | Metric tonnes       | 0.00          | 19.80         |
| <b>Other Hazardous waste</b>   |                     |               |               |
| - Used oil   | Metric tonnes       | 0.00          | 0.00          |
| - Tube lights  | Metric tonnes       | 0.00          | 0.00          |
| - CFL  | Metric tonnes       | 0.00          | 0.00          |
| - Printing ink/Cartridges  | Metric tonnes       | 0.00          | 0.00          |
| <b>Non-hazardous waste</b>   |                     |               |               |
| <b>- Inorganic waste</b>   |                     |               |               |
| Packaging waste (corrugated boxes & wood)  | Metric tonnes       | 0.00          | 0.00          |
| Paper waste  | Metric tonnes       | 0.00          | 0.00          |
| Scrap  | Metric tonnes       | 35.30         | 22.50         |
| <b>- Organic waste</b>   |                     |               |               |
| Dry leaves & garden waste  | Metric tonnes       | 13.90         | 7.60          |
| Food Waste   | Metric tonnes       | 118.50        | 75.40         |
| Others   | Metric tonnes       | 0.00          | 0.00          |
| <b>Total (i+ii+iii)</b>  |                     | <b>168.10</b> | <b>125.90</b> |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

DNV Business Assurance India Pvt Ltd

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

LTTS is certified under ISO 14001:2015 and the scope covers our major offices in India. Under the environmental management system, the Company has guidelines for comprehensive waste management (which is under revision now) for the identification, segregation, collection, recycling and final disposal. Wherever applicable the company follows 6R principles (Rethink, Reduce, Reuse, Recycle, Refuse and Repair) for waste management and to ensure that minimal amount of waste reach the landfills from our offices. Awareness sessions are undertaken for the employees who have a role and responsibility towards waste management. Performance is monitored and waste data is collected quarterly through the sustainability data management platform. The Company has tied up with waste recyclers and CPCB authorised waste disposers to manage waste.

We are disposing waste as per respective pollution control board norms.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| Sr.No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any |
|--------|--------------------------------|--------------------|--|
| NA     |                                |                    |  |

Our campuses are built on government-approved land in industrial zones and do not fall within nor are adjacent to protected areas or high-biodiversity areas.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NA                                |                      |      |   |  |                   |

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| Sr. No. | Specify the law/regulation/ guide-lines which were not complied with | Provide details of the non-compliance | Any fines / penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---------|--|---------------------------------------|---|---------------------------------|
| NA      |  |                                       |   |                                 |

Yes, We are compliant with all applicable environmental law / regulations / guidelines in India.

**II. Leadership Indicators**

**1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres): For each facility/plant located in areas of water stress, provide the following information:**

1. (i) Name of the area: Chennai, Bengaluru, and Hyderabad
1. (ii) Nature of operations: Offices for Engineering Research and Development services for clients
1. (iii) Water withdrawal, consumption and discharge in the following format

| Parameter  | FY 24    | FY 23  |
|--|----------|--------|
| Water withdrawal by source (in kilolitres)                                     |          |        |
| (i) Surface water  | 11,300.0 | 9,107  |
| (ii) Groundwater   | 33,888.6 | 18,469 |
| (iii) Third-party water  | 6,583.9  | 1,005  |
| (iv) Seawater / desalinated water  | 0        |        |
| (v) Others   | 0        |        |
| Total volume of water withdrawal (in kiloliters)                               | 51,772.5 | 28,581 |
| Total volume of water consumption (in kiloliters)                              | 51,772.5 | 28,581 |
| Water intensity per Million rupee of turnover (Water consumed / turnover)      | 0.54     | 0.32   |
| Water intensity (optional) – the relevant metric may be selected by the entity |          |        |
| Water discharge by destination and level of treatment (in kilolitres)          |          |        |
| (i) Into Surface water   |          |        |
| - No treatment   | 0        | 0      |
| - With treatment – please specify the level of treatment                       | 0        | 0      |
| (ii) Into Groundwater  |          |        |
| - No treatment   | 0        | 0      |
| - With treatment – please specify the level of treatment                       | 0        | 0      |
| (iii) Into Seawater  |          |        |
| - No treatment   | 0        | 0      |
| - With treatment – please specify the level of treatment                       | 0        | 0      |
| (iv) Sent to third-parties   |          |        |
| - No treatment   | 131.0    | 0      |
| - With treatment – please specify the level of treatment                       | 0        | 0      |

| Parameter  | FY 24 | FY 23 |
|--|-------|-------|
| (v) Others   | 0     | 0     |
| - No treatment                                       | 0     | 0     |
| - With treatment – please specify level of treatment | 0     | 0     |
| Total water discharged (in kiloliters)               | 131.0 | 0     |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes Third party Assurance by DNV Business Assurance India Pvt Ltd

## 2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter  | Unit   | FY 24  | FY 23  |
|--|--|--------|--------|
| Total Scope 3 emissions<br>(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent                          | 53,478 | 51,007 |
| Total Scope 3 emissions per Million Rupee of turnover  | Metric tonnes of CO <sub>2</sub> equivalent per Million INR turnover | 0.55   | 0.58   |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity  |  | -      | -      |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes Third party assurance by DNV Business Assurance India Pvt Ltd

## 3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

## 4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr.No. | Initiative undertaken         | Details of the initiative (Web-link, if any, may be provided along-with summary)  | Outcome of the initiative  |
|--------|-------------------------------|---|--|
| 1      | Energy Efficiency             | Mysore campus have embraced sustainability by implementing energy-efficient systems, utilizing sustainable materials to reduce our carbon footprint, and optimize waste management. This includes the use of LED lighting, smart lighting controls, and energy-efficient appliances to reduce overall energy consumption.   | By installing LED fittings, we have saved 9,900 kWh units during the reporting period. |
| 2      | Refrigerants re-placement     | Phase wise replacement of R22 Refrigerant systems across all the campus   | On going initiative. Reduction in emission of fugitive emissions.                      |
| 3      | Waste Reduction and Recycling | At Mysore, through automatic organic waste composter equipped with built-in shredding and curing capabilities, we effectively process and recycle the wet waste generated from our campus juice junctions & coffee vending machines. All our locations dispose paper waste through authorised vendors for recycling. In return we receive recycled paper reams.                   | Reduction in waste disposed to landfills. Encouraging employees to recycle             |
| 4      | Energy efficiency             | <ul style="list-style-type: none"> <li>Turbo ventilators have been installed in the utility room for a natural air circulation at terrace of WB II and we have stopped the operation of exhaust fans at Vadodara</li> <li>Sky lighter sheets have been installed in the utility room to get a natural illumination during a daytime to avoid use of lights at Vadodara</li> </ul> | Improvement in the energy efficiency and energy savings                                |



**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has established emergency preparedness plans to deal with the emergency situations. It also provides response procedures for preventing and mitigating the hazard & risk and environmental impacts arising from emergency situations including the provision for first aid. In the event of any occurrence of an emergency, the same shall be investigated and appropriate preventive measures would be initiated to avoid recurrence in future. Relevant information and training related to emergency preparedness and response shall be provided to the interested parties. The duties and responsibilities of all the workers are being communicated periodically.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

LTTS envisages no significant adverse impact from its value chain.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

LTTS has updated the Supplier Code of Conduct in FY 24 wherein we promote environment stewardship and implement best practices to minimise environmental impact. We are in the process to implement assessment of our value chain partners for environmental impacts.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**I. Essential Indicators**

**1.a. Number of affiliations with trade and industry chambers/ associations**

5

**1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

| Sr. No. | Name of the trade and industry chambers/ associations    | Reach of trade and industry chambers/ associations (State/National) |
|---------|--|---|
| 1       | India Electronics and Semiconductor Association          | National  |
| 2       | NASSCOM ER&D Council                                     | National  |
| 3       | Confederation of Indian Industry (CII)                   | National  |
| 4       | IEEE (Institute of Electrical and Electronics Engineers) | National  |
| 5       | FICCI  | National  |
| 6       | -  | -   |
| 7       | -  | -   |
| 8       | -  | -   |
| 9       | -  | -   |
| 10      | -  | -   |

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
|                   | NA                |                         |

**II. Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

| Sr. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annual-ly/ Half yearly/ Quarterly /Others - please specify) | Web Link, if available |
|---------|-------------------------|-----------------------------------|--|---|------------------------|
|         |                         |                                   |  |   |                        |
|         |                         |                                   |  |   |                        |

NA

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### I Essential Indicators

#### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project   | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link                                       |
|---|----------------------|----------------------|---|--|---|
| Online studio at IIT Madras   | NA                   | NA                   | Yes   | Yes  | Can be seen in Annexure C of this report at Page no 180 |
| Scholarship for data science students-IIT Madras                              | NA                   | NA                   | Yes   | Yes  |   |
| Green corridor at IIT Madras  | NA                   | NA                   | Yes   | Yes  |   |
| Ladies hostel at IISC Bengaluru   | NA                   | NA                   | Yes   | Yes  |   |
| Natural resource management project, aga khan rural support programme (India) | NA                   | NA                   | Yes   | Yes  |   |

#### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| Sr. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---------|--|-------|----------|---|--------------------------|---|
|         |  |       |          | NA                                      |                          |   |

#### 3. Describe the mechanisms to receive and redress grievances of the community.

All the CSR projects are monitored regularly by the CSR executives including their field visits wherein they directly interact with the beneficiaries to seek their feedback and address grievances if any. Additionally, 3rd party Impact assessment is carried out for specific CSR projects, where the responses from the beneficiaries are sought and recorded and the feedback is addressed wherever needed.

#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

|  | FY 24 | FY 23 |
|--|-------|-------|
| Directly sourced from MSMEs/ small producers | 30.6% | 12.2% |
| Directly from within India                   | 70.7% | 69.2% |

#### 5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

| Location     | FY 24 | FY 23 |
|--------------|-------|-------|
| Rural        | 0%    | 0%    |
| Semi-urban   | 0%    | 0%    |
| Urban        | 0.04% | 0.02% |
| Metropolitan | 99.9% | 99.9% |

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

### II. Leadership Indicators

#### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified  | Corrective action taken |
|---|-------------------------|
| Nothing identified from the impact assessment | NA                      |

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| Sr. No | State       | Aspirational District | Amount spent (In INR) |
|--------|-------------|-----------------------|-----------------------|
| 1      | Maharashtra | Nandurbar             | Rs. 10,20,000/-       |
| 2      | Tamil Nadu  | Virudhunagar          |                       |
| 3      | Karnataka   | Raichur               | Rs. 80,70,000/-       |
| 4      | Gujarat     | Dahod                 |                       |
| 5      | Karnataka   | Raichur               | Rs. 25,00,000/-       |

**3.(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No

**3.(b) From which marginalized /vulnerable groups do you procure?**

Since we do not have any preferential purchase policy to differentiate between suppliers hence this metric is not applicable.

**3.(c) What percentage of total procurement (by value) does it constitute?**

Since we do not have any preferential purchase policy to differentiate between suppliers hence this metric is not applicable.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| Sr. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---------|--|--------------------------|---------------------------|------------------------------------|
|         |  | NA                       |                           |                                    |

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Corrective action taken |
|-------------------|-------------------|-------------------------|
|                   |                   | NA                      |

**6. Details of beneficiaries of CSR Projects:**

| Sr. No. | CSR Project   | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---------|---|---|--|
| 1       | Environment: Undertaking efforts to become cleaner and greener                              | 6,715                                       | 100  |
| 2       | Water: Extensive implementation of water conservation projects                              | 2,344                                       | 100  |
| 3       | Health: Providing holistic healthcare facilities to communities in need                     | 44,116                                      | 100  |
| 4       | Education: Encouraging continuous learning through strategic efforts                        | 17,776                                      | 100  |
| 5       | Skill Development: Enabling communities to enhance livelihood opportunities                 | 5,967                                       | 100  |
| 6       | Sports for the Disabled: Promoting sports for the special-ly abled for holistic development | 152   | 100  |

## PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

### I. Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

LTTS has a Quality management team which conducts regular feedback from customers as per Company's established QMS documented information formats. Customer complaints & feedbacks are received through email, transmittal letter communications and verbal communications directly to project management teams. The project management teams acknowledge, analyze the incidents and develop an action plan to resolve the same to ensure customer satisfaction.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| As a percentage to total turno-ver                          |    |
|---|----|
| Environmental and social parameters relevant to the product | NA |
| Safe and responsible usage                                  | NA |
| Recycling and/or safe disposal                              | NA |

LTTS is an Engineering R&D services company and there are no generic products of the company.

#### 3. Number of consumer complaints in respect of the following:

|                                | FY 24                    |                                   | Remarks | FY 23                    |                                   | Remarks |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | Received during the year | Pending resolution at end of year |         | Received during the year | Pending resolution at end of year |         |
| Data privacy                   | 0                        | 0                                 | NA      | 0                        | 0                                 | NA      |
| Advertising                    | 0                        | 0                                 | NA      | 0                        | 0                                 | NA      |
| Cyber-security                 | 0                        | 0                                 | NA      | 0                        | 0                                 | NA      |
| Delivery of essential services | 0                        | 0                                 | NA      | 0                        | 0                                 | NA      |
| Restrictive Trade Practices    | 0                        | 0                                 | NA      | 0                        | 0                                 | NA      |
| Unfair Trade Practices         | 0                        | 0                                 | NA      | 0                        | 0                                 | NA      |
| Other                          | 0                        | 0                                 | NA      | 0                        | 0                                 | NA      |

#### 4. Details of instances of product recalls on account of safety issues:

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls |        |                    |
| Forced recalls    |        | NA                 |

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes - LTTS follows Data Privacy Laws of the respective countries where LTTS has operations and has an Information Security Management System (ISMS) aligned with ISO/IEC 27001:2013 for Information Technology and security management and protection of information assets from all internal and external threats. Our Data Privacy policy is available on our website: <https://www.ltts.com/privacy-policies-notices>

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA

**7. Provide the following information relating to data breaches:**

**7.a. Number of instances of data breaches**

None

**7.b. Percentage of data breaches involving personally identifiable information of customers**

NA

**7.c. Impact, if any, of the data breaches**

NA

**II. Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

<https://www.lts.com/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

NA, as LTTS does not have any products/services that can entail safety issues or irresponsible usage.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

All delivery teams have a business continuity mechanism to handle any disruption of services/products and a suitable communication plan is in place. In an event of disruption that could severely constrain our operations, the Delivery managers will formally communicate with the respective customers over email and as required in contractual clauses.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

This metric is not relevant to LTTS as the main business is providing engineering R&D services, and it does not involve the manufacturing of any product. However, we do conduct CSAT scores we have received a score of 88.34% CSAT score.

# 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 March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit, other 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 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 ethical requirements that are relevant to our audit of the standalone financial statements 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

### 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 for the year ended March 31, 2024. 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.

| Sr. No | Key Audit Matter  | How the Key Audit Matter was addressed in our audit  |
|--------|---|--|
| 1      | <p><b>Revenue recognition – fixed price contracts</b></p> <p>Refer Note 2(e) to material accounting policies, Note 23 and Note 44 to the standalone financial statements.</p> <p>The Company engages in fixed price contracts with its customers wherein revenue from such contracts is recognized over time. The Company uses input method to recognize revenue, as it represents efforts expended towards satisfying a performance obligation relative to the total expected efforts or inputs to satisfy the performance obligation.</p> <p>This involves computation of actual cost incurred and estimation of total cost on each contract to measure progress towards completion.</p> <p>Amount of revenue recognition in respect of fixed price contracts has been identified as a Key Audit Matter considering that:</p> | <p><b>Our audit procedures in respect of this area included among others, the following:</b></p> <ol style="list-style-type: none"> <li>Obtained an understanding of the systems, processes and controls implemented by the Company with respect to recognition of actual cost incurred on each contract, estimation of future cost to completion, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion.</li> <li>Involved Information technology ('IT') specialists to assess the design and operating effectiveness of the key IT controls relating to revenue recognition and in particular: <ul style="list-style-type: none"> <li>Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognized.</li> <li>Tested the IT controls over appropriateness of cost and revenue reports generated by the system.</li> </ul> </li> </ol> |

| Sr. Key Audit Matter<br>No  | How the Key Audit Matter was addressed in our audit  |
|---|--|
| <ul style="list-style-type: none"> <li>• these contracts involve identification of actual cost incurred on each contract;</li> <li>• these contracts require estimation of future cost for completion of each contract; and</li> <li>• at the period end a significant amount of contract assets (unbilled revenue) or contract liabilities (unearned revenue) related to each contract is to be identified.</li> </ul> <p>For the year ended March 31, 2024, revenue from fixed price contracts amounts to Rs. 33,375 million.</p> | <ul style="list-style-type: none"> <li>• Assessed the appropriateness of actual cost incurred on contracts including the testing the IT general controls and specific IT application controls over information systems used for capturing these costs and</li> <li>• Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/changes to costs incurred on sample basis.</li> </ul> <p>3. Verified on test check basis whether the revenue recognized is in accordance with the applicable Indian Accounting Standard, including:</p> <ul style="list-style-type: none"> <li>• Verification of the underlying agreements and other forms of supporting documentation to ensure that each party's rights and obligations regarding the goods or services to be transferred and payment terms are identified and contracts have commercial substance.</li> <li>• Inspection of the underlying agreements and other forms of supporting documentation to ensure that various performance obligations within a contract have been properly identified by management.</li> <li>• Inspection of the underlying agreements and other forms of supporting documentation to ensure that transaction price has been properly determined and allocated to relevant performance obligations on an appropriate basis.</li> <li>• Verification of the Company's computation of revenue to be recognized over a period of time on a sample basis, where we performed the following: <ul style="list-style-type: none"> <li>– Verified management's process relating to the estimation of contract costs required to complete the respective projects and assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel and are appropriate.</li> <li>– Verified the reasonableness of management's estimation of cost projections by comparing actual cost incurred with management initial/updated estimation of total cost for that project.</li> <li>– Recomputed the amount of revenue recognised on these contracts and compared the same with the actual revenue recorded and</li> <li>– Assessed the appropriateness of work in progress (contract assets and contract liabilities) as at the balance sheet date by evaluating the underlying documentation to identify possible delays in achieving milestones which require changes in estimated costs to complete the remaining performance obligations.</li> </ul> </li> </ul> <p>4. Assessed the adequacy and appropriateness of disclosures made in standalone financial statements in compliance with applicable Indian Accounting Standards and applicable financial reporting framework.</p> |

| Sr. Key Audit Matter No  | How the Key Audit Matter was addressed in our audit  |
|--|--|
| <p data-bbox="193 282 708 342"><b>2 Derivative financial instruments and hedge accounting</b></p> <p data-bbox="193 356 708 448">Refer Note 2(m)(iii) to material accounting policies, Note 7, Note 14, Note 18, Note 20, and Note 36 to the standalone financial statements.</p> <p data-bbox="193 474 708 658">The Company enters into derivative financial instruments like forward and option contracts to manage its exposure of foreign currency risk of highly probable forecasted transactions which arise during the normal course of its business.</p> <p data-bbox="193 685 708 936">Derivative financial assets and derivative financial liabilities measured at fair value amounted to INR 1,353 million and INR 66 million respectively as at March 31, 2024. The net movement of cashflow hedge reserve (net of taxes) recorded in other comprehensive income for the year ended March 31, 2024, amounted to INR 519 million.</p> <p data-bbox="193 963 708 1435">In order to apply hedge accounting, management is required to demonstrate that the underlying contract is considered to be a highly probable forecasted transaction, that the hedges are effective and maintain adequate hedge documentation. A degree of subjectivity is also required to determine when hedge accounting is to be considered as ineffective. Fair value movements of the forward and option contracts are driven by movements in financial markets. These transactions may have a significant financial effect and have extensive accounting and reporting obligations and accordingly, this is considered as a Key Audit Matter.</p> | <p data-bbox="719 282 1441 342"><b>Our audit procedures in respect of this area included among others, the following:</b></p> <ol data-bbox="719 356 1441 2011" style="list-style-type: none"> <li data-bbox="719 356 1441 539">1. Obtained understanding of the Company's overall hedge accounting strategy, forwards and options valuation methodologies and hedge accounting process from initiation to settlement of derivative financial instruments including assessment of the design and implementation of controls and tested the operating effectiveness of these controls.</li> <li data-bbox="719 566 1441 658">2. Assessed whether the Company's accounting policy for hedge accounting is in accordance with the applicable Indian Accounting Standards.</li> <li data-bbox="719 685 1441 902">3. Verified the assertion relating to existence of the derivative contracts outstanding as at March 31, 2024 by obtaining independent balance confirmations from the respective counterparties, verification on a sample basis the underlying agreements and other forms of supporting documentation and verification of supporting documentation for subsequent realisation or settlement after the end of the reporting year.</li> <li data-bbox="719 929 1441 1180">4. Verified the assertion relating to completeness of derivative transactions by requesting confirmation from counterparties who are frequently used but with whom the accounting records indicate there are presently no derivatives, reading other information, such as minutes of meetings of the board of directors or other relevant committees, inspecting documentation in paper or electronic form for activity subsequent to the end of the reporting period.</li> <li data-bbox="719 1207 1441 1299">5. Verified the assertion relating to existence and accuracy by inspecting on a sample basis the underlying agreements and other forms of supporting documentation.</li> <li data-bbox="719 1326 1441 1384">6. Verified management's hedge documentation and underlying hedge contracts, on a sample basis.</li> <li data-bbox="719 1411 1441 1570">7. Verified management's expectation at the inception of the hedge that the hedging relationship will be highly effective and its periodic assessment of the ongoing effectiveness of the hedging relationship in accordance with the applicable Indian Accounting Standards.</li> <li data-bbox="719 1597 1441 1720">8. Verified that the amounts reclassified from cash flow hedge reserve to the Statement of Profit and Loss as a reclassification adjustment being in the period in which the cash flows of the hedged items affect Profit or Loss.</li> <li data-bbox="719 1747 1441 1870">9. Re-performed the year-end fair valuations including evaluation of hedge effectiveness of derivative financial instruments on a sample basis and compared these valuations with those recorded by the Company.</li> <li data-bbox="719 1897 1441 2011">10. Assessed the adequacy and appropriateness of disclosures made in standalone financial statements in compliance with applicable Indian Accounting Standards and applicable financial reporting framework.</li> </ol> |



| Sr. Key Audit Matter No   | How the Key Audit Matter was addressed in our audit  |
|---|--|
| <p><b>3 Business Combination under Common Control - Business Acquisition of Smart World and Communication (SWC) Business a Larsen &amp; Toubro (L&amp;T) business unit by the Company.</b></p> <p>Refer Note 2(v) to material accounting policies, Note 45 to the standalone financial statements.</p> <p>The Company has completed the acquisition of SWC business of L&amp;T on April 1, 2023. The acquisition has been accounted under the 'pooling of interest' method in accordance with Appendix C of Ind AS 103 - 'Business Combinations' of entities under common control.</p> <p>The carrying value of assets and liabilities of SWC as at April 01, 2022, before business acquisition has been incorporated in the standalone financial statements of the Company. Accordingly, the Company has restated its previously issued standalone financial statements for the year ended March 31, 2023.</p> <p>Considering the magnitude and complexity in accounting for this transaction, the aforesaid business combination accounting treatment and related disclosure in standalone financial statements has been considered to be a key audit matter.</p> | <p><b>Our audit procedures in respect of this area included among others, the following:</b></p> <ol style="list-style-type: none"> <li>1. Obtained and read the business transfer agreement to assess whether the acquisition meets the definition of business as per the guidance given in Ind AS 103 Business combination.</li> <li>2. Ensured that the acquisition meets the definition of common control, to be accounted for as per the requirements of Appendix C: Business combinations of entities under common control of Ind AS 103.</li> <li>3. Ensured that the prior year financial information has been appropriately restated, to reflect the results of the SWC division, as per the requirements of Appendix C: Business combinations of entities under common control of Ind AS 103.</li> <li>4. Ensured that the accounting policies and the basis of accounting estimates of the SWC division are consistent with that of Company for like transactions and other events in similar circumstances.</li> <li>5. Verified that the consideration paid for acquisition of business is appropriately accounted for, as per the requirements of Appendix C: Business combinations of entities under common control of Ind AS 103.</li> <li>6. Assessed the adequacy and appropriateness of disclosures made in the standalone financial statements.</li> </ol> |

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's Report and Management Discussion and Analysis 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows of the Company in accordance with the 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 standalone 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, the Management and 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 are also 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

### Other Matter

The Standalone financial information for the year ended March 31, 2023 which was included in the previously issued audited standalone financial statements of the Company for the year ended March 31, 2023 has been restated as per the requirements of Ind AS 103 Appendix C "Business combination of entities under common control" to give effect to the acquisition of the Smart World and Communication division of Larsen & Toubro Limited ('SWC division') and scheme of amalgamation of wholly owned subsidiaries, Esencia Technologies India Private Limited, Graphene Semiconductor Services Private Limited and Seastar Labs Private Limited (collectively referred to as 'Wholly Owned Subsidiaries') with the Company as described in note 45(i) and 45(ii) to the Standalone financial statements. The financial information of the SWC division and aforesaid three Wholly Owned Subsidiaries that has been included in the restated audited standalone financial statements for the year ended March 31, 2023 have been audited by other auditors, whose audit reports has been furnished to us. The adjustments made to the previously issued audited standalone financial statements for the year ended March 31, 2023 to give effect to the acquisition and amalgamations have been audited by us.

Our opinion is not modified in respect of this matter.

### 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 Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision, as required under the applicable

law or accounting standards, for material foreseeable losses on derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.
- (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, 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; and
- (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to

believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The final dividend paid by the Company during the year in respect of the same declared for the year is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

The Board of Directors of the Company have proposed 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 to the extent it applies to declaration of dividend. (Refer Note 16.9(c) to the standalone financial statements)

- vi. Based on our examination, the Company has used an accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting softwares. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No.105047W

**Vishal Vilas Divadkar**

Partner

Place: Mumbai

Date: April 25, 2024

Membership No. 118247  
UDIN: 24118247BKFOIT3544

# Annexure A to The Independent Auditor's Report on even date on the Standalone Financial Statements of L&T Technology Services Limited

## Auditor's Responsibilities for the Audit of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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.

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 for the year ended March 31, 2024, 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.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No.105047W

**Vishal Vilas Divadkar**  
Partner

Place: Mumbai  
Date: April 25, 2024

Membership No. 118247  
UDIN: 24118247BKFOIT3544

## Annexure B to Independent Auditors' Report of even date on the Standalone Financial Statements of L&T Technology Services Limited for the year ended March 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report.]

- 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) All the Property, Plant and Equipment, and right-of-use assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us, there are no immovable properties and accordingly, the provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.  
(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.  
(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.  
(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore during any point of time of the year from Banks or financial institutions, on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) According to the information explanation provided 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. Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and terms and conditions in relation to investments made are not prejudicial to the interest of the Company.  
(c) According to the information explanation provided 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 any other parties during the year. Hence the requirements under paragraph 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 Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act, and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. The provisions of sub-Section (1) of Section 148 of the Act, are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products and services of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases. The Company's operations did not give rise to any liability for sales tax, service tax, duty of excise and value added tax.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

| Name of the statute             | Nature of dues   | Amount Demanded<br>(₹ in million) | Amount Paid<br>(₹ in million) | Period to which the amount relates  | Forum where dispute is pending  | Remarks, if any |
|---------------------------------|--|-----------------------------------|-------------------------------|---|---|-----------------|
| Finance Act, 1994               | Disallowance of Service Tax Refund / Disallowance of availed Cenvat Credit   | 56.22                             | Nil                           | July 2014 to Sept 2014 / Oct 2014 to Dec 2014 / Jan 2016 to Mar 2016 / F.Y. 2017-18 | Commissioner (Appeals), Vadodara / The Principal Commissioner CGST & C.Ex, Vadodara-I Commissionerate | -               |
| Goods and Service Tax Act, 2017 | Demand of Tax, Interest & Penalty raised for various GST Audit observations given in SCN   | 203.61                            | Nil                           | F.Y. 2017-18 to F.Y. 2021-22  | The Joint Commissioner, CGST & Central Excise, Audit-II, Mumbai                                       | -               |
| Goods and Service Tax Act, 2017 | Excess ITC claimed in GSTR 3B which is not confirmed with GSTR 2A  | 0.45                              | Nil                           | F.Y. 2017-18  | The Deputy Commissioner of Commercial Taxes, Lucknow Sector 21, UP                                    | -               |
| Goods and Service Tax Act, 2017 | Demand of Tax, Interest & Penalty raised for GST Audit observations given in DRC-01  | 7.56                              | Nil                           | F.Y. 2018-19  | The Deputy Commissioner of Deputy Commissioner of State Tax, Raigad, Maharashtra                      | -               |
| Goods and Service Tax Act, 2017 | Disallowance of Transitional Credit  | 0.90                              | Nil                           | F.Y. 2017-18  | The Superintendent of Central Tax, GST Mysore   | -               |
| Income Tax Act, 1961            | Disallowance of amortization of goodwill   | 391.72                            | Nil                           | A.Y. 2014-15 / A.Y. 2015-16 / A.Y. 2016-17  | Commissioner of Income-Tax (Appeals), Mumbai / Income Tax Appellate Tribunal, Mumbai                  | -               |
| Income Tax Act, 1961            | Arm's length adjustment and other disallowance of deductions claimed / Arm's length adjustment of Corporate Guarantee commission | 815.08                            | Nil                           | A.Y. 2017-18 / A.Y. 2018-19 / A.Y. 2020-21  | Commissioner of Income-Tax (Appeals), Mumbai / Assessing Officer                                      | -               |

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the provision stated under clause 3(ix)(a) to (c) and sub-clause (e) and (f) of the Order is not applicable to the Company.
- (b) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated under clause 3(ix)(d) of the Order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are 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 standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act, in clause 3(xv) of the Order is 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 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company as a part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 35 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not 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 and based on our verification, the provisions of Section 135 of the Act, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Act, or to a Special Account as per the provisions of Section 135 of the Act, read with schedule VII of the Act, Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

**Vishal Vilas Divadkar**

Partner

Place: Mumbai

Date: April 25, 2024

Membership No. 118247

UDIN: 24118247BKFOIT3544



# Annexure C to the Independent Auditor's Report of even date on the Standalone Financial Statements of L&T Technology Services Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of L&T Technology Services Limited on the Standalone Financial Statements for the year ended March 31, 2024]

## 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 with reference to standalone financial statements of L&T Technology Services Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

### Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to standalone financial statements.

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized 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 with reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements

to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No.105047W

**Vishal Vilas Divadkar**

Partner

Place: Mumbai

Date: April 25, 2024

Membership No. 118247

UDIN: 24118247BKFOIT3544

# Standalone Balance sheet

as at March 31, 2024

(₹ in million)

| Particulars  | Note No.    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------|-------------------------|-------------------------|
| <b>ASSETS:</b>   |             |                         |                         |
| <b>I. Non-current assets</b>                                     |             |                         |                         |
| (a) Property, plant and equipment                                | 4           | 3,798                   | 2,690                   |
| (b) Right-of-use assets  | 4           | 5,671                   | 3,498                   |
| (c) Capital work-in-progress                                     | 4           | 131                     | 65                      |
| (d) Goodwill   | 5           | 4,277                   | 4,277                   |
| (e) Other intangible assets                                      | 5           | 149                     | 206                     |
| (f) Financial assets   |             |                         |                         |
| (i) Investments  | 6           | 3,883                   | 3,644                   |
| (ii) Other financial assets                                      | 7           | 1,685                   | 1,034                   |
| (g) Other non current assets                                     | 9           | 2,553                   | 2,152                   |
| <b>Total non-current assets</b>                                  |             | <b>22,147</b>           | <b>17,566</b>           |
| <b>II. Current assets</b>  |             |                         |                         |
| (a) Inventories  |             | 33                      | 16                      |
| (b) Financial assets   |             |                         |                         |
| (i) Investments  | 10          | 12,572                  | 20,748                  |
| (ii) Trade receivables   | 11          | 20,540                  | 19,682                  |
| (iii) Cash and cash equivalents                                  | 12          | 9,095                   | 4,603                   |
| (iv) Other bank balances   | 13          | 2,684                   | 1,553                   |
| (v) Other financial assets                                       | 14          | 1,451                   | 2,099                   |
| (c) Other current assets   | 15          | 11,524                  | 11,450                  |
| <b>Total current assets</b>                                      |             | <b>57,899</b>           | <b>60,151</b>           |
| <b>TOTAL ASSETS</b>  |             | <b>80,046</b>           | <b>77,717</b>           |
| <b>EQUITY AND LIABILITIES:</b>                                   |             |                         |                         |
| <b>I. Equity</b>   |             |                         |                         |
| (a) Equity share capital   | 16          | 212                     | 211                     |
| (b) Other equity   |             |                         |                         |
| (i) Retained earnings  | 17          | 42,438                  | 34,820                  |
| (ii) Other reserves  | 17          | 7,861                   | 7,012                   |
| <b>Total equity</b>  |             | <b>50,511</b>           | <b>42,043</b>           |
| <b>II. Liabilities</b>   |             |                         |                         |
| <b>Non-current liabilities</b>                                   |             |                         |                         |
| (a) Financial liabilities  |             |                         |                         |
| (i) Lease liabilities  | 18          | 4,954                   | 3,446                   |
| (ii) Other financial liabilities                                 | 18          | 13                      | 165                     |
| (b) Deferred tax liabilities (net)                               | 8           | 745                     | 397                     |
| (c) Provisions   | 22          | 83                      | 52                      |
| <b>Total non-current liabilities</b>                             |             | <b>5,795</b>            | <b>4,060</b>            |
| <b>Current liabilities</b>                                       |             |                         |                         |
| (a) Financial liabilities  |             |                         |                         |
| (i) Trade payables   |             |                         |                         |
| Due to micro enterprises and small enterprises                   | 19          | 187                     | 103                     |
| Due to others  | 19          | 13,175                  | 11,913                  |
| (ii) Lease liabilities   | 20          | 1,319                   | 795                     |
| (iii) Other financial liabilities                                | 20          | 2,121                   | 11,757                  |
| (b) Other current liabilities                                    | 21          | 4,770                   | 4,600                   |
| (c) Provisions   | 22          | 1,527                   | 1,316                   |
| (d) Current tax liabilities (net)                                |             | 641                     | 1,130                   |
| <b>Total current liabilities</b>                                 |             | <b>23,740</b>           | <b>31,614</b>           |
| <b>Total liabilities</b>   |             | <b>29,535</b>           | <b>35,674</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                              |             | <b>80,046</b>           | <b>77,717</b>           |
| <b>Material accounting policies</b>                              | 2           |                         |                         |
| <b>Notes forming part of the Standalone financial statements</b> | <b>1-52</b> |                         |                         |

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
**L&T Technology Services Limited**

**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

**PRAJAKTA POWLE**  
Company Secretary  
Membership no. A20135

**RAJEEV GUPTA**  
Chief Financial Officer

**AMIT CHADHA**  
Chief Executive Officer &  
Managing Director  
(DIN: 07076149)

**ABHISHEK SINHA**  
Chief Operating Officer &  
Whole-Time Director  
(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

# Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in million)

| Particulars   | Note No. | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|----------|------------------------------|------------------------------|
| <b>Income:</b>  |          |                              |                              |
| I. Revenue from operations  | 23       | 86,789                       | 79,100                       |
| II. Other income (net)  | 24       | 2,031                        | 2,017                        |
| <b>III. Total income</b>  |          | <b>88,820</b>                | <b>81,117</b>                |
| <b>IV. Expenses:</b>  |          |                              |                              |
| (a) Employee benefits expenses  | 25       | 43,503                       | 40,186                       |
| (b) Other expenses  | 26       | 24,992                       | 22,479                       |
| (c) Depreciation and amortisation expenses  |          | 2,457                        | 2,046                        |
| (d) Finance costs   | 27       | 477                          | 402                          |
| <b>Total expenses</b>   |          | <b>71,429</b>                | <b>65,113</b>                |
| <b>V. Profit before tax (III - IV)</b>  |          | <b>17,391</b>                | <b>16,004</b>                |
| <b>VI. Tax expense:</b>   |          |                              |                              |
| (a) Current tax   |          | 4,632                        | 4,330                        |
| (b) Deferred tax  |          | 174                          | 142                          |
| <b>Total tax expense</b>  | 28       | <b>4,806</b>                 | <b>4,472</b>                 |
| <b>VII. Profit for the year (V - VI)</b>  |          | <b>12,585</b>                | <b>11,532</b>                |
| <b>VIII. Other comprehensive income</b>   |          |                              |                              |
| <b>(A) (i) Items that will not be reclassified to the statement of profit and loss</b>              |          |                              |                              |
| (a) Remeasurements of the defined benefit plans (net)   |          | (137)                        | (119)                        |
| (b) Income tax on remeasurements of the defined benefit plans (net)                                 |          | 34                           | 30                           |
| <b>(B) (i) Items that will be reclassified subsequently to the statement of profit or loss</b>      |          |                              |                              |
| (a) Effective portion of gains and losses on hedging instruments in a cash flow hedge               |          | 694                          | (2,137)                      |
| (b) Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge |          | (175)                        | 538                          |
| <b>Total other comprehensive income (net of tax)</b>  |          | <b>416</b>                   | <b>(1,688)</b>               |
| <b>IX. Total comprehensive income for the year</b>  |          | <b>13,001</b>                | <b>9,844</b>                 |
| <b>X. Earnings per equity share</b>   | 29       |                              |                              |
| Equity share of face value of ₹ 2 each  |          |                              |                              |
| - Basic (₹)   |          | 119.06                       | 109.23                       |
| - Diluted (₹)   |          | 118.74                       | 108.91                       |
| <b>XI. Weighted average number of equity shares used in computing earnings per equity share</b>     |          |                              |                              |
| - Basic   |          | 105,697,381                  | 105,571,928                  |
| - Diluted   |          | 105,987,369                  | 105,879,629                  |
| <b>XII. Material accounting policies</b>  | 2        |                              |                              |
| <b>XIII. Notes forming part of the Standalone financial statements</b>                              | 1-52     |                              |                              |

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
**L&T Technology Services Limited**

**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

**PRAJAKTA POWLE**  
Company Secretary  
Membership no. A20135

**RAJEEV GUPTA**  
Chief Financial Officer

**AMIT CHADHA**  
Chief Executive Officer &  
Managing Director  
(DIN: 07076149)

**ABHISHEK SINHA**  
Chief Operating Officer &  
Whole-Time Director  
(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

# Standalone Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

|   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>   |                              |                              |
| Profit before tax   | 17,391                       | 16,004                       |
| <b>Adjustments to reconcile profits for the year to net Cash generated from Operating Activities:</b> |                              |                              |
| Depreciation and amortisation   | 2,457                        | 2,046                        |
| Interest income   | (816)                        | (876)                        |
| Finance Cost  | 477                          | 402                          |
| (Profit)/ loss on sale of property, plant and equipment (net)   | 21                           | 2                            |
| (Gain)/ loss on de-recognition of ROU (net)   | (185)                        | (18)                         |
| Employee stock option forming part of employee benefit expenses                                       | 434                          | 816                          |
| Bad debts written off, allowances for bad and doubtful debts and Expected credit loss                 | 310                          | 188                          |
| Investment income   | (493)                        | (330)                        |
| Unrealised foreign exchange loss/(gain) (net)   | 164                          | (72)                         |
| <b>Operating profit before working capital changes</b>  | <b>19,760</b>                | <b>18,162</b>                |
| <b>Changes in working capital</b>   |                              |                              |
| (Increase)/decrease in trade and other receivables  | (701)                        | (1,601)                      |
| Increase/(decrease) in trade and other payables   | (536)                        | 484                          |
| <b>(Increase)/decrease in working capital</b>   | <b>(1,237)</b>               | <b>(1,117)</b>               |
| <b>Cash generated from operations</b>   | <b>18,523</b>                | <b>17,045</b>                |
| Direct taxes paid   | (5,110)                      | (4,376)                      |
| <b>Net cash (used in)/from operating activities</b>   | <b>13,413</b>                | <b>12,669</b>                |
| <b>B. Cash flow from investing activities</b>   |                              |                              |
| Purchase of property, plant and equipment and intangibles   | (2,507)                      | (1,681)                      |
| Sale of property, plant and equipment and intangibles   | 108                          | 28                           |
| (Purchase)/ sales of current investments (net)  | 8,281                        | (6,920)                      |
| (Purchase)/ sales of non-current investments (net)  | (239)                        | (891)                        |
| Deposits placed/loans given (net)   | (1,104)                      | 2,857                        |
| Consideration paid on acquisition of SWC business   | (7,978)                      | -                            |
| Income received from investments  | 426                          | 295                          |
| Interest income   | 699                          | 710                          |
| <b>Net cash (used in)/from investing activities</b>   | <b>(2,314)</b>               | <b>(5,602)</b>               |

# Standalone Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--|------------------------------|------------------------------|
| <b>C. Cash flow from financing activities</b>                    |                              |                              |
| Equity share capital issued                                      | -*                           | -*                           |
| Finance Cost   | (477)                        | (402)                        |
| Lease liabilities paid   | (1,022)                      | (773)                        |
| Dividend paid  | (4,967)                      | (3,167)                      |
| <b>Net cash (used in) / from financing activities</b>            | <b>(6,466)</b>               | <b>(4,342)</b>               |
| <b>Net (decrease) / increase in cash and cash equivalents</b>    | <b>4,633</b>                 | <b>2,725</b>                 |
| Cash and cash equivalents at beginning of year                   | 4,529                        | 1,804                        |
| <b>Cash and cash equivalents at end of year</b>                  | <b>9,162</b>                 | <b>4,529</b>                 |
| <b>Material accounting policies</b>                              | <b>2</b>                     |                              |
| <b>Notes forming part of the Standalone financial statements</b> | <b>1-52</b>                  |                              |

\*represents value less than 0.5 million

## Notes:

- The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS- 7 on "Statement of Cash Flows" notified under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
- Purchase of Property, plant and equipment and other intangibles represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress of (a) property, plant and equipment and (b) intangible assets
- Cash and cash equivalents included in the statement of cash flows comprise the following:

(₹ in million)

|   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>Cash and cash equivalents as per balance sheet</b>                   | <b>9,095</b>                 | <b>4,603</b>                 |
| Add: Unrealised exchange (gain)/loss on cash and cash equivalents (net) | 67                           | (74)                         |
| <b>Total cash and cash equivalents as per Statement of Cash Flows</b>   | <b>9,162</b>                 | <b>4,529</b>                 |

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
**L&T Technology Services Limited**

**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

**PRAJAKTA POWLE**  
Company Secretary  
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(DIN: 07076149)

**ABHISHEK SINHA**  
Chief Operating Officer &  
Whole-Time Director  
(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

# Standalone Statement of Changes in Equity

for the year ended March 31, 2024

## A. Equity share capital

(₹ in million except stated otherwise)

| Particulars   | April 1, 2023 to March 31, 2024 |              | April 1, 2022 to March 31, 2023 |              |
|---|---------------------------------|--------------|---------------------------------|--------------|
|   | Number of shares                | ₹ in million | Number of shares                | ₹ in million |
| Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year | 105,608,142                     | 211          | 105,532,167                     | 211          |
| Add: Shares issued on exercise of employee stock options during the year                    | 145,700                         | -*           | 75,975                          | -*           |
| Issued, subscribed and fully paid up equity shares outstanding at the end of the year       | 105,753,842                     | 212          | 105,608,142                     | 211          |

\*represents value less than 0.5 million

## B. Other equity

(₹ in 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 on business combination | Hedging reserve                     | Others |                    |
| <b>Balance as at April 1, 2023</b>                     | 11,462                     | 935                          | 34,820            | (5,583)                                 | 296                                 | (98)   | 41,832             |
| Profit for the year (a)                                | -                          | -                            | 12,585            | -                                       | -                                   | -      | 12,585             |
| Other comprehensive income (net of taxes) (b)          | -                          | -                            | -                 | -                                       | 519                                 | (103)  | 416                |
| <b>Total comprehensive income for the period (a+b)</b> | -                          | -                            | 12,585            | -                                       | 519                                 | (103)  | 13,001             |
| Dividends  | -                          | -                            | (4,967)           | -                                       | -                                   | -      | (4,967)            |
| Employees shares options outstanding                   | -                          | (432)                        | -                 | -                                       | -                                   | -      | (432)              |
| Deferred employee compensation expense                 | -                          | 456                          | -                 | -                                       | -                                   | -      | 456                |
| Addition/(deduction) during the year                   | 409                        | -                            | -                 | -                                       | -                                   | -      | 409                |
| <b>Balance as at March 31, 2024</b>                    | 11,871                     | 959                          | 42,438            | (5,583)                                 | 815                                 | (201)  | 50,299             |
| <b>Balance as at April 1, 2022</b>                     | 11,396                     | 186                          | 26,786            | (653)                                   | 1,896                               | (6)    | 39,605             |
| Due to Business Combination (Refer note 45)            | -                          | -                            | (331)             | (7,265)                                 | -                                   | (3)    | (7,599)            |
| <b>Restated Balance as at April 1, 2022</b>            | 11,396                     | 186                          | 26,455            | (7,918)                                 | 1,896                               | (9)    | 32,006             |
| Profit for the year (c)                                | -                          | -                            | 11,532            | -                                       | -                                   | -      | 11,532             |
| Other comprehensive income (net of taxes) (d)          | -                          | -                            | -                 | -                                       | (1,600)                             | (89)   | (1,689)            |
| Total comprehensive income for the year (c+d)          | -                          | -                            | 11,532            | -                                       | (1,600)                             | (89)   | 9,843              |
| Dividends  | -                          | -                            | (3,167)           | -                                       | -                                   | -      | (3,167)            |
| Employees shares options outstanding                   | -                          | 1,512                        | -                 | -                                       | -                                   | -      | 1,512              |
| Deferred employee compensation expense                 | -                          | (763)                        | -                 | -                                       | -                                   | -      | (763)              |
| Addition/(deduction) during the year                   | 66                         | -                            | -                 | 2,335                                   | -                                   | -      | 2,401              |
| <b>Balance as at March 31, 2023</b>                    | 11,462                     | 935                          | 34,820            | (5,583)                                 | 296                                 | (98)   | 41,832             |

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
**L&T Technology Services Limited**

**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

**PRAJAKTA POWLE**  
Company Secretary  
Membership no. A20135

**RAJEEV GUPTA**  
Chief Financial Officer

**AMIT CHADHA**  
Chief Executive Officer &  
Managing Director  
(DIN: 07076149)

**ABHISHEK SINHA**  
Chief Operating Officer &  
Whole-Time Director  
(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

# 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, Industrial products, Medical Devices Technology, Telecom and Hitech, 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, 2024, Larsen & Toubro Limited, the holding company owns 73.74% (Previous Year 73.85%) of the Company’s equity share capital.

## 2. Material accounting policies

### a) 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.

Fair value is the price that would be received on sale of 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.

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it is held primarily for trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it is held primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company’s normal operating cycle is twelve month for Time & Material Project and Contract life for a Fixed Price Project.

### Statement of compliance and basis of preparation

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 25, 2024.



## Notes forming part of the Standalone Financial Statements

### b) 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] as permitted by schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

### c) 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

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, share based payment fair value measurement etc. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. In particular, information about material areas of estimation, uncertainty and critical judgments in applying accounting policies that have the material effect on the amounts recognised in the standalone financial statements are included in the following notes:

i) Revenue recognition: The Company applies judgement to determine whether each service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not,

the promised service is combined and accounted as a single performance obligation. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed-price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

- ii) Income taxes: The major tax jurisdictions for the Company are India and the United States of America. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- iii) Defined benefit plans and compensated absences: The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- iv) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss

## Notes forming part of the Standalone Financial Statements

calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

### d) Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company.

### 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. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations, each party's rights and obligations and the payment terms can be identified, the contract has commercial substance and it is probable that the entity will collect the consideration to which it is entitled to in exchange for the services that will be transferred to the customer.

The company assesses the services promised in a contract and identifies distinct performance obligations in the contract.

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's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price.

Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.

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. Use of

the percentage of completion method requires the Company to estimate the efforts or cost expended to date (input method) as a proportion of the total efforts or costs to be expended. The cost & efforts expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Estimates of total costs or efforts are continuously monitored over the term of the contracts and are recognized in the net profit prospectively in the period when these estimates change or when the estimates are revised. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The company presents revenue net of discounts, indirect taxes and value-added taxes in its statement of profit and loss

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract liability ("Unearned revenue") arises when there are billing in excess of revenue

### 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 for in the period in which the right to receive the same is established.
- iii. Exchange gain/loss consists of mark to market gain/loss on ineffective hedges, realized gain/loss and revaluation gain/loss on translation of foreign currency assets and liabilities.
- iv. 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) 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.

## Notes forming part of the Standalone Financial Statements

### (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 value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. 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.

With respect to defined benefit plan for overseas employees, the Company provides for post-employment benefits payable as per the laws applicable in respective countries and the requirements of the standard, as explained above.

### (iii) Compensated absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as short-term employee benefit for measurement purposes. Such long-term compensated absences are provided based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

### h) Property, plant and equipment

#### a) Recognition & Measurement:

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.

Property, plant and equipment not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".

#### b) Depreciation:

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.

Project specific assets are amortised over their estimated useful life on a straight-line basis or over the period of the license/project period, whichever is shorter.

(i) Estimated useful life of following assets is different than useful life as prescribed under part C of schedule II of the Act.

## Notes forming part of the Standalone Financial Statements

| 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            | 15  | 12                             |
| 3       | Canteen equipments       | 15  | 8                              |
| 4       | Laboratory equipments    | 10  | 6                              |
| 5       | Computers                | 3 – 6                                     | 3 - 5                          |
| 6       | Office equipments        | 5   | >1 – 4                         |
| 7       | Vehicles                 | 8   | 7                              |
| 8       | Furniture and Fixtures   | 10  | 10                             |
| 9       | Electrical Installations | 10  | 10                             |

With respect to non-removable leasehold improvements, if the lease term of the related lease is shorter than the useful life of those leasehold improvements, the Group considers whether it expects to use the leasehold improvements beyond that lease term. If the Group does not expect to use the leasehold improvements beyond the lease term of the related lease, then the useful life of the non-removable leasehold improvements is the same as the lease term. If the Group expects to use the non-removable leasehold improvement beyond the lease term, the group generally depreciates such leasehold improvements over its expected useful life.

If the useful life of the leasehold improvements is shorter than the lease term, the group generally depreciates such leasehold improvements over its expected useful life.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

\* 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.

PPE is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.

### i) 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.

The estimated useful life of intangible assets (software) is amortised on a straight line basis as per the terms of software license. Project specific intangible assets are amortised over their estimated useful life on a straight-line basis or over the period of the license/project period as given below:

| Asset class                          | Useful life (years) |
|--------------------------------------|---------------------|
| Specialised software                 | 3 – 6               |
| Technical knowhow                    | 4                   |
| Customer contracts and relationships | 4                   |
| Tradename                            | 1                   |

### j) 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 k (ii) for accounting policy on impairment of assets.

### k) Impairment of assets

#### i) Trade receivables

The Company uses an expected credit loss Model (ECL) to determine impairment loss on portfolio of its trade receivable. The ECL Model is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates.

## Notes forming part of the Standalone Financial Statements

### 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 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.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### l) Leases

Ind AS 116 "Leases" sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

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 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.

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.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred

to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset

The company has elected not 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. 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.

The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### m) Financial instruments

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction price and where such price is different from

## Notes forming part of the Standalone Financial Statements

fair value, at fair value. However, for trade receivables that do not contain a significant financing component are initially measured at transaction price. Transaction costs that are 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, as the case may be, the fair value of such financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss."

### (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 other eligible current and non-current financial 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.

#### 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 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 "Financial Instruments". 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.

## Notes forming part of the Standalone Financial Statements

### n) 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.

### o) Employee 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.

### p) Foreign currencies

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.

### q) 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 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 taxes

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

## Notes forming part of the Standalone Financial Statements

economic benefit associated with the asset will be realized.

The Company recognizes interest levied related to income tax assessments in interest expenses.

### r) 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.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### s) 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.

### t) Investment in subsidiaries

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

### u) 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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.

### v) Common Control Business combination

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and where control is not transitory, are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the transferred division/Company are reflected at their carrying amounts immediately prior to the transfer
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies
- The financial information of the transferred division/Company in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between consideration paid in the form of issue of share capital or cash or other assets and the amount of share capital (if any) of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves. Share capital issued will be recorded at nominal value.



## Notes forming part of the Standalone Financial Statements

### w) 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 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.

- x) All amounts included in the standalone financial statements are reported in millions of Indian rupees (₹ in millions) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/ rearranged, wherever necessary.

### 3. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes forming part of the Standalone Financial Statements

### 4 Property, plant and equipment

| Particulars                                    | (₹ in million)         |                     |              |                        |            |                                 |                          |                         |                       |                    | Total        |  |
|--|------------------------|---------------------|--------------|------------------------|------------|---------------------------------|--------------------------|-------------------------|-----------------------|--------------------|--------------|--|
|  | Leasehold improvements | Plant and equipment | Computers    | Furniture and fixtures | Vehicles   | Office equipments installations | Electrical installations | Aircondition equipments | Laboratory equipments | Canteen equipments |              |  |
| <b>Gross carrying value :</b>                  |                        |                     |              |                        |            |                                 |                          |                         |                       |                    |              |  |
| As at April 1, 2023                            | 596                    | 31                  | 3,233        | 261                    | 354        | 380                             | 210                      | 192                     | 1,034                 | 4                  | 6,295        |  |
| Additions                                      | 931                    | -                   | 443          | 190                    | 175        | 173                             | 211                      | 78                      | 224                   | 5                  | 2,430        |  |
| Disposals                                      | 252                    | 7                   | 395          | 85                     | 84         | 84                              | 105                      | 51                      | 11                    | ^                  | 1,074        |  |
| <b>As at March 31, 2024</b>                    | <b>1,275</b>           | <b>24</b>           | <b>3,281</b> | <b>366</b>             | <b>445</b> | <b>469</b>                      | <b>316</b>               | <b>219</b>              | <b>1,247</b>          | <b>9</b>           | <b>7,651</b> |  |
| <b>Accumulated depreciation/ impairment:</b>   |                        |                     |              |                        |            |                                 |                          |                         |                       |                    |              |  |
| As at April 1, 2023                            | 375                    | 22                  | 2,116        | 123                    | 104        | 264                             | 112                      | 71                      | 417                   | 1                  | 3,605        |  |
| Depreciation and impairment                    | 106                    | 2                   | 590          | 32                     | 66         | 74                              | 28                       | 20                      | 274                   | 1                  | 1,193        |  |
| Disposals                                      | 207                    | 7                   | 394          | 68                     | 53         | 84                              | 86                       | 37                      | 9                     | ^                  | 945          |  |
| <b>As at March 31, 2024</b>                    | <b>274</b>             | <b>17</b>           | <b>2,312</b> | <b>87</b>              | <b>117</b> | <b>254</b>                      | <b>54</b>                | <b>54</b>               | <b>682</b>            | <b>2</b>           | <b>3,853</b> |  |
| <b>Net carrying value as at March 31, 2024</b> | <b>1,001</b>           | <b>7</b>            | <b>969</b>   | <b>279</b>             | <b>328</b> | <b>215</b>                      | <b>262</b>               | <b>165</b>              | <b>565</b>            | <b>7</b>           | <b>3,798</b> |  |
| <b>Gross carrying value :</b>                  |                        |                     |              |                        |            |                                 |                          |                         |                       |                    |              |  |
| As at April 1, 2022                            | 530                    | 55                  | 2,598        | 246                    | 333        | 292                             | 187                      | 160                     | 633                   | 3                  | 5,037        |  |
| Pursuant to Business Combination***            | -                      | 1                   | 38           | 2                      | -          | 17                              | 8                        | 5                       | ^                     | -                  | 71           |  |
| Additions                                      | 66                     | 2                   | 745          | 32                     | 104        | 78                              | 18                       | 29                      | 413                   | 1                  | 1,488        |  |
| Disposals                                      | -                      | 27                  | 148          | 19                     | 83         | 7                               | 3                        | 2                       | 12                    | ^                  | 301          |  |
| <b>As at March 31, 2023</b>                    | <b>596</b>             | <b>31</b>           | <b>3,233</b> | <b>261</b>             | <b>354</b> | <b>380</b>                      | <b>210</b>               | <b>192</b>              | <b>1,034</b>          | <b>4</b>           | <b>6,295</b> |  |
| <b>Accumulated depreciation/ impairment:</b>   |                        |                     |              |                        |            |                                 |                          |                         |                       |                    |              |  |
| As at April 1, 2022                            | 299                    | 47                  | 1,645        | 113                    | 102        | 204                             | 92                       | 55                      | 237                   | 1                  | 2,795        |  |
| Pursuant to Business Combination**             | -                      | ^                   | 17           | 1                      | -          | 9                               | 2                        | 2                       | ^                     | -                  | 31           |  |
| Depreciation and impairment                    | 76                     | 2                   | 601          | 27                     | 57         | 58                              | 21                       | 16                      | 192                   | ^                  | 1,050        |  |
| Disposals                                      | -                      | 27                  | 147          | 18                     | 55         | 7                               | 3                        | 2                       | 12                    | ^                  | 271          |  |
| <b>As at March 31, 2023</b>                    | <b>375</b>             | <b>22</b>           | <b>2,116</b> | <b>123</b>             | <b>104</b> | <b>264</b>                      | <b>112</b>               | <b>71</b>               | <b>417</b>            | <b>1</b>           | <b>3,605</b> |  |
| <b>Net carrying value as at March 31, 2023</b> | <b>221</b>             | <b>9</b>            | <b>1,117</b> | <b>138</b>             | <b>250</b> | <b>116</b>                      | <b>98</b>                | <b>121</b>              | <b>617</b>            | <b>3</b>           | <b>2,690</b> |  |

^ represent value less than 0.5 million.

\*\*\*Refer Note.45

## Notes forming part of the Standalone Financial Statements

### 4. Right-of-use assets

(₹ in million)

| Particulars                                    | Buildings    |
|--|--------------|
| <b>Gross carrying value :</b>                  |              |
| <b>As at April 1, 2023</b>                     | <b>6,054</b> |
| Additions                                      | 4,011        |
| Disposals                                      | 1,875        |
| <b>As at March 31, 2024</b>                    | <b>8,190</b> |
| <b>Accumulated depreciation/impairment:</b>    |              |
| <b>As at April 1, 2023</b>                     | <b>2,556</b> |
| Depreciation and impairment                    | 1,153        |
| Disposals                                      | 1,190        |
| <b>As at March 31, 2024</b>                    | <b>2,519</b> |
| <b>Net carrying value as at March 31, 2024</b> | <b>5,671</b> |
| <b>Gross carrying value :</b>                  |              |
| <b>As at April 1, 2022</b>                     | <b>5,855</b> |
| Pursuant to Business Combination***            | 24           |
| Additions                                      | 656          |
| Disposals                                      | 481          |
| <b>As at March 31, 2023</b>                    | <b>6,054</b> |
| <b>Accumulated depreciation/impairment:</b>    |              |
| <b>As at April 1, 2022</b>                     | <b>2,058</b> |
| Pursuant to Business Combination***            | 12           |
| Depreciation and impairment                    | 877          |
| Disposals                                      | 391          |
| <b>As at March 31, 2023</b>                    | <b>2,556</b> |
| <b>Net carrying value as at March 31, 2023</b> | <b>3,498</b> |

### 4. Capital work-in-progress

(₹ in million)

| Capital work-in-progress | For less than<br>1 year | 1 to 2 years | 2 to 3 years | More than<br>3 years | Total |
|--------------------------|-------------------------|--------------|--------------|----------------------|-------|
| As at March 31, 2024     | 74                      | -            | -            | 57                   | 131   |
| As at March 31, 2023     | 8                       | -            | -            | 57                   | 65    |

\*\*\*Refer Note.45

### 5. Goodwill and other intangible assets

The movement in goodwill balance is given below:

(₹ in million)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the year       | 4,277                   | 3,891                   |
| Acquisition through business combination** | -                       | 386                     |
| <b>Balance at the end of the year</b>      | <b>4,277</b>            | <b>4,277</b>            |

#### Note on Goodwill Impairment Testing

Goodwill is tested for impairment annually or when events or circumstances indicate that an impairment loss may have occurred.

If the recoverable amount of cash generating unit (CGU) is less than its carrying amount, the carrying amount of CGU is reduced to its recoverable amount and resultant impairment loss is recognized in the statement of profit and loss.

The recoverable amount of a CGU is determined based on higher of value-in-use and fair value less cost to sell. The calculation of value in use involves use of significant estimates and assumptions which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

## Notes forming part of the Standalone Financial Statements

### 5. Goodwill and other intangible assets (Contd...)

\*\*The Scheme of Amalgamation ("the Scheme") of Esencia Technologies India Private Limited, Graphene Semiconductor Services Private Limited and Seastar Labs Private Limited ('Transferor Companies'), wholly-owned subsidiaries, with the Company ('Transferee Company') was approved by The Hon'ble National Company Law Tribunal, Mumbai Bench vide order dated November 29, 2023 and the Company received the certified true copy of the order on December 5, 2023. The Company has filed the same with Registrar of Companies, Mumbai on December 7, 2023. The Appointed date of the Scheme is April 1, 2022. The amalgamation has been accounted in accordance with Appendix C of Ind AS 103 'Business Combinations' at the carrying value of the assets and liabilities of respective Transferor Companies as included in the Standalone Balance Sheet of the Company. Accordingly, the financial information pertaining to amalgamation in respect of the prior periods was restated and goodwill of INR 386 million was recognized in the Standalone Financial Statements of the Company during the previous year.

The movement in other intangible assets is given below:

(₹ in million)

| Particulars                                 | Other Intangible Assets |                   |                                      |           |                        | Total |
|---|-------------------------|-------------------|--------------------------------------|-----------|------------------------|-------|
|   | Specialised softwares   | Technical knowhow | Customer Contracts and relationships | Tradename | Non-compete agreements |       |
| <b>Gross carrying value :</b>               |                         |                   |                                      |           |                        |       |
| As at April 1, 2023                         | 1,727                   | 143               | 355                                  | 39        | -*                     | 2,264 |
| Additions                                   | 55                      | -                 | -                                    | -         | -                      | 55    |
| Disposals                                   | -                       | -                 | -                                    | -         | -                      | -     |
| As at March 31, 2024                        | 1,782                   | 143               | 355                                  | 39        | -*                     | 2,319 |
| <b>Accumulated amortization/ impairment</b> |                         |                   |                                      |           |                        |       |
| As at April 1, 2023                         | 1,521                   | 143               | 355                                  | 39        | -*                     | 2,058 |
| Amortization and impairment                 | 112                     | -                 | -                                    | -         | -                      | 112   |
| Disposals                                   | -                       | -                 | -                                    | -         | -                      | -     |
| As at March 31, 2024                        | 1,633                   | 143               | 355                                  | 39        | -*                     | 2,170 |
| Net carrying value as at March 31, 2024     | 149                     | -                 | -                                    | -         | -                      | 149   |
| <b>Gross carrying value :</b>               |                         |                   |                                      |           |                        |       |
| As at April 1, 2022                         | 1,794                   | 143               | -                                    | -         | -                      | 1,937 |
| Pursuant to Business Combination***         | -                       | -                 | 355                                  | 39        | -*                     | 394   |
| Additions                                   | 111                     | -                 | -                                    | -         | -                      | 111   |
| Disposals                                   | 178                     | -                 | -                                    | -         | -                      | 178   |
| As at March 31, 2023                        | 1,727                   | 143               | 355                                  | 39        | -*                     | 2,264 |
| <b>Accumulated amortization/ impairment</b> |                         |                   |                                      |           |                        |       |
| As at April 1, 2022                         | 1,580                   | 143               | -                                    | -         | -                      | 1,723 |
| Pursuant to Business Combination***         | -                       | -                 | 355                                  | 39        | -*                     | 394   |
| Amortization and impairment                 | 119                     | -                 | -                                    | -         | -                      | 119   |
| Disposals                                   | 178                     | -                 | -                                    | -         | -                      | 178   |
| As at March 31, 2023                        | 1,521                   | 143               | 355                                  | 39        | -*                     | 2,058 |
| Net carrying value as at March 31, 2023     | 206                     | -                 | -                                    | -         | -                      | 206   |

\*\*\*Refer Note.45

\* represents value less than 0.5 million

## Notes forming part of the Standalone Financial Statements

### 6 Investments - Non-current

|   | (₹ in million)          |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>Unquoted</b>   |                         |                         |
| <b>a) Investment in equity instruments of subsidiaries (at cost):</b>   |                         |                         |
| 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<br>- Company's holding * - 74% (previous year 74%)<br>- 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<br>- Company's holding * - 100% (previous year 100%)<br>- Principal place of business: USA  | 1,783                   | 1,783                   |
| 60,501 (previous year 60,501) equity shares of nominal value of SGD 1 each, fully paid in L&T Technology Services PTE Ltd. (formerly known as Graphene Solutions PTE Ltd.)<br>- Company's holding * - 100% (previous year 100%)<br>- 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<br>- Company's holding * - 100% (previous year 100%)<br>- Principal place of business: Malaysia   | 2                       | 2                       |
| Capital investment in Graphene Solutions Taiwan Limited<br>- Company's holding * - 100% (previous year 100%)<br>- Principal place of business: Taiwan   | 11                      | 11                      |
| Capital investment in L&T Technology Services (Shanghai) Co. Ltd.<br>- Company's holding * - 100% (previous year 100%)<br>- Principal place of business: China  | 33                      | 33                      |
| <b>Total (a)</b>  | <b>1,892</b>            | <b>1,892</b>            |
| Aggregate amount of unquoted investment<br>At book value  | 1,892                   | 1,892                   |

\* Voting power is same as the Company's holding % in respective subsidiaries

|   | (₹ in million)          |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>b) Corporate Deposits</b>              |                         |                         |
| Corporate Deposit with Bajaj Finance Ltd. | 500                     | 1,000                   |
| Corporate Deposit with HDFC Bank Ltd.     | 500                     | 500                     |
| <b>Total (b)</b>                          | <b>1,000</b>            | <b>1,500</b>            |

|                                      | (₹ in million)          |                         |
|--------------------------------------|-------------------------|-------------------------|
|                                      | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>c) Non Convertible Debentures</b> |                         |                         |
| Kotak Mahindra Prime Ltd.            | 257                     |                         |
| Kotak Mahindra Investments Ltd.      | 216                     |                         |
| HDB Financial Services Ltd.          | 518                     | -                       |
| L&T Finance Ltd.                     | -                       | 252                     |
| <b>Total (c)</b>                     | <b>991</b>              | <b>252</b>              |
| <b>Total (a+b+c)</b>                 | <b>3,883</b>            | <b>3,644</b>            |

## Notes forming part of the Standalone Financial Statements

### 7 Other financial assets - non-current

|                                  | (₹ in million)          |                         |
|----------------------------------|-------------------------|-------------------------|
|                                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Security deposits                | 749                     | 553                     |
| Fixed deposits*                  | 51                      | 2                       |
| Derivative financial instruments | 885                     | 479                     |
|                                  | <b>1,685</b>            | <b>1,034</b>            |

\*Includes fixed deposits kept as margin money deposits against bank guarantees and fixed deposit marked as lien.

### 8 Deferred tax assets/Liabilities (net)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

|  | (₹ in million)  |                               |  |                           |                 |
|--|-----------------|-------------------------------|--|---------------------------|-----------------|
| Deferred tax assets / (liabilities) in relation to | Opening balance | Recognised in profit and loss | Recognised in / reclassified from other comprehensive income | Adjustments / utilisation | Closing balance |
| Property, Plant and equipment                      | (704)           | 45                            | -  | -                         | (659)           |
| Investments  | (11)            | 9                             | -  | -                         | (2)             |
| Derivative financial instruments                   | (100)           | -                             | (175)  | -                         | (275)           |
| Leases   | 210             | (26)                          | -  | -                         | 184             |
| Employee benefit obligations                       | 248             | 65                            | -  | -                         | 313             |
| MAT credit entitlement                             | 314             | -                             | -  | -                         | 314             |
| Deferred Tax - US Branch                           | 251             | (33)                          | -  | -                         | 218             |
| Others   | 180             | (120)                         | -  | -                         | 60              |
| Branch profit tax - US Branch                      | (785)           | (114)                         | -  | -                         | (899)           |
|  | <b>(397)</b>    | <b>(174)</b>                  | <b>(175)</b>   | <b>-</b>                  | <b>(745)</b>    |

Gross deferred tax assets and liabilities are as follows

#### As at March 31, 2024

|  | (₹ in million) |                |              |
|--|----------------|----------------|--------------|
| Deferred tax assets / (liabilities) in relation to | Assets         | Liabilities    | Net          |
| Property, Plant and equipment                      | -              | (659)          | (659)        |
| Investments  | -              | (2)            | (2)          |
| Derivative financial instruments                   | -              | (275)          | (275)        |
| Leases   | 184            | -              | 184          |
| Employee benefit obligations                       | 313            | -              | 313          |
| MAT credit entitlement                             | 314            | -              | 314          |
| Deferred Tax - US Branch                           | 218            | -              | 218          |
| Others   | 60             | -              | 60           |
| Branch profit tax - US Branch                      | -              | (899)          | (899)        |
|  | <b>1,089</b>   | <b>(1,835)</b> | <b>(745)</b> |

## Notes forming part of the Standalone Financial Statements

### 8 Deferred tax assets/Liabilities (net) (Contd...)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

| (₹ in million)                                     |                 |                               |  |                           |                 |
|--|-----------------|-------------------------------|--|---------------------------|-----------------|
| Deferred tax assets / (liabilities) in relation to | Opening balance | Recognised in profit and loss | Recognised in / reclassified from other comprehensive income | Adjustments / utilisation | Closing balance |
| Property, Plant and equipment                      | (614)           | (90)                          | -  | -                         | (704)           |
| Investments  | (26)            | 17                            | -  | (2)                       | (11)            |
| Derivative financial instruments                   | (638)           | -                             | 538  | -                         | (100)           |
| Leases   | 196             | 14                            | -  | -                         | 210             |
| Employee benefit obligations                       | 207             | 41                            | -  | -                         | 248             |
| MAT credit entitlement                             | 314             | -                             | -  | -                         | 314             |
| Deferred Tax - US Branch                           | 251             | -                             | -  | -                         | 251             |
| Others   | 163             | 17                            | -  | -                         | 180             |
| Branch profit tax - US Branch                      | (644)           | (141)                         | -  | -                         | (785)           |
|  | (791)           | (142)                         | 538  | (2)                       | (397)           |

Gross deferred tax assets and liabilities are as follows

#### As at March 31, 2024

| (₹ in million)                   |              |                |              |
|----------------------------------|--------------|----------------|--------------|
|                                  | Assets       | Liabilities    | Net          |
| Property, Plant and equipment    | -            | (704)          | (704)        |
| Investments                      | -            | (11)           | (11)         |
| Derivative financial instruments | -            | (100)          | (100)        |
| Leases                           | 210          | -              | 210          |
| Employee benefit obligations     | 248          | -              | 248          |
| MAT credit entitlement           | 314          | -              | 314          |
| Deferred Tax - US Branch         | 251          | -              | 251          |
| Others                           | 180          | -              | 180          |
| Branch profit tax - US Branch    | -            | (785)          | (785)        |
|                                  | <b>1,203</b> | <b>(1,600)</b> | <b>(397)</b> |

During the year Company have acquired Smart World Communications (SWC) from Larsen & Toubro Limited and also amalgamated its subsidiaries, Graphene Semiconductor Private Limited, Seastar Labs Private Limited and Esencia India Private Limited. Due to these business acquisition and amalgamation of subsidiaries the deferred tax balances for previous years has been re-stated.

### 9 Other non-current assets

| (₹ in million)              |                      |                      |
|-----------------------------|----------------------|----------------------|
|                             | As at March 31, 2024 | As at March 31, 2023 |
| Prepaid expenses            | 790                  | 378                  |
| Income tax receivable (net) | 1,763                | 1,774                |
|                             | <b>2,553</b>         | <b>2,152</b>         |

### 10 Investments

| (₹ in million except stated otherwise)                   |                      |        |                      |        |
|--|----------------------|--------|----------------------|--------|
| Financial assets: investments - current                  | As at March 31, 2024 |        | As at March 31, 2023 |        |
|  | Units                | Amount | Units                | Amount |
| <b>a) Quoted mutual funds</b>                            |                      |        |                      |        |
| Investment carried at fair value through profit and loss |                      |        |                      |        |
| Axis Liquid Fund - Direct - Growth                       | 258,033              | 692    | 396,861              | 993    |
| Axis Overnight Fund - Direct - Growth                    | -                    | -      | 843,614              | 1,000  |
| Aditya Birla Sun Life Arbitrage Fund - Direct - Growth   | 9,833,859            | 256    | -                    | -      |
| Aditya Birla SunLife Liquid Fund - Direct - Growth       | 96,294               | 38     | 1,909,779            | 693    |

## Notes forming part of the Standalone Financial Statements

### 10 Investments (Contd...)

(₹ in million except stated otherwise)

| Financial assets: investments - current                | As at March 31, 2024 |              | As at March 31, 2023 |               |
|--|----------------------|--------------|----------------------|---------------|
|  | Units                | Amount       | Units                | Amount        |
| Aditya Birla Sun Life Overnight Fund - Direct - Growth | -                    | -            | 824,911              | 1,000         |
| Mirae Asset Liquid Fund - Direct - Growth              | 162,355              | 414          | -                    | -             |
| HSBC Liquid Fund - Direct - Growth                     | 270,101              | 650          | 425,812              | 955           |
| Invesco India Liquid Fund - Direct - Growth            | 198,468              | 658          | -                    | -             |
| DSP Liquidity Fund - Direct - Growth                   | 132,837              | 458          | -                    | -             |
| ICICI Prudential Overnight Fund - Direct - Growth      | -                    | -            | 566,920              | 685           |
| ICICI Prudential Liquid Fund - Direct - Growth         | -                    | -            | 2,881,057            | 960           |
| Invesco India Arbitrage Fund - Direct - Growth         | 6,176,877            | 194          | -                    | -             |
| Kotak Equity Arbitrage Fund - Direct Plan - Growth     | 10,307,439           | 375          | -                    | -             |
| Kotak Overnight Fund - Direct - Growth                 | -                    | -            | 837,283              | 1,001         |
| Kotak Liquid Fund - Direct - Growth                    | 133,752              | 653          | 141,469              | 643           |
| LIC MF Liquid Fund - Direct Growth                     | -                    | -            | 112,166              | 459           |
| Nippon India Liquid Fund - Direct - Growth             | 117,526              | 694          | 181,033              | 997           |
| Nippon India Overnight Fund - Direct - Growth          | -                    | -            | 8,309,539            | 1,000         |
| SBI Liquid Fund - Direct - Growth                      | 173,322              | 655          | 178,374              | 629           |
| SBI Arbitrage Opportunities Fund - Direct - Growth     | 6,299,294            | 206          | -                    | -             |
| TATA Arbitrage Fund - Direct - Growth                  | 18,532,006           | 254          | -                    | -             |
| TATA Money Market Fund - Direct - Growth               | 58,290               | 255          | -                    | -             |
| UTI Liquid Cash Plan Fund - Direct - Growth            | -                    | -            | 186,062              | 686           |
| <b>Total (a)</b>                                       |                      | <b>6,452</b> |                      | <b>11,701</b> |
| <b>b) Corporate deposits</b>                           |                      |              |                      |               |
| Corporate deposit with Bajaj Finance Ltd.              |                      | 1,765        |                      | 1,130         |
| Corporate deposit with HDFC Bank Ltd.                  |                      | 400          |                      | 1,230         |
| Corporate deposit with LIC Housing Finance Ltd.        |                      | 750          |                      | 1,200         |
| Corporate deposit with Aditya Birla Finance Ltd.       |                      | 253          |                      |               |
| <b>Total (b)</b>                                       |                      | <b>3,168</b> |                      | <b>3,560</b>  |
| <b>c) Non-convertible debentures</b>                   |                      |              |                      |               |
| Kotak Mahindra Prime Ltd.                              |                      | -            |                      | 357           |
| HDB Financial Services Ltd.                            |                      | 499          |                      | 512           |
| L&T Finance Ltd.                                       |                      | 251          |                      | -             |
| TATA Capital Housing Finance Ltd.                      |                      | -            |                      | 251           |
| HDFC Bank Ltd.   |                      | -            |                      | 260           |
| <b>Total (c)</b>                                       |                      | <b>750</b>   |                      | <b>1,380</b>  |
| <b>d) Commercial papers</b>                            |                      |              |                      |               |
| Aditya Birla Finance Ltd.                              |                      | 243          |                      | 494           |
| Kotak Mahindra Prime Ltd.                              |                      | -            |                      | 248           |
| SBICAP Securities Ltd.                                 |                      | 494          |                      | -             |
| HDFC Securities Ltd.                                   |                      | 496          |                      | -             |
| HDFC Bank Ltd.   |                      | 248          |                      | 236           |
| Kotak Mahindra Investments Ltd.                        |                      | -            |                      | 478           |
| TATA Capital Limited                                   |                      | -            |                      | 237           |
| Tata Cleantech Capital Limited                         |                      | -            |                      | 237           |
| ICICI Securities Ltd.                                  |                      | 721          |                      | 742           |
| <b>Total (d)</b>                                       |                      | <b>2,202</b> |                      | <b>2,672</b>  |



## Notes forming part of the Standalone Financial Statements

### 10 Investments (Contd...)

(₹ in million except stated otherwise)

| Financial assets: investments - current               | As at March 31, 2024 |               | As at March 31, 2023 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | Units                | Amount        | Units                | Amount        |
| <b>e) Certificate of Deposits</b>                     |                      |               |                      |               |
| SIDBI   |                      | -             |                      | 1,192         |
| HDFC Bank Ltd.  |                      | -             |                      | 243           |
| <b>Total (e)</b>                                      |                      | -             |                      | <b>1,435</b>  |
| <b>Total (a+b+c+d+e)</b>                              |                      | <b>12,572</b> |                      | <b>20,748</b> |
| Aggregate amount of quoted investment at cost         |                      | 12,505        |                      | 20,708        |
| Aggregate amount of quoted investment at market value |                      | 12,572        |                      | 20,748        |

### 11 Trade receivables

(₹ in million)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>Current</b>                           |                         |                         |
| Undisputed considered good               | 20,686                  | 19,930                  |
|  | <b>20,686</b>           | <b>19,930</b>           |
| Less: Allowance for expected credit loss | (146)                   | (248)                   |
|  | <b>20,540</b>           | <b>19,682</b>           |

The following table represent ageing of Trade receivables as on March 31, 2024:

(₹ in million)

| Particulars  | Outstanding for following periods from due date of payment |                       |                      |                |                |                      | Total         |
|--|--|-----------------------|----------------------|----------------|----------------|----------------------|---------------|
|  | Not Due  | Less than<br>6 months | 6 months<br>- 1 Year | 1 - 2<br>Years | 2 - 3<br>Years | More than<br>3 Years |               |
| (i) Undisputed Trade Receivables - Considered good                                 | 18,563   | 1,277                 | 554                  | 157            | 73             | 62                   | 20,686        |
| (ii) Undisputed Trade Receivables - Which have significant increase in credit risk | -  | -                     | -                    | -              | -              | -                    | -             |
| (iii) Undisputed Trade Receivables - Credit impaired                               | -  | -                     | -                    | -              | -              | -                    | -             |
| (iv) Disputed Trade Receivables - Considered good                                  | -  | -                     | -                    | -              | -              | -                    | -             |
| (v) Disputed Trade Receivables - Which have significant increase in credit risk    | -  | -                     | -                    | -              | -              | -                    | -             |
| (vi) Disputed Trade Receivables - Credit impaired                                  | -  | -                     | -                    | -              | -              | -                    | -             |
| <b>Gross Trade receivables</b>   | <b>18,563</b>  | <b>1,277</b>          | <b>554</b>           | <b>157</b>     | <b>73</b>      | <b>62</b>            | <b>20,686</b> |
| Less : Allowance for expected credit loss  | -  | -                     | -                    | -              | -              | -                    | (146)         |
| <b>Total</b>   |  |                       |                      |                |                |                      | <b>20,540</b> |

## Notes forming part of the Standalone Financial Statements

### 11 Trade receivables (Contd...)

The following table represent ageing of Trade receivables as on March 31, 2023:

| Particulars  | Outstanding for following periods from due date of payment |                    |                   |             |             |                   | Total         |
|--|--|--------------------|-------------------|-------------|-------------|-------------------|---------------|
|  | Not Due  | Less than 6 months | 6 months - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years |               |
|  | (₹ in million)   |                    |                   |             |             |                   |               |
| (i) Undisputed Trade Receivables - Considered good                                 | 17,127   | 1,928              | 603               | 200         | 30          | 42                | 19,930        |
| (ii) Undisputed Trade Receivables - Which have significant increase in credit risk | -  | -                  | -                 | -           | -           | -                 | -             |
| (iii) Undisputed Trade Receivables - Credit impaired                               | -  | -                  | -                 | -           | -           | -                 | -             |
| (iv) Disputed Trade Receivables - Considered good                                  | -  | -                  | -                 | -           | -           | -                 | -             |
| (v) Disputed Trade Receivables - Which have significant increase in credit risk    | -  | -                  | -                 | -           | -           | -                 | -             |
| (vi) Disputed Trade Receivables - Credit impaired                                  | -  | -                  | -                 | -           | -           | -                 | -             |
| <b>Gross Trade receivables</b>   | <b>17,127</b>  | <b>1,928</b>       | <b>603</b>        | <b>200</b>  | <b>30</b>   | <b>42</b>         | <b>19,930</b> |
| Allowance for expected credit loss   | -  | -                  | -                 | -           | -           | -                 | (248)         |
| <b>Total</b>   |  |                    |                   |             |             |                   | <b>19,682</b> |

#### Allowance for expected credit loss movement

| Particulars  | (₹ in million)       |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2024 | As at March 31, 2023 |
| Balance at the beginning of the year                 | 248                  | 176                  |
| Additions during the year, net                       | 309                  | 212                  |
| Uncollectable receivables charged against allowances | (411)                | (140)                |
| Exchange Gain/Loss                                   | -                    | -                    |
| Balance at the end of the year                       | <b>146</b>           | <b>248</b>           |

### 12 Cash and cash equivalents

| Particulars   | (₹ in million)       |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 |
| Balances with banks                                     |                      |                      |
| - Current Account                                       | 5,683                | 2,283                |
| Cheques on hand   | -                    | 9                    |
| Cash on hand  | -                    | -*                   |
| Remittance in transit                                   | 671                  | 196                  |
| Fixed deposits with banks (maturity less than 3 months) | 2,741                | 2,115                |
|   | <b>9,095</b>         | <b>4,603</b>         |

\*represents value less than 0.5 million

There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting period and prior period.

## Notes forming part of the Standalone Financial Statements

### 13 Other bank balances

|   | (₹ in million)          |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Fixed deposits with banks*                          |                         |                         |
| Maturity more than 3 months but less than 12 months | 2,678                   | 1,549                   |
| Earmarked balances with banks - unclaimed dividend  | 6                       | 4                       |
|   | <b>2,684</b>            | <b>1,553</b>            |

\* Includes fixed deposits kept as margin money deposits against bank guarantees.

### 14 Other financial assets

|                                       | (₹ in million)       |                      |
|---------------------------------------|----------------------|----------------------|
| <b>Current</b>                        | As at March 31, 2024 | As at March 31, 2023 |
| Advances to employees                 | 93                   | 87                   |
| Security deposits                     | 39                   | 13                   |
| Derivative financial instruments      | 469                  | 331                  |
| Loans and advances to related parties | 26                   | 768                  |
| Other receivables                     | 54                   | 26                   |
| Unbilled revenue *                    | 795                  | 897                  |
| Less: ECL on unbilled revenue         | (25)                 | (23)                 |
|                                       | <b>1,451</b>         | <b>2,099</b>         |

\* For those contracts where right to consideration is unconditional upon passage of time.

### 15 Other current assets

|                               | (₹ in million)          |                         |
|-------------------------------|-------------------------|-------------------------|
|                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Contract Assets               | 6,474                   | 6,549                   |
| Unbilled revenue *            | 3,013                   | 3,339                   |
| Less: ECL on unbilled revenue | (50)                    | (49)                    |
|                               | <b>9,437</b>            | <b>9,839</b>            |
| Retention money not due       | 63                      | 26                      |
| Advance to suppliers          | 266                     | 248                     |
| Prepaid expenses              | 1,317                   | 1,067                   |
| GST receivable                | 441                     | 270                     |
|                               | <b>2,087</b>            | <b>1,611</b>            |
|                               | <b>11,524</b>           | <b>11,450</b>           |

\* For those contracts where right to consideration is conditional upon completion of contractual milestones.

### 16 Equity share capital

|   | (₹ in million)          |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>16.1 Authorised :</b>  |                         |                         |
| 5,285,300,000 (previous year: 5,250,000,000) equity shares of ₹ 2 each  | 10,571                  | 10,500                  |
|   | <b>10,571</b>           | <b>10,500</b>           |
| <b>16.2 Issued, subscribed and fully paid up</b>  |                         |                         |
| Issued, subscribed and fully paid up equity shares outstanding at the end of the year [105,608,142 (previous year: 105,532,167) equity shares of ₹ 2 each]  | 211                     | 211                     |
| Add: shares issued on exercise of employee stock options during the period [145,700 (previous year: 75,975) equity shares of ₹ 2 each]                      | -*                      | -*                      |
| Issued, subscribed and fully paid up equity shares outstanding at the end of the period [105,753,842(previous year: 105,608,142) equity shares of ₹ 2 each] | <b>212</b>              | <b>211</b>              |
| <b>Total issued, subscribed and paid up capital</b>   | <b>212</b>              | <b>211</b>              |

\*represents value less than 0.5 million

# Notes forming part of the Standalone Financial Statements

## 16 Equity share capital (Contd...)

### 16.3 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.

### 16.4 Shareholders holding more than 5% of equity shares as at the end of the year

| Equity shares                       | As at March 31, 2024 |           | As at March 31, 2023 |           |
|-------------------------------------|----------------------|-----------|----------------------|-----------|
|                                     | No. of shares        | % Holding | No. of shares        | % Holding |
| Larsen & Toubro Limited             | 77,986,899           | 73.74%    | 77,986,899           | 73.85%    |
| Life Insurance Corporation of India | 7,018,547            | 6.64%     | 4,785,916            | 4.53%     |
|                                     | <b>85,005,446</b>    |           | <b>82,772,815</b>    |           |

### 16.5 Shares held by Promoters

| Equity shares           | As at March 31, 2024 |           | As at March 31, 2023 |           |
|-------------------------|----------------------|-----------|----------------------|-----------|
|                         | No. of shares        | % Holding | No. of shares        | % Holding |
| Larsen & Toubro Limited | 77,986,899           | 73.74%    | 77,986,899           | 73.85%    |
|                         | <b>77,986,899</b>    |           | <b>77,986,899</b>    |           |

### 16.6 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 16.8 of the standalone financial statements.

### 16.7 In the period of five years immediately preceding March 31, 2024 :

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)

### 16.8 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. In Series A, the options are vested equally over a period of 5 years and in Series B options are vested equally over period of 4 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, 2021 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.

## Notes forming part of the Standalone Financial Statements

### 16 Equity share capital (Contd...)

iii) Details of grant under ESOP Scheme, 2016 is summarised below:

| Series reference  | ESOP scheme, 2016  |         |
|---|--------------------|---------|
|   | 2023-24            | 2022-23 |
| 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      | 514,250            | 215,725 |
| Options lapsed during the year                                    | 24,400             | 22,700  |
| Options granted during the year                                   | 16,400             | 397,200 |
| Options exercised during the year                                 | 145,700            | 75,975  |
| Options granted and outstanding at the end of the year-(a)        | 360,550            | 514,250 |
| of (a) above - vested outstanding options                         | 47,150             | 50,350  |
| of (a) above - unvested outstanding options                       | 313,400            | 463,900 |
| Weighted average remaining contractual life of options (in years) | 2.89               | 3.84    |

iv) No options were granted to key managerial personnel during the year (previous year - 1,10,000 options).

v) The number and weighted average exercise price of stock options are as follows:

| Particulars  | 2023-24              |                                     | 2022-23              |                                     |
|--|----------------------|-------------------------------------|----------------------|-------------------------------------|
|  | 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 | 514,250              | 2                                   | 215,725              | 2                                   |
| Options granted during the year                              | 16,400               | 2                                   | 397,200              | 2                                   |
| Options exercised during the year                            | 145,700              | 2                                   | 75,975               | 2                                   |
| Options lapsed during the year                               | 24,400               | 2                                   | 22,700               | 2                                   |
| Options granted and outstanding at the end of the year -(a)  | 360,550              | 2                                   | 514,250              | 2                                   |
| Options exercisable at the end of the year out of -(a) above | 47,150               | 2                                   | 50,350               | 2                                   |

vi) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 4,320.68 per share. (previous year ₹ 3,692.66 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 2023-24 is ₹ 434 million (previous year: ₹ 816 million).

ix) There were 16,400 new options granted during the year ended March 31, 2024. The fair value at grant date of options granted during previous year: ₹ 3,369.5. 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   | 2023-24              | 2022-23             |
|---|----------------------|---------------------|
| Weighted average exercise price                               | 2                    | 2                   |
| Grant date  | April 26, 2023       | April 21, 2022      |
| Expiry date   | April 25, 2030       | April 20, 2029      |
| Weighted average share price at grant date                    | ₹ 3,447.0 per option | ₹ 4244.3 per option |
| Weighted average expected price volatility of company's share | 39.00%               | 40.52%              |
| Weighted average expected dividend yield over life of option  | 2.65%                | 2.07%               |

## Notes forming part of the Standalone Financial Statements

### 16.8 Share based payments (Contd...)

| Particulars                                  | 2023-24   | 2022-23 |
|--|---|---------|
| Weighted average risk-free interest          | 6.96%   | 5.86%   |
| 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. |         |

### 16.9 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, 2024, the Company paid the final dividend of ₹ 30 per equity share for the year ended March 31, 2023.
- The Company paid, on November 13, 2023 an Interim dividend of ₹ 17 per equity share for the year ended March 31, 2024.
- On April 25, 2024, the Board of Directors of the Company have recommended the final dividend of ₹ 33 per equity share for the year ended March 31, 2024 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, 2024 is expected to be ₹ 3,490 million.

### 17 Other equity

|   | (₹ in million)       |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 |
| Securities premium account                    | 11,871               | 11,462               |
| Share options outstanding account [note 2(o)] |                      |                      |
| Employee share options outstanding            | 1,330                | 1,763                |
| Deferred employee compensation expense        | (371) 959            | (828) 935            |
| Retained earnings                             | 42,438               | 34,820               |
| Cash flow hedge reserve [note 2(m)(iii)]      | 815                  | 296                  |
| Capital reserve on business combination       | (5,583)              | (5,583)              |
| Other items of other comprehensive income     | (201)                | (98)                 |
|   | <b>50,299</b>        | <b>41,832</b>        |

#### Nature and Purpose of reserves.

##### Securities Premium Account

Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

##### Share options outstanding account

Employee Share options reserve represents the cumulative expense recognized for equity-settled transactions at each reporting date until the employee share options are exercised/expired upon which such amount is transferred to Profit and Loss.

##### Retained Earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

## Notes forming part of the Standalone Financial Statements

### 17 Other equity (Contd...)

#### Capital Reserve

The Company recognizes difference between the amount of consideration paid and net worth of acquired business as capital reserve for common control business combination transactions.

#### Cash flow hedge reserve

When a derivative is designated as cashflow hedging instrument, the effective portion of changes in the fair value of derivative is recognised in Other comprehensive income (OCI) and accumulated in cashflow hedge reserve.

Cumulative gains or losses previously recognised in cashflow hedge reserve are recognised in the statement of profit and loss in the period in which such transaction occurs/hedging instruments are settled/ cancelled.

### 18 Other financial liabilities

|                                  | (₹ in million)          |                         |
|----------------------------------|-------------------------|-------------------------|
|                                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Lease liabilities                | 4,954                   | 3,446                   |
| Derivative financial instruments | 13                      | 165                     |
|                                  | <b>4,967</b>            | <b>3,611</b>            |

### 19 Trade payable

| Particulars                                   | (₹ in million)       |                     |                 |                 |          |               |
|---|----------------------|---------------------|-----------------|-----------------|----------|---------------|
|   | As at March 31, 2024 |                     |                 |                 |          |               |
|   | Not Due              | Less than<br>1 year | 1 to 2<br>year  | 2 to 3<br>year  | > 3 year | Total         |
| Undisputed due to micro and small enterprises | 185                  | 2                   | - <sup>**</sup> | - <sup>**</sup> | -        | 187           |
| Undisputed due to others*                     | 9,578                | 2,565               | 491             | 533             | 8        | 13,175        |
| Disputed due to micro and small enterprises   | -                    | -                   | -               | -               | -        | -             |
| Disputed due to others*                       | -                    | -                   | -               | -               | -        | -             |
|   | <b>9,763</b>         | <b>2,567</b>        | <b>491</b>      | <b>533</b>      | <b>8</b> | <b>13,362</b> |

| Particulars                                   | (₹ in million)       |                     |                |                |          |               |
|---|----------------------|---------------------|----------------|----------------|----------|---------------|
|   | As at March 31, 2024 |                     |                |                |          |               |
|   | Not Due              | Less than<br>1 year | 1 to 2<br>year | 2 to 3<br>year | > 3 year | Total         |
| Undisputed due to micro and small enterprises | 103                  | - <sup>**</sup>     | -              | -              | -        | 103           |
| Undisputed due to others*                     | 9,636                | 2,111               | 153            | 12             | 1        | 11,913        |
| Disputed due to micro and small enterprises   | -                    | -                   | -              | -              | -        | -             |
| Disputed due to others*                       | -                    | -                   | -              | -              | -        | -             |
|   | <b>9,739</b>         | <b>2,111</b>        | <b>153</b>     | <b>12</b>      | <b>1</b> | <b>12,016</b> |

\* Includes dues to subsidiaries and fellow subsidiaries (refer note 43)

\*\*represents value less than 0.5 million

### 20 Other financial liabilities

|   | (₹ in million)          |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Lease liabilities                       | 1,319                   | 795                     |
| Unclaimed dividend                      | 6                       | 4                       |
| Due to others                           |                         |                         |
| Liability towards employee compensation | 1,889                   | 3,302                   |

## Notes forming part of the Standalone Financial Statements

### 20 Other financial liabilities (Contd...)

|  | (₹ in million)          |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Other payables                             | 46                      | 79                      |
| Derivative financial instruments           | 53                      | 313                     |
| Suppliers ledger - capital goods/services  | 127                     | 81                      |
| Consideration payable on business purchase | -                       | 7,978                   |
|  | <b>3,440</b>            | <b>12,552</b>           |

### 21 Other current liabilities

|   | (₹ in million)          |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Unearned revenue including contract liabilities | 2,245                   | 2,575                   |
| Other payables                                  | 2,377                   | 1,889                   |
| Liability - employee car schemes                | 148                     | 136                     |
|   | <b>4,770</b>            | <b>4,600</b>            |

### 22 Provisions

|                                  | (₹ in million)          |                         |
|----------------------------------|-------------------------|-------------------------|
|                                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>Current</b>                   |                         |                         |
| Provisions for employee benefits | 1,527                   | 1,316                   |
|                                  | <b>1,527</b>            | <b>1,316</b>            |
| <b>Non Current</b>               |                         |                         |
| Provisions for employee benefits | 83                      | 52                      |
|                                  | <b>83</b>               | <b>52</b>               |

### 23 Revenue from operations

|                                     | (₹ in million)               |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Engineering and technology services | 86,789                       | 79,100                       |
|                                     | <b>86,789</b>                | <b>79,100</b>                |

#### Disaggregation of Revenue :

The tables below present disaggregated revenue from contracts with customers by business segment and nature of contract. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

|                                      | (₹ in million)               |                              |
|--------------------------------------|------------------------------|------------------------------|
|                                      | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| <b>Revenue by nature of Contract</b> |                              |                              |
| Fixed price contracts                | 33,375                       | 28,132                       |
| Time and materials contracts         | 53,414                       | 50,968                       |
| <b>Total</b>                         | <b>86,789</b>                | <b>79,100</b>                |
| <b>Revenue by Geography</b>          |                              |                              |
| North America                        | 43,584                       | 41,061                       |
| Europe                               | 15,228                       | 12,930                       |
| India                                | 21,031                       | 18,857                       |
| Rest of World                        | 6,946                        | 6,252                        |
| <b>Total</b>                         | <b>86,789</b>                | <b>79,100</b>                |
| <b>Revenue by Region</b>             |                              |                              |
| Onsite                               | 29,398                       | 25,713                       |
| Offshore                             | 57,391                       | 53,387                       |
| <b>Total</b>                         | <b>86,789</b>                | <b>79,100</b>                |



## Notes forming part of the Standalone Financial Statements

### 23 Revenue from operations (Contd...)

#### Fixed price contracts:

Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over the time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

#### Time and materials contracts:

Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer.

### 24 Other income

|   | (₹ in million)                       |                                      |
|---|--------------------------------------|--------------------------------------|
|   | <b>Year ended<br/>March 31, 2024</b> | <b>Year ended<br/>March 31, 2023</b> |
| Interest income**   | 816                                  | 876                                  |
| Foreign exchange gain/ (loss)*  | 467                                  | 652                                  |
| Net gain/(loss) on sale of investment   | 465                                  | 406                                  |
| Gain/(loss) from mutual fund investments (measured at fair value through profit and loss) | 28                                   | (69)                                 |
| Profit/ (loss) on disposal of property, plant and equipment and ROU                       | 163                                  | 16                                   |
| Miscellaneous income  | 92                                   | 136                                  |
|   | <b>2,031</b>                         | <b>2,017</b>                         |

\* The foreign exchange gain reported above includes gain of ₹ 403 million (previous year: ₹ 203 million loss) being effective portion of the gain/loss on derivative instruments which are designated as cash flow hedges.

\*\* Interest income includes interest earned and accrued interest on account of investment in various instruments such as commercial paper, fixed deposits, Non convertible debentures etc.

### 25 Employee benefits expenses\*

|  | (₹ in million)                       |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>March 31, 2024</b> | <b>Year ended<br/>March 31, 2023</b> |
| Salaries including overseas staff expenses | 41,276                               | 37,759                               |
| Contribution to and provision for:         |                                      |                                      |
| Contribution to provident and pension fund | 1,100                                | 902                                  |
| Contribution to gratuity fund              | 240                                  | 189                                  |
| Share based payments to employees          | 434                                  | 816                                  |
| Staff welfare expenses                     | 453                                  | 520                                  |
|  | <b>43,503</b>                        | <b>40,186</b>                        |

\*Refer Note no.41 for disclosure pertaining to IND AS - 19 - Employee benefits

## Notes forming part of the Standalone Financial Statements

### 26 Other expenses

(₹ in million)

|   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| Subcontracting and component charges              | 10,140                       | 7,228                        |
| Engineering and technical consultancy fees        | 3,278                        | 3,245                        |
| Cost of computer software                         | 2,654                        | 1,918                        |
| Travel expense                                    | 2,260                        | 2,221                        |
| Other operating expenses                          | 1,583                        | 3,432                        |
| Rent and establishment expenses                   | 363                          | 249                          |
| Communication expenses                            | 323                          | 332                          |
| Legal and professional charges                    | 626                          | 504                          |
| Advertisement and sales promotion                 | 350                          | 246                          |
| Recruitment                                       | 350                          | 486                          |
| Repairs to buildings & machineries                | 596                          | 448                          |
| General repairs and maintenance                   | 251                          | 209                          |
| Power and fuel                                    | 378                          | 305                          |
| Equipment hire charges                            | 36                           | 53                           |
| Insurance charges                                 | 205                          | 152                          |
| Rates and taxes                                   | 372                          | 379                          |
| Bad debts written off                             | 414                          | 140                          |
| Allowances for doubtful debts on trade receivable | (61)                         | (47)                         |
| ECL on unbilled revenue                           | (43)                         | 95                           |
| Overheads charged by group companies              | 28                           | 228                          |
| Trademark fees                                    | 241                          | 120                          |
| Corporate social responsibility                   | 219                          | 189                          |
| Commission to Directors                           | 30                           | 27                           |
| Miscellaneous expenses                            | 399                          | 320                          |
|   | <b>24,992</b>                | <b>22,479</b>                |

### 27 Finance costs

(₹ in million)

|                              | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|------------------------------|------------------------------|------------------------------|
| Interest on lease liability  | 410                          | 360                          |
| Interest on bill discounting | 63                           | 32                           |
| Interest - others            | 4                            | 10                           |
|                              | <b>477</b>                   | <b>402</b>                   |

### 28 Provision for taxation

(₹ in million)

|                                     | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| Current tax                         |                              |                              |
| Current tax on profits for the year | 4,595                        | 4,260                        |
| Tax expenses for prior periods      | 37                           | 70                           |
| Deferred tax                        | 174                          | 142                          |
|                                     | <b>4,806</b>                 | <b>4,472</b>                 |

## Notes forming part of the Standalone Financial Statements

### 29 Basic and diluted earning per equity share

(₹ in million except stated otherwise)

|   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>Basic EPS</b>  |                              |                              |
| Profit after tax  | 12,585                       | 11,532                       |
| Profit attributable to equity shareholders  | 12,585                       | 11,532                       |
| Number of shares considered as basic weighted average shares outstanding                      | 105,697,381                  | 105,571,928                  |
| Basic EPS (₹)   | 119.06                       | 109.23                       |
| <b>Diluted EPS</b>  |                              |                              |
| Profit after tax  | 12,585                       | 11,532                       |
| Profit attributable to equity shareholders  | 12,585                       | 11,532                       |
| Number of shares considered as basic weighted average shares outstanding                      | 105,697,381                  | 105,571,928                  |
| Add - Effect of dilutive issues of stock options  | 289,988                      | 307,701                      |
| Number of shares considered as basic weighted average shares and potential shares outstanding | 105,987,369                  | 105,879,629                  |
| Diluted EPS (₹)   | <b>118.74</b>                | <b>108.91</b>                |

- 30** Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 262 million (previous year: ₹ 1,459 million).

### 31 Contingent liability

(₹ in million)

|                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------|-------------------------|-------------------------|
| Corporate guarantee | 1,376                   | 1,356                   |
|                     | <b>1,376</b>            | <b>1,356</b>            |

Corporate 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

### 32 Details of payment to auditors

(₹ in million)

|  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--|------------------------------|------------------------------|
| <b>Payment to auditors (excluding taxes)</b> |                              |                              |
| Audit fee                                    | 1.5                          | 1.5                          |
| Limited review                               | 2.3                          | 1.8                          |
| Taxation matters                             | 0.3                          | 0.3                          |
| Certification work                           | 0.2                          | 0.2                          |
| Re-imburement of expenses                    | 0.3                          | 0.5                          |
|  | <b>4.6</b>                   | <b>4.3</b>                   |

## Notes forming part of the Standalone Financial Statements

### 33 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, sports for disabled & 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 ₹ 230 million (previous year: ₹ 199 million).
- c) Amount spent during the year: (₹ in million)

| Particulars   | Year ended March 31, 2024 |                        |            | Year ended March 31, 2023 |                        |            |
|---|---------------------------|------------------------|------------|---------------------------|------------------------|------------|
|   | 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 26 - Corporate social responsibility)* | 219                       | -                      | 219        | 189                       | -                      | 189        |
| iii) On purposes other than (i) above (disclosed under note 25 & 26)                              | 11                        | -                      | 11         | 10                        | -                      | 10         |
| (iv) Amount shown in balance sheet as part of prepaid CSR spent**                                 | 11                        | -                      | 11         | 13                        | -                      | 13         |
| <b>Total</b>  | <b>241</b>                | <b>-</b>               | <b>241</b> | <b>212</b>                | <b>-</b>               | <b>212</b> |

\* ₹ 12.78 million transferred to prepaid CSR spent in FY 22-23 utilised in current year against CSR spent Obligation.

\*\* Out of total CSR amount spent during the year, ₹ 10.68 million (previous year ₹ 12.78 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 - ₹ 5.00 million (previous year ₹ 3.36 million) spent on CSR through L&T Public Charitable Trust on Education and Skill development.

### 34 Capital Management Note

The key objective of the Company's capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The Company determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through operating cash flows generated, and equity. The Company is not subject to any externally imposed capital requirements.

Capital Structure of the company is as under :-

| Particulars   | (₹ in million)       |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 |
| Equity attributable to shareholders of the company (A)                          | 50,511               | 42,043               |
| As a % of total capital   | 89.0%                | 90.8%                |
| Borrowings  | -                    | -                    |
| Lease Liabilities   | 6,273                | 4,241                |
| <b>Total Borrowings and lease liabilities (B)</b>                               | <b>6,273</b>         | <b>4,241</b>         |
| As a % of total capital   | 11.0%                | 9.2%                 |
| <b>Total Capital (Equity, Borrowings and lease liabilities) (C) = (A) + (B)</b> | <b>56,784</b>        | <b>46,284</b>        |

As evident from the above table, the Company is predominantly equity-financed. Also, the company has been generating healthy free cash flow along with major investments in liquid instruments. 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.

## Notes forming part of the Standalone Financial Statements

### 35 Financial ratios :

| Ratio                            | Numerator  | Denominator   | For year ended<br>March 31, 2024 | For year ended<br>March 31, 2023 | Variance<br>% |
|----------------------------------|--|---|----------------------------------|----------------------------------|---------------|
| Current Ratio**                  | Total current assets   | Total current liabilities   | 2.44                             | 1.90                             | 28.18%        |
| Debt Equity Ratio                | Debt consists of lease liabilities   | Total equity  | 0.12                             | 0.10                             | 23.16%        |
| Debt Service Coverage Ratio      | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest | Debt service= Lease payments  | 10.89                            | 12.85                            | (15.19)%      |
| Return on Equity Ratio           | Profit for the year less Preference dividend (if any)                                      | Average total equity  | 27.19%                           | 28.15%                           | (3.41)%       |
| Trade Receivables Turnover Ratio | Revenue from operations  | Average trade receivables   | 4.32                             | 3.70                             | 16.50%        |
| Trade Payables Turnover Ratio    | Adjusted expenses*   | Average trade payables  | 1.93                             | 1.73                             | 11.66%        |
| Net capital turnover ratio       | Revenue from operations  | Average working capital (i.e., Total current assets less Total current liabilities) | 2.77                             | 2.80                             | (1.25)%       |
| Net profit %                     | Profit for the year  | Revenue from operations   | 14.50%                           | 14.58%                           | (0.53)%       |
| EBITDA %                         | Earnings before interest, taxes, depreciation and amortization                             | Revenue from operations   | 21.08%                           | 20.78%                           | 1.45%         |
| EBIT %                           | Earnings before interest and taxes   | Revenue from operations   | 18.25%                           | 18.19%                           | 0.31%         |
| Return on capital employed       | Profit before tax and Interest   | Average capital employed (Capital employed = Net worth)                             | 34.54%                           | 36.11%                           | (4.33)%       |
| Return on investment             | Income generated from invested funds   | Average invested funds in treasury investments                                      | 5.24%                            | 4.93%                            | 6.23%         |

#### Note :

\*Adjusted expenses - Other expense net of CSR expense, bad debts written off and allowances for doubtful debts.

#### Explanation for variances exceeding 25% :

\*\* Improvement in cash management has resulted in higher investment and positive working capital along with reduction in current liabilities on account of consideration paid during FY 2023-24 towards business acquisition.

### 36 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:

(₹ in million except stated otherwise)

| Particulars                  | As at March 31, 2024 |                   |                      |                     | As at March 31, 2023 |                  |                      |                     |
|------------------------------|----------------------|-------------------|----------------------|---------------------|----------------------|------------------|----------------------|---------------------|
|                              | Nominal amount       | Average rate* (₹) | Within twelve months | After twelve months | Nominal amount       | Average rate (₹) | Within twelve months | After twelve months |
| <b>(a) Receivable hedges</b> |                      |                   |                      |                     |                      |                  |                      |                     |
| US Dollar                    | 78,445               | 87.61             | 36,798               | 41,647              | 75,882               | 88.41            | 39,222               | 36,660              |
| EURO                         | 3,135                | 95.00             | 2,520                | 615                 | 6,230                | 95.85            | 4,493                | 1,737               |
| GBP                          | 929                  | 103.26            | 929                  | -                   | 2,390                | 99.59            | 1,461                | 929                 |

## Notes forming part of the Standalone Financial Statements

### 36 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": (Contd...)

(₹ in million except stated otherwise)

| Particulars               | As at March 31, 2024 |                   |                      |                     | As at March 31, 2023 |                  |                      |                     |
|---------------------------|----------------------|-------------------|----------------------|---------------------|----------------------|------------------|----------------------|---------------------|
|                           | Nominal amount       | Average rate* (₹) | Within twelve months | After twelve months | Nominal amount       | Average rate (₹) | Within twelve months | After twelve months |
| <b>(b) Payable hedges</b> |                      |                   |                      |                     |                      |                  |                      |                     |
| US Dollar                 | 4,064                | 85.40             | 3,449                | 615                 | 8,620                | 83.48            | 5,954                | 2,666               |
| EURO                      | 733                  | 81.44             | 733                  | -                   | 2,766                | 85.10            | 1,996                | 770                 |
| GBP                       | 399                  | 88.69             | 399                  | -                   | 1,096                | 91.33            | 697                  | 399                 |

\*Average rate is attributable to forward contracts only.

#### ii) Carrying amounts of hedge instruments for which hedge accounting is followed:

(₹ in million)

| Cashflow hedge              | As at March 31, 2024 |              |       | As at March 31, 2023 |              |       |
|-----------------------------|----------------------|--------------|-------|----------------------|--------------|-------|
|                             | Current              | Non- current | Total | Current              | Non- current | Total |
| Other financial assets      | 469                  | 885          | 1,354 | 331                  | 479          | 810   |
| Other financial liabilities | 53                   | 13           | 66    | 313                  | 165          | 478   |

#### iii) Break up of hedging reserve

(₹ in million)

| Cash flow hedging reserve                       | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balance towards continuing hedge                | 808                  | 8                    |
| Balance for which hedge accounting discontinued | 7                    | 288                  |
| <b>Total</b>                                    | <b>815</b>           | <b>296</b>           |

#### iv) Movement of hedging reserve

(₹ in million)

| Hedging reserve  | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Opening balance  | 296                  | 1,895                |
| Changes in fair value of forward and options contracts designated as hedging instruments         | 1,087                | (1,879)              |
| Amount reclassified to statement of profit and loss where hedge item has become on-balance sheet | (393)                | (258)                |
| Tax impact on above  | (175)                | 538                  |
| <b>Closing balance</b>   | <b>815</b>           | <b>296</b>           |

## 37 Segment reporting

### (a) Description of segments and principal activities

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chief Executive Officer.

The company has identified business segments as reportable segments. The business segments comprise of :-

- Transportation
- Industrial products
- Hi-tech communications and media
- Plant Engineering
- Medical Devices

## Notes forming part of the Standalone Financial Statements

### 37 Segment reporting (Contd...)

**Brief description of each segment and principal activities are as under:**

- 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. Hi-Tech communications and media:** Hi-Tech communications and media 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:** Plant engineering 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:

| Particulars                                      | (₹ in million) |                     |                     |                   |                 |               |
|--|----------------|---------------------|---------------------|-------------------|-----------------|---------------|
|  | Transportation | Industrial Products | Telecom and Hi-tech | Plant Engineering | Medical Devices | Total         |
| <b>Revenue</b>                                   | <b>27,699</b>  | <b>16,117</b>       | <b>21,374</b>       | <b>13,295</b>     | <b>8,304</b>    | <b>86,789</b> |
| <b>% to Total</b>                                | <b>31.9%</b>   | <b>18.6%</b>        | <b>24.6%</b>        | <b>15.3%</b>      | <b>9.6%</b>     | <b>100.0%</b> |
|  | 23,784         | 15,013              | 19,215              | 12,662            | 8,426           | 79,100        |
| <i>% to Total</i>                                | <i>30.0%</i>   | <i>19.0%</i>        | <i>24.3%</i>        | <i>16.0%</i>      | <i>10.7%</i>    | <i>100.0%</i> |
| <b>Segment operating profits</b>                 | <b>5,786</b>   | <b>4,824</b>        | <b>2,204</b>        | <b>3,561</b>      | <b>2,703</b>    | <b>19,078</b> |
| <b>% to Revenue</b>                              | <b>20.9%</b>   | <b>29.9%</b>        | <b>10.3%</b>        | <b>26.8%</b>      | <b>32.5%</b>    | <b>22.0%</b>  |
|  | 4,627          | 4,518               | 2,354               | 3,279             | 2,682           | 17,460        |
| <i>% to Revenue</i>                              | <i>19.5%</i>   | <i>30.1%</i>        | <i>12.3%</i>        | <i>25.9%</i>      | <i>31.8%</i>    | <i>22.1%</i>  |
| <b>Un-allocable expenses (net)</b>               |                |                     |                     |                   |                 | <b>784</b>    |
|  |                |                     |                     |                   |                 | 1,025         |
| <b>Other income</b>                              |                |                     |                     |                   |                 | <b>2,031</b>  |
|  |                |                     |                     |                   |                 | 2,017         |
| <b>Operating profit</b>                          |                |                     |                     |                   |                 | <b>20,325</b> |
|  |                |                     |                     |                   |                 | 18,452        |
| <b>Finance cost</b>                              |                |                     |                     |                   |                 | <b>477</b>    |
|  |                |                     |                     |                   |                 | 402           |
| <b>Depreciation</b>                              |                |                     |                     |                   |                 | <b>2,457</b>  |
|  |                |                     |                     |                   |                 | 2,046         |
| <b>Profit before extraordinary items and tax</b> |                |                     |                     |                   |                 | <b>17,391</b> |
|  |                |                     |                     |                   |                 | 16,004        |

# Notes forming part of the Standalone Financial Statements

## 37 Segment reporting (Contd...)

- (ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

| Particulars                               | (₹ in million) |               |               |               | Total         |
|---|----------------|---------------|---------------|---------------|---------------|
|   | North America  | Europe        | India         | Rest of World |               |
| External revenue by location of customers | 43,584         | 15,228        | 21,031        | 6,946         | 86,789        |
|   | <i>41,061</i>  | <i>12,930</i> | <i>18,857</i> | <i>6,252</i>  | <i>79,100</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 March 31, 2024 and 2023.
- (iv) The Company is streamlining and simplifying its organizational structure into 3 main segments to drive future growth, scalability and technology innovation effective April 1, 2024. The Company will consolidate its existing five segments into three: Mobility, Sustainability, and Hi-Tech, as part of the Company's 'Go Deeper to Scale' strategy to meet evolving customer demands. The Mobility segment will encompass Automotive, Commercial Vehicles and Aerospace verticals. Sustainability will cover Industrial Machinery & Building Technology, Electric & Power, FMCG and Oil & Gas. The Hi-Tech segment will include MedTech, Semiconductors, Consumer Electronics, Hyperscalers and NexGen Comm verticals.

## 38 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 accumulated 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 +/- ₹ 12.07 million as of March 31, 2024, and +/- ₹ 21.89 million as of March 31, 2023. 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.



## Notes forming part of the Standalone Financial Statements

### 38 Financial risk management (Contd...)

#### 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 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 ₹172 million as of March 31, 2024 and ₹ 233 million as of March 31, 2023.

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, 2024 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 ₹ 146 million as at March 31, 2024 and ₹ 248 million as at March 31, 2023. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

|   | (₹ in million) |         |
|---|----------------|---------|
|   | 2023-24        | 2022-23 |
| Opening balance of allowances for doubtful accounts | 248            | 176     |
| Allowances recognized (reversed)                    | (102)          | 72      |
| Closing balance of allowances for doubtful accounts | 146            | 248     |

The percentage of revenue from its top five customers is 15% for 2023-24 (14% for 2022-23).

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.

## Notes forming part of the Standalone Financial Statements

### 38 Financial risk management (Contd...)

#### 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.

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 March 31, 2024 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:

(₹ in million)

| Financial assets       | As at March 31, 2024 |                     |               | As at March 31, 2023 |                     |               |
|------------------------|----------------------|---------------------|---------------|----------------------|---------------------|---------------|
|                        | Less than<br>1 year  | More than<br>1 year | Total         | Less than<br>1 year  | More than<br>1 year | Total         |
| Investments            | 12,572               | 1,991               | 14,563        | 20,748               | 1,752               | 22,500        |
| Trade receivables      | 20,540               | -                   | 20,540        | 19,682               | -                   | 19,682        |
| Other financial assets | 982                  | 749                 | 1,731         | 1,768                | 553                 | 2,321         |
| <b>Total</b>           | <b>34,094</b>        | <b>2,740</b>        | <b>36,834</b> | <b>42,198</b>        | <b>2,305</b>        | <b>44,503</b> |

(₹ in million)

| Financial liabilities       | As at March 31, 2024 |                     |               | As at March 31, 2023 |                     |               |
|-----------------------------|----------------------|---------------------|---------------|----------------------|---------------------|---------------|
|                             | Less than<br>1 year  | More than<br>1 year | Total         | Less than<br>1 year  | More than<br>1 year | Total         |
| Trade payables              | 13,362               | -                   | 13,362        | 12,016               | -                   | 12,016        |
| Lease liabilities           | 1,319                | 4,954               | 6,273         | 795                  | 3,446               | 4,241         |
| Other financial liabilities | 2,068                | -                   | 2,068         | 11,444               | -                   | 11,444        |
| <b>Total</b>                | <b>16,749</b>        | <b>4,954</b>        | <b>21,703</b> | <b>24,255</b>        | <b>3,446</b>        | <b>27,701</b> |

### 39 Fair value measurements

#### Financial instruments by category

(₹ in million)

|   | As at March 31, 2024 |       |                   | As at March 31, 2023 |       |                   |
|---|----------------------|-------|-------------------|----------------------|-------|-------------------|
|   | FVPL                 | FVOCI | Amortised<br>Cost | FVPL                 | FVOCI | Amortised<br>Cost |
| <b>Financial assets</b>                             |                      |       |                   |                      |       |                   |
| Investments (other than those held in subsidiary)   |                      |       |                   |                      |       |                   |
| - Mutual funds                                      | 6,452                | -     | -                 | 11,701               | -     | -                 |
| - Bank fixed deposits                               | -                    | -     | 51                | -                    | -     | 2                 |
| - Corporate deposits                                | -                    | -     | 4,168             | -                    | -     | 5,060             |
| - Non Convertible Debentures                        | -                    | -     | 1,741             | -                    | -     | 1,632             |
| - Commercial papers                                 | -                    | -     | 2,202             | -                    | -     | 2,672             |
| - Certificate of Deposits                           | -                    | -     | -                 | -                    | -     | 1,435             |
| Trade receivables                                   | -                    | -     | 20,540            | -                    | -     | 19,682            |
| Cash and cash equivalents                           | -                    | -     | 9,095             | -                    | -     | 4,603             |
| Other bank balances                                 | -                    | -     | 2,684             | -                    | -     | 1,553             |
| Derivative financial instruments                    | -                    | 1,354 | -                 | -                    | 810   | -                 |
| Security deposits                                   | -                    | -     | 788               | -                    | -     | 567               |
| Premium receivable on financial guarantee contracts | -                    | -     | -                 | -                    | -     | -                 |
| Loans - related parties                             | -                    | -     | 26                | -                    | -     | 768               |
| Advances - to employees                             | -                    | -     | 93                | -                    | -     | 87                |

## Notes forming part of the Standalone Financial Statements

### 39 Fair value measurements (Contd...)

(₹ in million)

|  | As at March 31, 2024 |              |                | As at March 31, 2023 |            |                |
|--|----------------------|--------------|----------------|----------------------|------------|----------------|
|  | FVPL                 | FVOCI        | Amortised Cost | FVPL                 | FVOCI      | Amortised Cost |
| Other receivables                        | -                    | -            | 824            | -                    | -          | 900            |
| <b>Total financial assets</b>            | <b>6,452</b>         | <b>1,354</b> | <b>42,212</b>  | <b>11,701</b>        | <b>810</b> | <b>38,961</b>  |
| <b>Financial liabilities</b>             |                      |              |                |                      |            |                |
| Borrowings                               | -                    | -            | -              | -                    | -          | -              |
| Trade payables                           | -                    | -            | 13,362         | -                    | -          | 12,016         |
| Derivative financial instruments         | -                    | 66           | -              | -                    | 478        | -              |
| Lease liability                          | -                    | -            | 6,273          | -                    | -          | 4241           |
| Supplier ledger - capital goods/services | -                    | -            | 127            | -                    | -          | 81             |
| Liability towards employee compensation  | -                    | -            | 1,889          | -                    | -          | 3,302          |
| Unclaimed dividend                       | -                    | -            | 6              | -                    | -          | 4              |
| Other payables                           | -                    | -            | 46             | -                    | -          | 8,057          |
| <b>Total financial liabilities</b>       | <b>-</b>             | <b>66</b>    | <b>21,703</b>  | <b>-</b>             | <b>478</b> | <b>27,701</b>  |

#### (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.

(₹ in million)

| Financial assets and liabilities measured at fair value - recurring fair value measurements | As at March 31, 2024 |              |          |              | As at March 31, 2023 |            |          |               |
|---|----------------------|--------------|----------|--------------|----------------------|------------|----------|---------------|
|   | Level 1              | Level 2      | Level 3  | Total        | Level 1              | Level 2    | Level 3  | Total         |
| <b>Financial assets</b>   |                      |              |          |              |                      |            |          |               |
| Financial investment at FVPL  |                      |              |          |              |                      |            |          |               |
| - Mutual funds  | 6,452                | -            | -        | 6,452        | 11,701               | -          | -        | 11,701        |
| Financial investment at FVOCI   |                      |              |          |              |                      |            |          |               |
| - Unquoted equity investments   | -                    | -            | -        | -            | -                    | -          | -        | -             |
| - Derivative financial instruments  | -                    | 1,354        | -        | 1,354        | -                    | 810        | -        | 810           |
| <b>Total financial assets</b>   | <b>6,452</b>         | <b>1,354</b> | <b>-</b> | <b>7,806</b> | <b>11,701</b>        | <b>810</b> | <b>-</b> | <b>12,511</b> |
| <b>Financial liabilities</b>  |                      |              |          |              |                      |            |          |               |
| Derivative financial instruments  |                      | 66           |          | 66           |                      | 478        |          | 478           |
| <b>Total financial liabilities</b>  | <b>-</b>             | <b>66</b>    | <b>-</b> | <b>66</b>    | <b>-</b>             | <b>478</b> | <b>-</b> | <b>478</b>    |

**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

## Notes forming part of the Standalone Financial Statements

### 39 Fair value measurements (Contd...)

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 financials assets and financial liabilities are considered to be the same as their fair values owing to their short term nature.

### 40 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. Particulars<br>no.  | (₹ in million)           |               |
|---|--------------------------|---------------|
|   | Year ended 31 March,     |               |
|   | 2024                     | 2023          |
| (a) Profit before tax - Company   | 17,391                   | 15,575        |
| Profit before tax on business acquisition and amalgamated subsidiaries*       | -                        | 429           |
| <b>Total</b>  | <b>17,391</b>            | <b>16,004</b> |
| (b) Corporate tax rate as per Income tax Act, 1961                            | 25.17%                   | 25.17%        |
| (c) Tax on accounting profit-Company  | (c)=(a)*(b)<br>4,377     | 3,920         |
| Tax on accounting profit - business acquisition and amalgamated subsidiaries* |                          | 1             |
| <b>Total</b>  | <b>4,377</b>             | <b>3,921</b>  |
| (d) (i) Effect of non-deductible expenses                                     | 55                       | 49            |
| (ii) Overseas taxes   | 359                      | 312           |
| (iii) Tax effect on various other items                                       | 15                       | 190           |
| <b>Total effect of tax adjustments [(i) to (iii)]</b>                         | <b>429</b>               | <b>551</b>    |
| (e) Tax expense recognised during the year                                    | (e) = (c) + (d)<br>4,806 | 4,472         |
| (f) Effective tax rate  | (f)=(e)/(a)<br>27.63%    | 27.94%        |

The applicable Indian statutory tax rate for fiscal year 2024 and 2023 is 25.17%.

Overseas taxes are on account of income taxes payable overseas, principally in the United States of America.

## Notes forming part of the Standalone Financial Statements

### 40 Tax reconciliation statement (Contd...)

\*During the year Company have acquired Smart World Communications (SWC) from Larsen & Toubro Limited and also amalgamated its subsidiaries, Graphene Semiconductor Private Limited, Seastar Labs Private Limited and Esencia India Private Limited. Due to these business acquisition and amalgamation of subsidiaries the tax charge for previous years has been re-stated.

### 41 Disclosure pursuant to Ind AS 19 "Employee benefits"

#### i) Defined contribution plan

The Company has recognised ₹ 2,089 million (previous year ₹ 1,757 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:

| (₹ in million)  |                      |                      |                                      |                      |   |                      |
|---|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|   | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|   | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| A. Present value of defined benefit obligation        |                      |                      |                                      |                      |   |                      |
| Wholly funded   | 1,495                | 1,185                | -                                    | -                    | 10,204  | 7,924                |
| Wholly unfunded                                       | 6                    | 6                    | 85                                   | 54                   | -   | -                    |
| <b>Total (a)</b>                                      | <b>1,501</b>         | <b>1,191</b>         | <b>85</b>                            | <b>54</b>            | <b>10,204</b>                                       | <b>7,924</b>         |
| Less: Fair value of plan assets (b)                   | 1,100                | 880                  | -                                    | -                    | 10,665  | 8,104                |
| Amount to be recognised as liability or (asset) (a-b) | 401                  | 311                  | 85                                   | 54                   | (461)   | (180)                |
| B. Amounts reflected in the balance sheet             |                      |                      |                                      |                      |   |                      |
| Liabilities   | 401                  | 311                  | 85                                   | 54                   | 193   | 157                  |
| Assets  |                      |                      |                                      |                      |   |                      |
| Net liability / (asset)                               | 401                  | 311                  | 85                                   | 54                   | 193   | 157                  |

b) The amounts recognised in statement of profit and loss are as follows :

| (₹ in million)   |                      |                      |                                      |                      |   |                      |
|--|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|  | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|  | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| 1 Current service cost                                   | 221                  | 172                  | 27                                   | 27                   | 910   | 673                  |
| 2 Interest cost  | 11                   | 3                    | 5                                    | 4                    | 726   | 556                  |
| 3 Expected return on plan assets                         | -                    | -                    | -                                    | -                    | (726)   | (556)                |
| 4 Actuarial losses / (gains)                             | -                    | -                    | -                                    | -                    | 381   | 253                  |
| 5 Past service cost                                      | -                    | -                    | 14                                   | -                    | -   | -                    |
| 6 Actuarial gain/(loss) not recognized in books          | -                    | -                    | -                                    | -                    | (381)   | (253)                |
| <b>Total expense for the year included in staff cost</b> | <b>232</b>           | <b>175</b>           | <b>46</b>                            | <b>31</b>            | <b>910</b>  | <b>673</b>           |

## Notes forming part of the Standalone Financial Statements

### 41 Disclosure pursuant to Ind AS 19 "Employee benefits" (Contd...)

c) Amount recorded In other comprehensive income :

(₹ in million)

|   | Gratuity plan              |                            | Post retirement<br>medical benefit plan |                            |
|---|----------------------------|----------------------------|---|----------------------------|
|   | As at<br>March 31,<br>2024 | As at<br>March 31,<br>2023 | As at<br>March 31,<br>2024              | As at<br>March 31,<br>2023 |
| Opening amount recognized in OCI  | 301                        | 148                        | (182)                                   | (147)                      |
| Remeasurement during the period due to                                  |                            |                            |   |                            |
| a Changes in financial assumptions                                      | (24)                       | (58)                       | 1                                       | (10)                       |
| b Changes in demographic assumptions                                    | 1                          | -                          | 8                                       | -                          |
| c Experience adjustments  | 133                        | 205                        | (33)                                    | (25)                       |
| d Actual return on plan assets less interest on plan assets             | 52                         | 6                          | -                                       | -                          |
| e Adjustment to recognize the effect of asset ceiling                   | -                          | -                          | -                                       | -                          |
| <b>Closing amount recognized in OCI outside profit and loss account</b> | <b>463</b>                 | <b>301</b>                 | <b>(206)</b>                            | <b>(182)</b>               |

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in million)

|   | Gratuity plan              |                            | Post retirement<br>medical benefit plan |                            | Provident Fund trust<br>managed by the<br>holding company |                            |
|---|----------------------------|----------------------------|---|----------------------------|---|----------------------------|
|   | As at<br>March 31,<br>2024 | As at<br>March 31,<br>2023 | As at<br>March 31,<br>2024              | As at<br>March 31,<br>2023 | As at<br>March 31,<br>2024                                | As at<br>March 31,<br>2023 |
| Opening balance of the present value of defined benefit obligation        | 1,191                      | 987                        | 54                                      | 58                         | 7,924   | 6,620                      |
| Transfer in/(out)   | -                          | -                          | -                                       | -                          | 927   | 382                        |
| Current service cost  | 222                        | 172                        | 27                                      | 27                         | 910   | 673                        |
| Past service cost   | -                          | -                          | 14                                      | -                          | -   | -                          |
| Interest on defined benefit obligation                                    | 80                         | 54                         | 5                                       | 4                          | 725   | 556                        |
| Remeasurements due to :   | -                          | -                          | -                                       | -                          | -   | -                          |
| Actuarial loss/(gain) arising from change in financial assumptions        | (24)                       | (58)                       | 1                                       | (10)                       | -   | -                          |
| Actuarial loss/(gain) arising from change in demographic assumptions      | 1                          | -                          | 8                                       | -                          | -   | -                          |
| Actuarial loss/(gain) arising on account of experience changes            | 133                        | 206                        | (33)                                    | (25)                       | -   | -                          |
| Contribution by plan participants   | -                          | -                          | -                                       | -                          | 1,361   | 1,064                      |
| Benefits paid   | (138)                      | (170)                      | (1)                                     | -**                        | (1,643)   | (1,371)                    |
| Liabilities assumed / (settled)*  | 36                         | -                          | 11                                      | -                          | -   | -                          |
| <b>Closing balance of the present value of defined benefit obligation</b> | <b>1,501</b>               | <b>1,191</b>               | <b>85</b>                               | <b>54</b>                  | <b>10,204</b>   | <b>7,924</b>               |

\*On account of business combination or inter group transfer

\*\* represents value less than 0.5 million

The Company expects to contribute ₹ 394 million towards its gratuity plan in FY 2024-25 (₹ 305.03 million in FY 2023-24)

## Notes forming part of the Standalone Financial Statements

### 41 Disclosure pursuant to Ind AS 19 "Employee benefits" (Contd...)

- e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in million)

|   | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|---|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| Opening balance of the fair value of the plan assets          | 880                  | 881                  | -                                    | -                    | 8,104   | 7,123                |
| Expected return on plan assets                                | -                    | -                    | -                                    | -                    | 725   | 556                  |
| Add / (less) : transfer in/(out)                              | -                    | -                    | -                                    | -                    | 927   | 382                  |
| Add/(less) : actuarial gains/ (losses)                        | -                    | -                    | -                                    | -                    | 381   | (253)                |
| Employer contributions  | 305                  | 124                  | 1                                    | -                    | 893   | 650                  |
| Contributions by plan participants                            | -                    | -                    | -                                    | -                    | 1,278   | 1,017                |
| Interest on plan assets                                       | 69                   | 51                   | -                                    | -                    | -   | -                    |
| Administration expenses                                       | -                    | -                    | -                                    | -                    | -   | -                    |
| Assets acquired on acquisition / (distributed on divestiture) | -                    | -                    | -                                    | -                    | -   | -                    |
| Remeasurements due to :                                       | -                    | -                    | -                                    | -                    | -   | -                    |
| Actual return on plan assets less interest on plan assets     | (52)                 | (6)                  | -                                    | -                    | -   | -                    |
| Benefits paid   | (138)                | (170)                | (1)                                  | -                    | (1,643)   | (1,371)              |
| Liabilities assumed / (settled)*                              | 36                   | -                    | -                                    | -                    | -   | -                    |
| Liabilities extinguished on settlements                       | -                    | -                    | -                                    | -                    | -   | -                    |
| <b>Closing balance of the plan assets</b>                     | <b>1,100</b>         | <b>880</b>           | <b>-</b>                             | <b>-</b>             | <b>10,665</b>                                       | <b>8,104</b>         |

\*On account of business combination or inter group transfer

- f) Sensitivity analysis :

|   | Gratuity plan        |                      | Post retirement medical benefit plan |                      |
|---|----------------------|----------------------|--------------------------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 |
| Impact of increase in 100 bps on defined benefit obligation |                      |                      |                                      |                      |
| Discount rate   | (4.21)%              | (4.11)%              |                                      |                      |
| Salary escalation rate                                      | 4.62%                | 4.26%                |                                      |                      |
| Impact of decrease in 100 bps on defined benefit obligation |                      |                      |                                      |                      |
| Discount rate   | 4.57%                | 4.45%                |                                      |                      |
| Salary escalation rate                                      | (4.33)%              | (4.05)%              |                                      |                      |
| Discount rate   |                      |                      |                                      |                      |
| Impact of increase in 100 bps on defined benefit obligation |                      |                      | (12.04)%                             | (12.58)%             |

## Notes forming part of the Standalone Financial Statements

### 41 Disclosure pursuant to Ind AS 19 “Employee benefits” (Contd...)

|   | Gratuity plan        |                      | Post retirement medical benefit plan |                      |
|---|----------------------|----------------------|--------------------------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 |
| Impact of decrease in 100 bps on defined benefit obligation |                      |                      | 15.14%                               | 15.99%               |
| Healthcare costs rate                                       |                      |                      |                                      |                      |
| Impact of increase in 100 bps on defined benefit obligation |                      |                      | 0.00%                                | 9.52%                |
| Impact of decrease in 100 bps on defined benefit obligation |                      |                      | 0.00%                                | -7.85%               |
| Life expectancy   |                      |                      |                                      |                      |
| Impact of increase in 1 year on defined benefit obligation  |                      |                      | 1.14%                                | 1.16%                |
| Impact of decrease by 1 year on defined benefit obligation  |                      |                      | (1.20)%                              | (1.22)%              |

- 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   |                 | Provident Fund trust managed by the holding company |                 |
|--|-----------------|-----------------|---|-----------------|
|  | As at 31-3-2024 | As at 31-3-2023 | As at 31-3-2024                                     | As at 31-3-2023 |
| Government of India securities   |                 |                 | 9.53%   | 11.35%          |
| State government securities  |                 |                 | 35.36%  | 34.02%          |
| Corporate bonds  |                 |                 | 33.47%  | 32.21%          |
| Public sector bonds  | Scheme with LIC | Scheme with LIC | 3.44%   | 6.44%           |
| Mutual funds   |                 |                 | 10.32%  | 9.12%           |
| Fixed deposits under Special Deposit Scheme framed by central government and other allowable investments |                 |                 | 7.88%   | 6.85%           |

- h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

|  | As at March 31, 2024              | As at March 31, 2023              |
|--|-----------------------------------|-----------------------------------|
| 1 Discount rate:                         |                                   |                                   |
| (a) Gratuity plan                        | 7.15%                             | 7.30%                             |
| (b) Post retirement medical benefit plan | 7.15%                             | 7.30%                             |
| 2 Annual increase in healthcare costs    | 0.00%                             | 5.00%                             |
| 3 Salary growth rate                     | 5.00%                             | 5.50%                             |
| 4 Attrition rate                         | 21% to 30% for various age groups | 15% to 40% for various age groups |



## Notes forming part of the Standalone Financial Statements

### 41 Disclosure pursuant to Ind AS 19 “Employee benefits” (Contd...)

#### 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.

i) The amounts pertaining to defined benefit plans for the current year are as follows:

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
|   | (₹ in million)          |                         |
| <b>Gratuity plan (wholly funded/ unfunded)</b>                |                         |                         |
| 1 Defined benefit obligation                                  | 1,501                   | 1,191                   |
| 2 Plan assets   | 1,100                   | 880                     |
| 3 (Surplus) / deficit   | 401                     | 311                     |
| <b>Post retirement medical benefit plan (wholly unfunded)</b> | -                       | -                       |
| 1 Defined benefit obligation                                  | 85                      | 54                      |
| <b>Self - managed provident fund plan (wholly funded)</b>     | -                       | -                       |
| 1 Defined benefit obligation                                  | 10,204                  | 7,924                   |
| 2 Plan assets   | 10,665                  | 8,104                   |
| 3 (Surplus) / deficit   | (461)                   | (180)                   |

#### 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.

Unfunded gratuity represents a small part of gratuity plan which is not material. Further, the unfunded portion includes amounts payable in respect of the Company's foreign operations which results in gratuity payable to employees engaged as per local laws of country of operation.

##### 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.

## Notes forming part of the Standalone Financial Statements

### 41 Disclosure pursuant to Ind AS 19 “Employee benefits” (Contd...)

#### 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. The Plan allows the employee and Company’s contributions to vest 100% immediately. During the year ended March 31, 2024, the Company contributed ₹ 114 million towards the Plan (Previous year: ₹ 111 million)

### 42 Leases

| Particulars  | (₹ in million)       |              |
|--|----------------------|--------------|
|  | Year ended 31 March, |              |
|  | 2024                 | 2023         |
| <b>1</b> Classwise right of use assets (office premises)   |                      |              |
| Opening balance  | 3,498                | 3,809        |
| Addition during the year (net of deletion)   | 3,325                | 566          |
| Depreciation during the year   | 1,152                | 877          |
| Closing balance  | <b>5,671</b>         | <b>3,498</b> |
| <b>2</b> Repayment during the year (lease payment towards lease liability net of finance cost)   | (1,022)              | (773)        |
| <b>3</b> Maturity analysis of lease liability ( <b>undiscounted</b> )  |                      |              |
| Less than 1 year   | 1,765                | 1,096        |
| 1 to 5 years   | 4,999                | 3,039        |
| More than 5 years  | 1,090                | 1,651        |
| Total  | <b>7,854</b>         | <b>5,786</b> |
| Closing balance  |                      |              |
| Current liability  | 1,319                | 795          |
| Non-current liability  | 4,954                | 3,446        |
|  | <b>6,273</b>         | <b>4,241</b> |
| <b>4</b> Amount recognised in statement of profit and loss   |                      |              |
| Interest on lease liability  | 410                  | 360          |
| Rent expense - short term lease  | 334                  | 181          |
| <b>5</b> Lease commitment  |                      |              |
| During the year company has entered into lease commitment of ₹ 327 million for 5 Years (Undiscounted Lease liability) for a property in Hyderabad. ( previous year ₹ Nil). |                      |              |

### 43 Disclosure of related parties/related party transactions pursuant to Ind AS 24 “Related Party Disclosures”

#### 43 (1) (i) List of related parties over which control exists/exercised

| Name   | Relationship   |
|--|--|
| L&T Technology Services LLC*                   | Wholly owned subsidiary                                  |
| L&T Thales Technology Services Private Limited | Subsidiary   |
| L&T Technology services Pte. Ltd.              | Wholly owned subsidiary                                  |
| Graphene Solution SDN. BHD.                    | Wholly owned subsidiary                                  |
| Graphene Solutions Taiwan 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   |
| L&T Technology Services Poland sp. z o.o.      | Wholly owned subsidiary Incorporated on October 30, 2023 |

## Notes forming part of the Standalone Financial Statements

### 43 Disclosure of related parties/related party transactions pursuant to Ind AS 24 “Related Party Disclosures” (Contd...)

#### 43 (1) (ii) List of related parties which can exercise control

| Name                    | Relationship    |
|-------------------------|-----------------|
| Larsen & 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                       |
| Ms. Prajakta Powle  | Company Secretary                             |
| Mr. Alind Saxena    | Chief Sales Officer (W.e.f.26th April 2023)   |

#### Non-executive directors

|   |
|---|
| Mr. Anilkumar Manibhai Naik             |
| Mr. Sekharipuram Narayanan Subrahmanyam |
| Dr. Keshab Panda                        |

#### Independent directors

|  |
|--|
| Mr. Sudip Banerjee                             |
| Mr. Narayanan Kumar                            |
| Ms. Apurva Purohit                             |
| Mr. Chandrasekaran Ramakrishnan                |
| Mr. Luis Miranda                               |
| Ms. Aruna Sundararajan (W.e.f.26th April 2023) |

#### 43 (1) (iv) List of related parties with whom there were transactions during the year

| Name   | Relationship      |
|--|-------------------|
| Larsen & Toubro Limited                          | Holding company   |
| LTIMindtree Limited                              | Fellow subsidiary |
| LTIMindtree Financial Services Technologies Inc. | Fellow subsidiary |
| LTIMindtree Norge AS                             | Fellow subsidiary |
| Larsen & Toubro Saudi Arabia LLC                 | Fellow subsidiary |
| Larsen & Toubro (East Asia) SDN. BHD.            | Fellow subsidiary |
| L&T Realty Developers Limited                    | Fellow subsidiary |
| L&T Finance Limited                              | Fellow subsidiary |
| L&T Semiconductor Technologies Limited           | Fellow subsidiary |
| L&T Energy Hydrocarbon Engineering Limited       | Fellow subsidiary |
| L&T-Sargent & Lundy Limited                      | Joint Venture     |
| L&T Technology Services LLC                      | Subsidiary        |
| L&T Thales Technology Services Private Limited   | Subsidiary        |
| Graphene Solutions Taiwan Limited                | Subsidiary        |
| Graphene Solution SDN. BHD.                      | Subsidiary        |
| L&T Technology Services (Shanghai) Co. Ltd.      | Subsidiary        |
| L&T Technology Services (Canada) Ltd.            | Subsidiary        |

\*During the year, Orchestra Technology Inc is merged with L&T Technology Services LLC with effect from February 01, 2024. Hence, transactions for the year ended March 31, 2024 and balances as on March 31, 2024 of Orchestra Technology Inc are shown under L&T Technology Services LLC.

The Hon'ble National Company Law Tribunal, Mumbai Bench has vide order dated November 29, 2023, sanctioned a scheme of amalgamation of three wholly owned subsidiaries, Esencia Technologies India Private Limited, Graphene Semiconductor Services Private Limited and Seastar Labs Private Limited with the Company. The effective date of the scheme is April 01, 2022.

#### 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 |

## Notes forming part of the Standalone Financial Statements

### 43 Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures" (Contd...)

#### 43 (1) (vi) Disclosure of related party transactions

(₹ in million)

| Nature of transaction/relationship/major parties | March 31,<br>2024 | March 31,<br>2023 |
|--|-------------------|-------------------|
| <b>Trade receivable</b>                          |                   |                   |
| <b>Holding Company</b>                           | <b>1,107</b>      | <b>187</b>        |
| - Larsen & Toubro Limited                        | 1,107             | 187               |
| <b>Fellow subsidiaries</b>                       | <b>245</b>        | <b>242</b>        |
| - LTIMindtree Limited                            | 223               | 242               |
| - L&T Energy Hydrocarbon Engineering Limited     | 21                | -                 |
| - Larsen & Toubro Saudi Arabia LLC               | 1                 | -                 |
| <b>Subsidiaries</b>                              | <b>455</b>        | <b>430</b>        |
| - L&T Thales Technology Services Private Limited | 39                | 220               |
| - L&T Technology Services LLC                    | 306               | 93                |
| - Graphene Solutions Taiwan Limited              | 3                 | 3                 |
| - L&T Technology Services (Shanghai) Co. Ltd.    | 33                | 34                |
| - L&T Technology Services (Canada) Ltd.          | 74                | 80                |
| <b>Contract Assets</b>                           |                   |                   |
| <b>Holding Company</b>                           | <b>204</b>        | <b>-</b>          |
| - Larsen & Toubro Limited                        | 204               | -                 |
| <b>Trade payable</b>                             |                   |                   |
| <b>Holding Company</b>                           | <b>462</b>        | <b>-</b>          |
| - Larsen & Toubro Limited                        | 462               | -                 |
| <b>Fellow subsidiaries</b>                       | <b>163</b>        | <b>139</b>        |
| - Larsen & Toubro (East Asia) Sdn. Bhd.          | ^                 | ^                 |
| - Larsen & Toubro Saudi Arabia LLC               | -                 | 27                |
| - LTIMindtree Limited                            | 87                | 112               |
| - L&T Realty Developers Limited                  | 76                | -                 |
| <b>Joint Venture</b>                             | <b>-</b>          | <b>^</b>          |
| - L&T-Sargent & Lundy Limited                    | -                 | ^                 |
| <b>Subsidiaries</b>                              | <b>408</b>        | <b>308</b>        |
| - L&T Technology Services (Canada) Ltd.          | 1                 | 1                 |
| - L&T Thales Technology Services Private Limited | 38                | -                 |
| - L&T Technology Services LLC                    | 369               | 307               |
| <b>Advances recoverable</b>                      |                   |                   |
| <b>Holding Company</b>                           | <b>-</b>          | <b>383</b>        |
| - Larsen & Toubro Limited                        | -                 | 383               |
| <b>Fellow subsidiaries</b>                       | <b>8</b>          | <b>375</b>        |
| - L&T Semiconductor Technologies Limited         | 8                 | -                 |
| - Larsen & Toubro Saudi Arabia LLC               | ^                 | -                 |
| - L&T Realty Developers Limited                  | -                 | 375               |
| <b>Subsidiaries</b>                              | <b>18</b>         | <b>20</b>         |
| - L&T Thales Technology Services Private Limited | -                 | 3                 |
| - Graphene Solutions Taiwan Limited              | 4                 | 2                 |
| - Graphene Solution SDN. BHD.                    | -                 | 1                 |
| - L&T Technology Services (Shanghai) Co. Ltd.    | 14                | 14                |
| <b>Investment</b>                                |                   |                   |
| <b>Fellow Subsidiary</b>                         | <b>251</b>        | <b>252</b>        |
| - L&T Finance Limited                            | 251               | 252               |
| <b>Corporate guarantee issued by the company</b> |                   |                   |
| <b>Subsidiaries</b>                              | <b>1,376</b>      | <b>1,356</b>      |
| - L&T Technology Services LLC                    | 1,376             | 1,356             |

## Notes forming part of the Standalone Financial Statements

### 43 Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures" (Contd...)

| 43 (1) (vi) Disclosure of related party transactions       | (₹ in million)    |                   |
|--|-------------------|-------------------|
| Nature of transaction/relationship/major parties           | March 31,<br>2024 | March 31,<br>2023 |
| <b>Corporate guarantee issued on behalf of the company</b> |                   |                   |
| <b>Holding Company</b>                                     | <b>4,911</b>      | <b>4,883</b>      |
| - Larsen & Toubro Limited                                  | 4,911             | 4,883             |
| <b>Capital Commitment</b>                                  |                   |                   |
| <b>Fellow subsidiaries</b>                                 | -                 | 1,250             |
| - L&T Realty Developers Limited                            | -                 | 1,250             |
| <b>Deposit</b>   |                   |                   |
| <b>Fellow subsidiaries</b>                                 | <b>185</b>        | -                 |
| - L&T Realty Developers Limited                            | 185               | -                 |
| <b>Revenue from services</b>                               |                   |                   |
| <b>Holding Company</b>                                     | <b>1,730</b>      | <b>257</b>        |
| - Larsen & Toubro Limited                                  | 1,730             | 257               |
| <b>Fellow subsidiaries</b>                                 | <b>1,423</b>      | <b>1,012</b>      |
| - LTIMindtree Limited                                      | 1,333             | 1,012             |
| - L&T Energy Hydrocarbon Engineering Limited               | 80                | -                 |
| - Larsen & Toubro Saudi Arabia LLC                         | 10                | -                 |
| <b>Subsidiaries</b>  | <b>1,553</b>      | <b>1,870</b>      |
| - L&T Thales Technology Services Private Limited           | 438               | 757               |
| - L&T Technology Services LLC                              | 1,100             | 1,114             |
| - L&T Technology Services (Shanghai) Co. Ltd.              | -                 | 1                 |
| - L&T Technology Services (Canada) Ltd.                    | 15                | (2)               |
| <b>Purchase of services</b>                                |                   |                   |
| <b>Holding Company</b>                                     | <b>1,248</b>      | <b>35</b>         |
| - Larsen & Toubro Limited                                  | 1,248             | 35                |
| <b>Fellow subsidiaries</b>                                 | <b>966</b>        | <b>774</b>        |
| - LTIMindtree Limited                                      | 966               | 774               |
| <b>Joint Venture</b>                                       | <b>4</b>          | <b>12</b>         |
| - L&T-Sargent & Lundy Limited                              | 4                 | 12                |
| <b>Subsidiaries</b>  | <b>1,374</b>      | <b>1,673</b>      |
| - L&T Thales Technology Services Private Limited           | 5                 | 11                |
| - L&T Technology Services LLC                              | 1,369             | 1,662             |
| - L&T Technology Services (Shanghai) Co. Ltd.              | -                 | -                 |
| <b>Capital Expenditure</b>                                 |                   |                   |
| <b>Fellow subsidiaries</b>                                 | <b>930</b>        | <b>375</b>        |
| - L&T Realty Developers Limited                            | 930               | 375               |
| <b>Business Acquisition</b>                                |                   |                   |
| <b>Holding Company</b>                                     | <b>7,978</b>      | -                 |
| - Larsen & Toubro Limited                                  | 7,978             | -                 |
| <b>Rent paid</b>   |                   |                   |
| <b>Holding Company</b>                                     | <b>368</b>        | <b>255</b>        |
| - Larsen & Toubro Limited                                  | 368               | 255               |
| <b>Fellow subsidiaries</b>                                 | <b>356</b>        | <b>28</b>         |
| - LTIMindtree Limited                                      | 30                | 27                |
| - LTIMindtree Financial Services Technologies Inc.         | -                 | ^                 |
| - Larsen & Toubro (East Asia) Sdn. Bhd.                    | 1                 | 1                 |
| - L&T Realty Developers Limited                            | 325               | -                 |
| - LTIMindtree Norge AS                                     | ^                 | -                 |
| <b>Subsidiaries</b>  | <b>8</b>          | <b>8</b>          |
| - L&T Technology Services LLC                              | 8                 | 8                 |
| - L&T Thales Technology Services Private Limited           | ^                 | -                 |

## Notes forming part of the Standalone Financial Statements

### 43 Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures" (Contd...)

#### 43 (1) (vi) Disclosure of related party transactions

(₹ in million)

| Nature of transaction/relationship/major parties | March 31,<br>2024 | March 31,<br>2023 |
|--|-------------------|-------------------|
| <b>Interest Income</b>                           |                   |                   |
| <b>Fellow Subsidiary</b>                         | <b>16</b>         | <b>59</b>         |
| - L&T Finance Limited                            | 16                | 59                |
| <b>Services availed by the Company</b>           |                   |                   |
| <b>Holding Company</b>                           | <b>241</b>        | <b>199</b>        |
| - Larsen & Toubro Limited                        | 241               | 199               |
| <b>Fellow subsidiaries</b>                       | <b>111</b>        | <b>13</b>         |
| - LTIMindtree Limited                            | 34                | 13                |
| - L&T Realty Developers Limited                  | 77                | -                 |
| <b>Subsidiaries</b>                              | <b>20</b>         | <b>-</b>          |
| - L&T Technology Services LLC                    | 20                | -                 |
| <b>Services rendered by the Company</b>          |                   |                   |
| <b>Holding Company</b>                           | <b>35</b>         | <b>284</b>        |
| - Larsen & Toubro Limited                        | 35                | 284               |
| <b>Fellow subsidiaries</b>                       | <b>8</b>          | <b>-</b>          |
| - L&T Semiconductor Technologies Limited         | 8                 | -                 |
| <b>Subsidiaries</b>                              | <b>340</b>        | <b>320</b>        |
| - L&T Thales Technology Services Private Limited | 10                | 10                |
| - L&T Technology Services LLC                    | 330               | 310               |
| <b>Trademark fees</b>                            |                   |                   |
| <b>Holding Company</b>                           | <b>241</b>        | <b>120</b>        |
| - Larsen & Toubro Limited                        | 241               | 120               |
| <b>Interim/final dividend paid - equity</b>      |                   |                   |
| <b>Holding Company</b>                           | <b>3,665</b>      | <b>2,340</b>      |
| - Larsen & Toubro Limited                        | 3,665             | 2,340             |

#### Compensation to Key Managerial Personnel

(₹ in million)

| Particulars                         | 2023-24    | 2022-23    |
|-------------------------------------|------------|------------|
| <b>Short-term employee benefits</b> | <b>175</b> | <b>111</b> |
| <b>Executive Directors</b>          | <b>153</b> | <b>89</b>  |
| Mr. Amit Chadha                     | 82         | 73         |
| Mr. Abhishek Sinha                  | 17         | 16         |
| Mr. Alind Saxena                    | 54         | -          |
| <b>Key Managerial Personnel</b>     | <b>22</b>  | <b>22</b>  |
| Mr. Rajeev Gupta                    | 17         | 17         |
| Ms. Prajakta Powle                  | 5          | 5          |
| <b>Post-employment benefits</b>     | <b>1</b>   | <b>1</b>   |
| <b>Executive Directors</b>          | <b>^</b>   | <b>^</b>   |
| Mr. Abhishek Sinha                  | ^          | ^          |
| <b>Key Managerial Personnel</b>     | <b>1</b>   | <b>1</b>   |
| Mr. Rajeev Gupta                    | 1          | 1          |
| Ms. Prajakta Powle                  | ^          | ^          |
| <b>Share-based payment</b>          | <b>185</b> | <b>27</b>  |
| <b>Executive Directors</b>          | <b>168</b> | <b>21</b>  |
| Mr. Amit Chadha                     | 73         | -          |
| Mr. Abhishek Sinha                  | 46         | 21         |
| Mr. Alind Saxena                    | 49         | -          |
| <b>Key Managerial Personnel</b>     | <b>17</b>  | <b>6</b>   |
| Mr. Rajeev Gupta                    | 17         | 6          |
| <b>Total compensation</b>           | <b>361</b> | <b>139</b> |

## Notes forming part of the Standalone Financial Statements

### 43 Disclosure of related parties/related party transactions pursuant to Ind AS 24 “Related Party Disclosures” (Contd...)

| <b>Compensation to non-executive directors</b> |                | (₹ in million) |  |
|--|----------------|----------------|--|
| <b>Particulars</b>                             | <b>2023-24</b> | <b>2022-23</b> |  |
| <b>Sitting fees</b>                            | <b>3</b>       | <b>3</b>       |  |
| <b>Non-executive directors</b>                 | <b>1</b>       | <b>1</b>       |  |
| Mr. A M Naik                                   | ^              | ^              |  |
| Dr Keshab Panda                                | ^              | ^              |  |
| <b>Independent Directors</b>                   | <b>2</b>       | <b>2</b>       |  |
| Mr. Sudip Banerjee                             | ^              | ^              |  |
| Mr. Narayanan Kumar                            | ^              | ^              |  |
| Ms. Apurva Purohit                             | ^              | 1              |  |
| Mr. Chandrasekaran Ramakrishnan                | ^              | ^              |  |
| Mr. Luis Miranda                               | ^              | ^              |  |
| Ms. Aruna Sundararajan                         | ^              | ^              |  |
| <b>Commission due to Directors</b>             | <b>31</b>      | <b>27</b>      |  |
| <b>Non-executive directors</b>                 | <b>20</b>      | <b>17</b>      |  |
| Mr. A M Naik                                   | 15             | 12             |  |
| Dr. Keshab Panda                               | 5              | 5              |  |
| <b>Independent Directors</b>                   | <b>11</b>      | <b>10</b>      |  |
| Mr. Sudip Banerjee                             | 2              | 2              |  |
| Mr. Narayanan Kumar                            | 2              | 2              |  |
| Mr. Apurva Purohit                             | 2              | 2              |  |
| Mr. Chandrasekaran Ramakrishnan                | 2              | 2              |  |
| Ms. Luis Miranda                               | 2              | 2              |  |
| Ms. Aruna Sundararajan                         | 1              | -              |  |
| <b>Total compensation</b>                      | <b>34</b>      | <b>30</b>      |  |

| <b>Transactions with trust managed employees provident fund</b> |                | (₹ in million) |  |
|---|----------------|----------------|--|
| <b>Particulars</b>  | <b>2023-24</b> | <b>2022-23</b> |  |
| Towards employer's contribution                                 | 893            | 650            |  |
| Paid during the year**  | 2,169          | 1,667          |  |
| Due to trust (year end liability)                               | 193            | 157            |  |

\*\*Includes Employer & Employee Contribution

| <b>Transactions with approved gratuity fund</b> |                | (₹ in million) |  |
|---|----------------|----------------|--|
| <b>Particulars</b>                              | <b>2023-24</b> | <b>2022-23</b> |  |
| Towards employer's contribution                 | 305            | 124            |  |
| Paid during the year                            | 305            | 124            |  |
| Due to trust (year end liability)               | 394            | 305            |  |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

^ represents value less than 0.5 million

## Notes forming part of the Standalone Financial Statements

### 44 Disclosure pursuant to Ind AS 115 "Revenue from contract with customers":

#### a) Transaction price allocated to remaining performance obligation

- i) The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2024, other than those meeting the exclusion criteria mentioned below in (ii), is ₹ 45,169 million. Out of this, the Company expects to recognize revenue of around ₹ 19,452 million 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.

#### b) 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

| Particulars   | (₹ in million)       |                  |                      |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | As at March 31, 2024 |                  | As at March 31, 2023 |                  |
|   | Unbilled revenue     | Unearned revenue | Unbilled revenue     | Unearned revenue |
| <b>Opening balance</b>                                | <b>10,713</b>        | <b>2,576</b>     | <b>5,375</b>         | <b>1,009</b>     |
| Revenue recognised during year                        | 10,262               | (2,564)          | 10,710               | (1,002)          |
| Invoiced during year<br>(incl. translation gain/loss) | (10,775)             | 2,233            | (5,372)              | 2,569            |
| ECL movement Reversal / (Provision)                   | 7                    |                  | .*                   |                  |
| <b>Closing balance</b>                                | <b>10,207</b>        | <b>2,245</b>     | <b>10,713</b>        | <b>2,576</b>     |

\*represents value less than 0.5 million

### 45 Disclosures pursuant to Indian accounting standard (IND AS) 103 "Business combinations"

#### i) Common Control Business Combination- Smart World & Communication (SWC) :

The Company entered into a Business Transfer Agreement on January 12, 2023 to acquire substantial portion of business division under the name Smart World and Communication Business Unit (SWC) from Larsen & Toubro Limited (L&T). The Company consummated the above transfer of business on April 1, 2023.

The transaction was recorded in the books of the Company in previous year using the "Pooling of interests method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

- Accordingly, the assets and liabilities transferred have been accounted at the carrying amounts as reflected in the books of L&T as at April 1, 2022 and no adjustments have been made to reflect the fair values, or recognize any new assets or liabilities;
- The identity of the reserves have been preserved and are recorded in the same form and at the carrying amount as appearing in the Standalone financial statements of L&T;
- The inter-company balances between both have been eliminated;
- Comparative financial information in the financial statements of the Company has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period;
- The difference between the purchase consideration and the carrying amounts of the net assets transferred has been transferred to capital reserve and presented separately from other capital reserves.



## Notes forming part of the Standalone Financial Statements

### 45 Disclosures pursuant to Indian accounting standard (IND AS) 103 “Business combinations” (Contd...)

#### i) Details of purchase consideration:

| Particulars                                    | ₹ in million |
|--|--------------|
| Cash paid                                      | 8,000        |
| Less: Receivable towards employee liabilities  | (48)         |
| Payable towards Net Working Capital adjustment | 26           |
| <b>Total purchase consideration</b>            | <b>7,978</b> |

#### ii) Assets acquired and liabilities recognized on date of acquisition:

| Particulars                    | ₹ in million  |
|--------------------------------|---------------|
| <b>Non-Current Assets</b>      |               |
| Property, plant and equipment  | 42            |
| Right-of-Use Assets            | 12            |
| Loans                          | 3             |
| Other non-current assets       | 73            |
| <b>Current Assets</b>          |               |
| Inventories                    | -*            |
| Trade receivables              | 7,191         |
| Cash and cash equivalents      | -*            |
| Other Financial Asset          | 9             |
| Other Current Assets           | 3,591         |
| <b>Total Assets</b>            | <b>10,921</b> |
| <b>Non-Current Liabilities</b> |               |
| Lease Liabilities              | 5             |
| <b>Current Liabilities</b>     |               |
| Lease Liabilities              | 8             |
| Trade payables                 | 10,106        |
| Other financial liabilities    | 177           |
| Other current liabilities      | 565           |
| <b>Total Liabilities</b>       | <b>10,861</b> |
| <b>Net Asset</b>               | <b>60</b>     |

#### iii) Calculation of Capital Reserve

| Particulars  | ₹ in million |
|--|--------------|
| Purchase consideration paid / payable as per (i) above | 7,978        |
| Less: Fair value of net assets acquired                | 60           |
| Capital Reserve as on date of acquisition              | 7,918        |

\*represents value less than 0.5 million

#### ii) Amalgamation of Esencia Technologies India Private Limited, Graphene Semiconductor Services Private Limited and Seastar Labs Private Limited with L&T Technology Services Limited :

The Scheme of Amalgamation (“the Scheme”) of Esencia Technologies India Private Limited, Graphene Semiconductor Services Private Limited and Seastar Labs Private Limited (‘Transferor Companies’), wholly-owned subsidiaries, with the Company (‘Transferee Company’) was approved by The Hon’ble National Company Law Tribunal, Mumbai Bench vide order dated November 29, 2023 and the Company received the certified true copy of the order on December 5, 2023. The Company has filed the same with Registrar of Companies, Mumbai on December 7, 2023. The Appointed date of the Scheme is April 1, 2022.

The amalgamation has been accounted in accordance with Appendix C of Ind AS 103 ‘Business Combinations’ at the carrying value of the assets and liabilities of respective Transferor Companies as included in the Standalone Balance Sheet of the Company. Accordingly, the financial information pertaining to amalgamation in respect of the prior periods was restated and goodwill of ₹ 386 million was recognized in the Standalone Financial Statements of the Company during the previous year.

## Notes forming part of the Standalone Financial Statements

### 45 Disclosures pursuant to Indian accounting standard (IND AS) 103 "Business combinations" (Contd...)

| Reconciliation to Capital Reserve  | INR Mn  |
|--|---------|
| Opening Balance as on April 1, 2022                                      | (653)   |
| Add: Capital Reserve on account of SWC                                   | (7,918) |
| Less: Elimination impact of Capital reserve towards Amalgamated entities | 653     |
| Restated Balance as on April 1, 2022                                     | (7,918) |

### 46 Government grants

- The Company has received incentives amounting to ₹ 29 million (previous year ₹ 17 million) from government of UK against money spent on research and development and has accounted for it under other income.
- The Company has received Compensation Grant due to war in Israel that resulted in decreased revenue cycle of a financial entity amounting to ₹ 2 million (previous year ₹ NIL) and has accounted for it under other income.
- The Company has received government grants amounting to ₹ 29 million (previous year ₹ 6 million) from governments of various countries on compliance with several employment-related conditions and accordingly, accounted it as a credit to employee benefits expense.

### 47 Struck off companies disclosure

| (₹ in million)                    |   |  |                             |  |  |
|-----------------------------------|---|--|-----------------------------|--|--|
| Name of Struck off company        | Nature of transaction with struck off company | Relationship with struck off company if any, to be disclosed | Transaction during the year | Balance outstanding as at March 31, 2024 | Balance outstanding as at March 31, 2023 |
| Bennett Coleman And Co Ltd.       | Payables                                      | N/A  | -*                          | -  | -  |
| Nitin Commercials Private Limited | Dividend paid                                 | N/A  | -*                          | -  | -  |

\*represents value less than 0.5 million

### 48 The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2024. The disclosure pursuant to the said act is as under:

| (₹ in million)  |                      |                      |
|---|----------------------|----------------------|
| Particulars   | As at March 31, 2024 | As at March 31, 2023 |
| Principal amount due to suppliers under MSMED Act, 2006                                   | 187                  | 103                  |
| 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      | 1                    | -                    |
| 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.

## Notes forming part of the Standalone Financial Statements

- 49** 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 Labor 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 after 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.
- 50** The Company did not have any significant long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 51** An amount of ₹ 0.10 million which was due and payable and remained unclaimed and unpaid for a period of seven years, was transferred to the Investor Education and Protection Fund (IEPF) as at March 31, 2024 (previous year: ₹ Nil).
- 52** Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
**L&T Technology Services Limited**

**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

**PRAJAKTA POWLE**  
Company Secretary  
Membership no. A20135

**RAJEEV GUPTA**  
Chief Financial Officer

**AMIT CHADHA**  
Chief Executive Officer &  
Managing Director  
(DIN: 07076149)

**ABHISHEK SINHA**  
Chief Operating Officer &  
Whole-Time Director  
(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024



# Consolidated **Financial Statements**



# 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** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company, and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and 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 material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate / consolidated financial statements of subsidiaries, as were audited by other auditors and unaudited financial information of certain other subsidiaries furnished to us by the management, 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 Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of

consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. 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.

| Sr. Key Audit Matter No   | How the Key Audit Matter was addressed in our audit  |
|---|--|
| <p>1 <b>Revenue recognition – fixed price contracts</b></p> <p>Refer Note 2(g) to material accounting policies, Note 23 and Note 43 to the consolidated financial statements.</p> <p>The Group engages in fixed price contracts with its customers wherein revenue from such contracts is recognized over time. The Group uses input method to recognise revenue, as it represents efforts expended towards satisfying a performance obligation relative to the total expected efforts or inputs to satisfy the performance obligation.</p> | <p><b>Our audit procedures in respect of this area included among others, the following:</b></p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the systems, processes and controls implemented by the Group with respect to recognition of actual cost incurred on each contract, estimation of future cost to completion, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion.</li> <li>2. Involved Information technology ('IT') specialists to assess the design and operating effectiveness of the key IT controls relating to revenue recognition and in particular:</li> </ol> |

| Sr. Key Audit Matter<br>No  | How the Key Audit Matter was addressed in our audit   |
|---|---|
| <p>This involves computation of actual cost incurred and estimation of total cost on each contract to measure progress towards completion.</p> <p>Amount of revenue recognition in respect of fixed price contracts has been identified as a Key Audit Matter considering that:</p> <ul style="list-style-type: none"> <li>• these contracts involve identification of actual cost incurred on each contract;</li> <li>• these contracts require estimation of future cost for completion of each contract; and</li> <li>• at the period end a significant amount of contract assets (unbilled revenue) or contract liabilities (unearned revenue) related to each contract is to be identified.</li> </ul> <p>For the year ended March 31, 2024, revenue from fixed price contracts amounts to ₹ 36,091 million.</p> | <ul style="list-style-type: none"> <li>• Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised.</li> <li>• Tested the IT controls over appropriateness of cost and revenue reports generated by the system.</li> <li>• Assessed the appropriateness of actual cost incurred on contracts including the testing the IT general controls and specific IT application controls over information systems used for capturing these costs and</li> <li>• Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/changes to costs incurred on sample basis.</li> </ul> <p>3. Verified on test check basis whether the revenue recognized is in accordance with the applicable Indian Accounting Standard, including:</p> <ul style="list-style-type: none"> <li>• Verification of the underlying agreements and other forms of supporting documentation to ensure that each party's rights and obligations regarding the goods or services to be transferred and payment terms are identified and contracts have commercial substance.</li> <li>• Inspection of the underlying agreements and other forms of supporting documentation to ensure that various performance obligations within a contract have been properly identified by management.</li> <li>• Inspection of the underlying agreements and other forms of supporting documentation to ensure that transaction price has been properly determined and allocated to relevant performance obligations on an appropriate basis.</li> <li>• Verification of the Group's computation of revenue to be recognized over a period of time on a sample basis, where we performed the following: <ul style="list-style-type: none"> <li>– Verified management's process relating to the estimation of contract costs required to complete the respective projects and assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel and are appropriate.</li> <li>– Verified the reasonableness of management's estimation of cost projections by comparing actual cost incurred with management initial/updated estimation of total cost for that project.</li> <li>– Recomputed the amount of revenue recognised on these contracts and compared the same with the actual revenue recorded and</li> <li>– Assessed the appropriateness of work in progress (contract assets and contract liabilities) as at the balance sheet date by evaluating the underlying documentation to identify possible delays in achieving milestones which require changes in estimated costs to complete the remaining performance obligations.</li> </ul> </li> </ul> |

| Sr. Key Audit Matter No  | How the Key Audit Matter was addressed in our audit  |
|--|--|
| <p><b>2 Derivative financial instruments and hedge accounting</b></p> <p>Refer Note 2(n)(iii) to material accounting policies, Note 7, Note 14, Note 18, Note 20, and Note 34 to the consolidated financial statements.</p> <p>The Holding Company enters into derivative financial instruments like forward and option contracts to manage its exposure of foreign currency risk of highly probable forecasted transactions which arise during the normal course of its business.</p> <p>Derivative financial assets and derivative financial liabilities measured at fair value amounted to INR 1,353 million and INR 66 million respectively as at March 31, 2024. The net movement of cashflow hedge reserve (net of taxes) recorded in other comprehensive income for the year ended March 31, 2024 amounted to INR 519 million.</p> <p>In order to apply hedge accounting, management is required to demonstrate that the underlying contract is considered to be a highly probable forecasted transaction, that the hedges are effective and maintain adequate hedge documentation. A degree of subjectivity is also required to determine when hedge accounting is to be considered as ineffective. Fair value movements of the forward and option contracts are driven by movements in financial markets. These transactions may have a significant financial effect and have extensive accounting and reporting obligations and accordingly, this is considered as a Key Audit Matter.</p> | <p>4. Assessed the adequacy and appropriateness of disclosures made in consolidated financial statements in compliance with applicable Indian Accounting Standards and applicable financial reporting framework.</p> <p><b>Our audit procedures in respect of this area included among others, the following:</b></p> <ol style="list-style-type: none"> <li>1. Obtained understanding of the Holding Company's overall hedge accounting strategy, forwards and options valuation methodologies and hedge accounting process from initiation to settlement of derivative financial instruments including assessment of the design and implementation of controls and tested the operating effectiveness of these controls.</li> <li>2. Assessed whether the Group's material accounting policy for hedge accounting is in accordance with the applicable Indian Accounting Standards.</li> <li>3. Verified the assertion relating to existence of the derivative contracts outstanding as at March 31, 2024 by obtaining independent balance confirmations from the respective counterparties, verification on a sample basis the underlying agreements and other forms of supporting documentation and verification of supporting documentation for subsequent realisation or settlement after the end of the reporting year.</li> <li>4. Verified the assertion relating to completeness of derivative transactions by requesting confirmation from counterparties who are frequently used but with whom the accounting records indicate there are presently no derivatives, reading other information, such as minutes of meetings of the board of directors or other relevant committees, inspecting documentation in paper or electronic form for activity subsequent to the end of the reporting period.</li> <li>5. Verified the assertion relating to existence and accuracy by inspecting on a sample basis the underlying agreements and other forms of supporting documentation.</li> <li>6. Verified management's hedge documentation and underlying hedge contracts, on a sample basis.</li> <li>7. Verified management's expectation at the inception of the hedge that the hedging relationship will be highly effective and its periodic assessment of the ongoing effectiveness of the hedging relationship in accordance with the applicable Indian Accounting Standards.</li> <li>8. Verified that the amounts reclassified from cash flow hedge reserve to the Statement of Profit and Loss as a reclassification adjustment being in the period in which the cash flows of the hedged items affect Profit or Loss.</li> <li>9. Re-performed the year-end fair valuations including evaluation of hedge effectiveness of derivative financial instruments on a sample basis and compared these valuations with those recorded by the Holding Company.</li> </ol> |

| Sr. Key Audit Matter No  | How the Key Audit Matter was addressed in our audit  |
|--|--|
| <p>3 <b>Business Combination under Common Control - Business Acquisition of Smart World and Communication (SWC) Business a Larsen &amp; Toubro (L&amp;T) business unit by the Holding Company.</b></p> <p>Refer Note 2(f) to material accounting policies, Note 33 to the consolidated financial statements.</p> <p>The Holding Company has completed the acquisition of SWC business of L&amp;T on April 01, 2023. The acquisition has been accounted under the 'pooling of interest' method in accordance with Appendix C of Ind AS 103 - 'Business Combinations' of entities under common control.</p> <p>The carrying value of assets and liabilities of SWC as at April 01, 2022, before business acquisition has been incorporated in the consolidated financial statements of the Group. Accordingly, the Group has restated its previously issued consolidated financial statements for the year ended March 31, 2023.</p> <p>Considering the magnitude and complexity in accounting for this transaction, the aforesaid business combination accounting treatment and related disclosure in consolidated financial statements has been considered to be a key audit matter.</p> | <p>10. Assessed the adequacy and appropriateness of disclosures made in consolidated financial statements in compliance with applicable Indian Accounting Standards and applicable financial reporting framework.</p> <p><b>Our audit procedures in respect of this area included among others, the following:</b></p> <ol style="list-style-type: none"> <li>1. Obtained and read the business transfer agreement to assess whether the acquisition meets the definition of business as per the guidance given in Ind AS 103 Business combination.</li> <li>2. Ensured that the acquisition meets the definition of common control, to be accounted for as per the requirements of Appendix C: Business combinations of entities under common control of Ind AS 103.</li> <li>3. Ensured that the prior year financial information has been appropriately restated, to reflect the results of the SWC division, as per the requirements of Appendix C: Business combinations of entities under common control of Ind AS 103.</li> <li>4. Ensured that the accounting policies and the basis of accounting estimates of the SWC division are consistent with that of Holding Company for like transactions and other events in similar circumstances.</li> <li>5. Verified that the consideration paid for acquisition of business is appropriately accounted for, as per the requirements of Appendix C: Business combinations of entities under common control of Ind AS 103.</li> <li>6. Assessed the adequacy and appropriateness of disclosures made in the consolidated financial statements.</li> </ol> |

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's Report and Management Discussion and Analysis 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that

there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and 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 the assets



of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

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

### **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 Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### **Other Matter**

- a. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 7,119 million as at March 31, 2024, total revenues of ₹ 12,584 million and net cash flows amounting to ₹ 1,395 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.
- b. We did not audit the financial statements of six subsidiaries whose financial statements reflect total assets of ₹ 108 million as at March 31, 2024, total revenues of ₹ 33 million and net cash flows amounting to ₹ 5 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
- c. The consolidated financial information for the year ended March 31, 2023 which was included in the previously issued audited consolidated financial statements of the Group for year ended March 31, 2023 has been restated as per the requirements of Ind AS 103 Appendix C "Business combination of entities under common control" to give effect to the acquisition of the Smart World and Communication division of Larsen & Toubro Limited ("SWC division") as described in note 33 to the consolidated financial statements.

The financial information of the SWC division that has been included in the restated consolidated financial statements for the year ended March 31, 2023 has been audited by other auditor, whose audit report has been furnished to us. The adjustments made to the previously issued audited consolidated financial information for the year ended March 31, 2023 to give effect to this acquisition have been audited by us.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statements of the subsidiary, referred to in the Other Matters section above we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the another auditor.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, including other comprehensive income, the 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 Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts during the year ended March 31, 2024. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
  - iv. (1) The respective Managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of this subsidiary to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of this subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(2) The respective Managements of the Holding Company and its subsidiary, which is a company incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds have

been received by the Holding Company or subsidiary from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or subsidiary shall, 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; and

- (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- (4) On the basis of our verification and on consideration of the report of the statutory auditor of subsidiary that is an Indian company under the Act, we report that:
  - i) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.
  - ii) The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
  - iii) The Board of Directors of the Holding Company, have proposed final

dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 16.9(c) to the consolidated financial statements).

- (5) Based on our examination and on the consideration of report of other auditor on separate financial statements of subsidiary, incorporated in India, the Holding Company and its subsidiary has used an accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting softwares. Further, during the course of our audit and based on the consideration of report of other auditor on separate financial statements of subsidiary, incorporated in India we did not come across any instance of the audit trail feature being tampered with.
2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO report issued by us for the Holding Company and on consideration of CARO report issued by the statutory auditor of subsidiary included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications or adverse remarks.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No.105047W

**Vishal Vilas Divadkar**  
Partner

Place: Mumbai  
Date: April 25, 2024

Membership No. 118247  
UDIN: 24118247BKFOIS1202

# Annexure A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of L&T Technology Services Limited

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements 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 the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

We communicate with those charged with governance of the Holding 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 for the year ended March 31, 2024, 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.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No.105047W

**Vishal Vilas Divadkar**  
Partner

Place: Mumbai  
Date: April 25, 2024

Membership No. 118247  
UDIN: 24118247BKFOIS1202

# Annexure B to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of L&T Technology Services Limited

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of L&T Technology Services Limited on the Consolidated Financial Statements for the year ended March 31, 2024]

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of L&T Technology Services Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company and its subsidiary company (the Holding Company and its subsidiaries together referred to as "the Group"), which is a company incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company which is a company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

### Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company, its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and

efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary company which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary company, which is company incorporated in India.

## Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of this company incorporated in India. Our opinion is not modified in respect of this matter.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

**Vishal Vilas Divadkar**

Partner

Membership No. 118247

UDIN: 24118247BKFOIS1202

Place: Mumbai

Date: April 25, 2024

# Consolidated Balance Sheet

as at March 31, 2024

(₹ in million)

| Particulars  | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|--|----------|----------------------|----------------------|
| <b>ASSETS:</b>   |          |                      |                      |
| <b>I. Non-current assets</b>                                       |          |                      |                      |
| (a) Property, plant and equipment                                  | 4        | 3,927                | 2,850                |
| (b) Right-of-use assets  | 4        | 5,951                | 3,777                |
| (c) Capital work-in-progress                                       | 4        | 131                  | 65                   |
| (d) Goodwill   | 5        | 6,035                | 6,010                |
| (e) Other intangible assets  | 5        | 213                  | 393                  |
| (f) Financial assets   |          |                      |                      |
| (i) Investments  | 6        | 1,991                | 1,752                |
| (ii) Other financial assets  | 7        | 1,700                | 1,047                |
| (g) Deferred tax assets (net)                                      | 8        | 54                   | 138                  |
| (h) Other non current assets                                       | 9        | 2,580                | 2,175                |
| <b>Total non-current assets</b>                                    |          | <b>22,582</b>        | <b>18,207</b>        |
| <b>II. Current assets</b>  |          |                      |                      |
| (a) Inventories  |          | 33                   | 16                   |
| (b) Financial assets   |          |                      |                      |
| (i) Investments  | 10       | 12,936               | 21,088               |
| (ii) Trade receivables   | 11       | 21,803               | 21,517               |
| (iii) Cash and cash equivalents                                    | 12       | 11,221               | 5,346                |
| (iv) Other bank balances   | 13       | 2,684                | 1,553                |
| (v) Other financial assets   | 14       | 1,570                | 2,182                |
| (c) Other current assets   | 15       | 12,056               | 12,067               |
| <b>Total current assets</b>  |          | <b>62,303</b>        | <b>63,769</b>        |
| <b>TOTAL ASSETS</b>  |          | <b>84,885</b>        | <b>81,976</b>        |
| <b>EQUITY AND LIABILITIES:</b>                                     |          |                      |                      |
| <b>I. Equity</b>   |          |                      |                      |
| (a) Equity share capital   | 16       | 212                  | 211                  |
| (b) Other equity   | 17       |                      |                      |
| (i) Retained earnings  |          | 44,737               | 36,667               |
| (ii) Other reserves  |          | 8,322                | 7,471                |
| Equity attributable to equity shareholders of the Company          |          | <b>53,271</b>        | <b>44,349</b>        |
| Non-controlling interest   |          | 207                  | 180                  |
| <b>Total equity</b>  |          | <b>53,478</b>        | <b>44,529</b>        |
| <b>II. Liabilities</b>   |          |                      |                      |
| <b>Non-current liabilities</b>                                     |          |                      |                      |
| (a) Financial liabilities  |          |                      |                      |
| (i) Lease liabilities  | 18       | 5,195                | 3,731                |
| (ii) Other financial liabilities                                   | 18       | 13                   | 165                  |
| (b) Deferred tax liabilities (net)                                 | 8        | 745                  | 397                  |
| (c) Provisions   | 22       | 83                   | 53                   |
| <b>Total non-current liabilities</b>                               |          | <b>6,036</b>         | <b>4,346</b>         |
| <b>Current liabilities</b>   |          |                      |                      |
| (a) Financial liabilities  |          |                      |                      |
| (i) Trade payables   |          |                      |                      |
| Due to micro enterprises and small enterprises                     | 19       | 187                  | 104                  |
| Due to others  | 19       | 13,930               | 12,265               |
| (ii) Lease liabilities   | 20       | 1,393                | 811                  |
| (iii) Other financial liabilities                                  | 20       | 2,603                | 12,707               |
| (b) Other current liabilities                                      | 21       | 5,101                | 4,688                |
| (c) Provisions   | 22       | 1,540                | 1,361                |
| (d) Current tax liabilities (net)                                  |          | 617                  | 1,165                |
| <b>Total current liabilities</b>                                   |          | <b>25,371</b>        | <b>33,101</b>        |
| <b>Total liabilities</b>   |          | <b>31,407</b>        | <b>37,447</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                |          | <b>84,885</b>        | <b>81,976</b>        |
| <b>Material accounting policies</b>                                | 2        |                      |                      |
| <b>Notes forming part of the Consolidated financial statements</b> | 1-50     |                      |                      |

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
**L&T Technology Services Limited**

**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

**PRAJAKTA POWLE**  
Company Secretary  
Membership no. A20135

**RAJEEV GUPTA**  
Chief Financial Officer

**AMIT CHADHA**  
Chief Executive Officer &  
Managing Director  
(DIN: 07076149)

**ABHISHEK SINHA**  
Chief Operating Officer &  
Whole-Time Director  
(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in million)

| Particulars   | Note No. | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|----------|------------------------------|------------------------------|
| <b>Income:</b>  |          |                              |                              |
| I. Revenue from operations  | 23       | 96,473                       | 88,155                       |
| II. Other income (net)  | 24       | 2,073                        | 2,033                        |
| III. <b>Total income</b>  |          | <b>98,546</b>                | <b>90,188</b>                |
| <b>IV. Expenses:</b>  |          |                              |                              |
| (a) Employee benefits expenses  | 25       | 49,298                       | 46,308                       |
| (b) Other expenses  | 26       | 27,985                       | 24,238                       |
| (c) Depreciation and amortisation expenses  |          | 2,716                        | 2,338                        |
| (d) Finance costs   | 27       | 509                          | 444                          |
| <b>Total expenses</b>   |          | <b>80,508</b>                | <b>73,328</b>                |
| V. <b>Profit before tax (III - IV)</b>  |          | <b>18,038</b>                | <b>16,860</b>                |
| <b>VI. Tax expense :</b>  |          |                              |                              |
| (a) Current tax   |          | 4,715                        | 4,561                        |
| (b) Deferred tax (net)  |          | 260                          | 135                          |
| <b>Total tax expense</b>  | 28       | <b>4,975</b>                 | <b>4,696</b>                 |
| VII. <b>Profit for the year (V - VI)</b>  |          | <b>13,063</b>                | <b>12,164</b>                |
| <b>VIII. Other comprehensive income</b>   |          |                              |                              |
| A (i) Items that will not be reclassified to the statement of profit and loss                       |          |                              |                              |
| (a) Remeasurements of the defined benefit plans (net)   |          | (135)                        | (121)                        |
| (b) Income tax on remeasurements of the defined benefit plans                                       |          | 35                           | 30                           |
| 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               |          | 694                          | (2,137)                      |
| (b) Income tax on effective portion of gains and losses on hedging instruments in a cash flow hedge |          | (175)                        | 538                          |
| (c) Exchange differences on the translation of foreign operation                                    |          | *                            | 226                          |
| <b>Total other comprehensive income (net of tax)</b>  |          | <b>419</b>                   | <b>(1,464)</b>               |
| IX. <b>Total comprehensive income for the year</b>  |          | <b>13,482</b>                | <b>10,700</b>                |
| <b>Profit for the year attributable to:</b>   |          |                              |                              |
| - Equity shareholders of the Company  |          | 13,037                       | 12,121                       |
| - Non-controlling interest  |          | 26                           | 43                           |
| <b>Other comprehensive income for the year attributable to :</b>                                    |          |                              |                              |
| - Equity shareholders of the Company  |          | 418                          | (1,464)                      |
| - Non-controlling interest  |          | 1                            | -                            |
| <b>Total comprehensive income for the year attributable to :</b>                                    |          |                              |                              |
| - Equity shareholders of the Company  |          | 13,455                       | 10,657                       |
| - Non-controlling interest  |          | 27                           | 43                           |
| X. <b>Earnings per equity share</b>   | 29       |                              |                              |
| Equity share of face value of ₹ 2 each  |          |                              |                              |
| - Basic (₹)   |          | 123.34                       | 114.82                       |
| - Diluted (₹)   |          | 123.00                       | 114.48                       |
| <b>XI. Weighted average number of equity shares used in computing earnings per equity share</b>     |          |                              |                              |
| - Basic   |          | 105,697,381                  | 105,571,928                  |
| - Diluted   |          | 105,987,369                  | 105,879,629                  |
| XII. <b>Material accounting policies</b>  | 2        |                              |                              |
| XIII. <b>Notes forming part of the Consolidated financial statements</b>                            | 1-50     |                              |                              |

\* represents value less than 0.5 million

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
**L&T Technology Services Limited**

**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

**PRAJAKTA POWLE**  
Company Secretary  
Membership no. A20135

**RAJEEV GUPTA**  
Chief Financial Officer

**AMIT CHADHA**  
Chief Executive Officer &  
Managing Director  
(DIN: 07076149)

**ABHISHEK SINHA**  
Chief Operating Officer &  
Whole-Time Director  
(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
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Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024



# Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

| Particulars  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>  |                              |                              |
| Profit before tax  | 18,038                       | 16,860                       |
| <b>Adjustments to reconcile profits for the year to net Cash generated from operating activities :</b> |                              |                              |
| Depreciation and amortisation  | 2,716                        | 2,338                        |
| Interest income  | (816)                        | (876)                        |
| Finance Cost   | 509                          | 444                          |
| (Profit)/ loss on sale of property, plant and equipment (net)  | 21                           | 2                            |
| (Gain)/ loss on de-recognition of ROU (net)  | (185)                        | (18)                         |
| Employee stock option forming part of employee benefit expenses  | 434                          | 816                          |
| Bad debts written off, allowances for bad and doubtful debts and Expected credit loss                  | 382                          | 210                          |
| Investment income  | (520)                        | (356)                        |
| Unrealised foreign exchange loss/(gain) (net)  | 162                          | (72)                         |
| <b>Operating profit before working capital changes</b>   | <b>20,741</b>                | <b>19,348</b>                |
| <b>Changes in working capital</b>  |                              |                              |
| (Increase)/decrease in trade and other receivables   | (174)                        | (2,123)                      |
| Increase/(decrease) in trade and other payables  | (383)                        | 572                          |
| <b>(Increase)/decrease in working capital</b>  | <b>(557)</b>                 | <b>(1,551)</b>               |
| <b>Cash generated from operations</b>  | <b>20,184</b>                | <b>17,797</b>                |
| Direct taxes paid  | (5,256)                      | (4,667)                      |
| <b>Net cash (used in)/from operating activities</b>  | <b>14,928</b>                | <b>13,130</b>                |
| <b>B. Cash flow from investing activities</b>  |                              |                              |
| Purchase of property, plant and equipment and intangibles  | (2,528)                      | (1,815)                      |
| Sale of property, plant and equipment and intangibles  | 109                          | 28                           |
| (Purchase)/ sales of current investments (net)   | 8,254                        | (6,984)                      |
| (Purchase)/ sales of non-current investments (net)   | (239)                        | (891)                        |
| Deposits placed/loans given (net)  | (1,104)                      | 2,857                        |
| Consideration paid on acquisition of SWC Business  | (7,978)                      | -                            |
| Income received from investments   | 453                          | 316                          |
| Interest income  | 700                          | 710                          |
| <b>Net cash (used in)/from investing activities</b>  | <b>(2,333)</b>               | <b>(5,779)</b>               |
| <b>C. Cash flow from financing activities</b>  |                              |                              |
| Equity share capital issued  | .*                           | .*                           |
| Finance Cost   | (509)                        | (444)                        |
| Lease liability paid   | (1,103)                      | (842)                        |
| Dividend paid  | (4,967)                      | (3,167)                      |
| <b>Net cash (used in) / from financing activities</b>  | <b>(6,579)</b>               | <b>(4,453)</b>               |
| <b>Net (decrease) / increase in cash and cash equivalents</b>  | <b>6,016</b>                 | <b>2,898</b>                 |
| Cash and cash equivalents at beginning of the year   | 5,272                        | 2,374                        |
| <b>Cash and cash equivalents at end of the year</b>  | <b>11,288</b>                | <b>5,272</b>                 |
| Material accounting policies   | 2                            |                              |
| Notes forming part of consolidated financial statements  | 1-50                         |                              |

\*represents value less than 0.5 million

## Notes:

- The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS- 7 on "Statement of Cash Flows" notified under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
- Purchase of Property, plant and equipment and other intangibles represents additions to property, plant and equipment and other intangible assets adjusted for movement of capital work-in-progress of (a) property, plant and equipment and (b) intangible assets

# Consolidated Statement of cash flows

for the year ended March 31, 2024

3 Cash and cash equivalents included in statement of cash flows comprise the following :

|   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|---|------------------------------|------------------------------|
| <b>Cash and cash equivalents as per balance sheet</b>                   | <b>11,221</b>                | <b>5,346</b>                 |
| Add: Unrealised exchange (gain)/loss on cash and cash equivalents (net) | 67                           | (74)                         |
| <b>Total cash and cash equivalents as per Statement of Cash Flows</b>   | <b>11,288</b>                | <b>5,272</b>                 |

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
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**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

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(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

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Place: Mumbai  
Date: April 25, 2024

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

## A. Equity share capital

(₹ in million except stated otherwise)

| Particulars   | April 1, 2023 to<br>March 31, 2024 |              | April 1, 2022 to<br>March 31, 2023 |              |
|---|------------------------------------|--------------|------------------------------------|--------------|
|   | Number of<br>shares                | ₹ in million | Number of<br>shares                | ₹ in million |
| Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year | 105,608,142                        | 211          | 105,532,167                        | 211          |
| Add: Shares issued on exercise of employee stock options during the year                    | 145,700                            | -*           | 75,975                             | -*           |
| Issued, subscribed and fully paid up equity shares outstanding at the end of the year       | 105,753,842                        | 212          | 105,608,142                        | 211          |

\*represents value less than 0.5 million

## B. Other equity

(₹ in million)

| Particulars  | Reserves and surplus                    |                            |                              |                   | Items of other comprehensive income  |                 |        | Total other equity | Non-controlling interest | Total   |
|--|---|----------------------------|------------------------------|-------------------|--------------------------------------|-----------------|--------|--------------------|--------------------------|---------|
|  | Capital Reserve on Business Combination | Securities premium account | Employee share options (net) | Retained earnings | Foreign currency translation reserve | Hedging reserve | Others |                    |                          |         |
| <b>Balance as at April 1, 2023</b>                   | (5,583)                                 | 11,462                     | 938                          | 36,667            | 451                                  | 296             | (93)   | 44,138             | 180                      | 44,318  |
| Profit for the year (a)                              | -                                       | -                          | -                            | 13,037            | -                                    | -               | -      | 13,037             | 26                       | 13,063  |
| Other comprehensive income (net of taxes) (b)        | -                                       | -                          | -                            | -                 | -                                    | 519             | (101)  | 418                | 1                        | 419     |
| <b>Total comprehensive income for the year (a+b)</b> | -                                       | -                          | -                            | 13,037            | -                                    | 519             | (101)  | 13,455             | 27                       | 13,482  |
| Dividends  | -                                       | -                          | -                            | (4,967)           | -                                    | -               | -      | (4,967)            | -                        | (4,967) |
| Employees shares options outstanding                 | -                                       | -                          | (432)                        | -                 | -                                    | -               | -      | (432)              | -                        | (432)   |
| Deferred employee compensation expense (net)         | -                                       | -                          | 455                          | -                 | -                                    | -               | -      | 455                | -                        | 455     |
| Addition/(deduction) during the year                 | -                                       | 410                        | -                            | -                 | -                                    | -               | -      | 410                | -                        | 410     |
| <b>Balance as at March 31, 2024</b>                  | (5,583)                                 | 11,872                     | 961                          | 44,737            | 451                                  | 815             | (194)  | 53,059             | 207                      | 53,266  |
| <b>Balance as at April 1, 2022</b>                   | -                                       | 11,396                     | 187                          | 27,713            | 225                                  | 1,896           | (3)    | 41,414             | 137                      | 41,551  |
| Due to Business Combination (refer note 33)          | (7,918)                                 | -                          | -                            | -                 | -                                    | -               | -      | (7,918)            | -                        | (7,918) |
| <b>Restated balance as at April 1, 2022</b>          | (7,918)                                 | 11,396                     | 187                          | 27,713            | 225                                  | 1,896           | (3)    | 33,496             | 137                      | 33,633  |
| Profit for the year (a)                              | -                                       | -                          | -                            | 12,121            | -                                    | -               | -      | 12,121             | 43                       | 12,164  |
| Other comprehensive income (net of taxes) (b)        | -                                       | -                          | -                            | -                 | 226                                  | (1,600)         | (90)   | (1,464)            | -                        | (1,464) |
| <b>Total comprehensive income for the year (a+b)</b> | -                                       | -                          | -                            | 12,121            | 226                                  | (1,600)         | (90)   | 10,657             | 43                       | 10,700  |
| Dividends  | -                                       | -                          | -                            | (3,167)           | -                                    | -               | -      | (3,167)            | -                        | (3,167) |
| Employees shares options outstanding                 | -                                       | -                          | 1,514                        | -                 | -                                    | -               | -      | 1,514              | -                        | 1,514   |
| Deferred employee compensation expense               | -                                       | -                          | (763)                        | -                 | -                                    | -               | -      | (763)              | -                        | (763)   |
| Addition/(deduction) during the year                 | 2,335                                   | 66                         | -                            | -                 | -                                    | -               | -      | 2,401              | -                        | 2,401   |
| <b>Balance as at March 31, 2023</b>                  | (5,583)                                 | 11,462                     | 938                          | 36,667            | 451                                  | 296             | (93)   | 44,138             | 180                      | 44,318  |

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
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For and on behalf of the Board of Directors of  
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Date: April 25, 2024

# 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, Industrial products, medical Devices technology, Telecom and Hitech 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, 2024, Larsen & Toubro Limited, the holding company, owns 73.74% (Previous Year 73.85%) of the Company's equity share capital.

## 2. Material accounting policies

### a) 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 at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of 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.

### Current/ Non-current classification

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle
- it is held primarily for trading
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it is expected to be settled in normal operating cycle
- it is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve month for Time & Material Project and Contract life for a Fixed Price Project.

### Statement of compliance and basis of preparation

These Consolidated Financial Statements ("CFS") 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, amendments thereof issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS. These consolidated financial statements have been approved for issue by the Board of Directors at their meeting held on April 25, 2024.

### b) 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

## Notes forming part of the Consolidated Financial Statements

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.

Amounts in the consolidated financial statements are presented in Indian Rupees in million [1 million = 10 lakhs] as permitted by schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

### c) Use of estimates and judgment

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgments, accounting estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accounting estimates are monetary amounts in the consolidated financial statements that are subject to measurement uncertainty. An accounting policy may require items in consolidated financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, management develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgments or assumptions based on the latest available and reliable information. Actual results may differ from those accounting estimates.

Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the period in which the estimates are changed and in any future periods affected. In particular, information about material areas of estimation, uncertainty and critical judgments in applying accounting policies that have the material effect on the amounts recognised in the consolidated financial statements are included in the following notes:

i) Revenue recognition: The Group applies judgement to determine whether each service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not, the promised service is combined and accounted as a single performance obligation. The Group uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed-price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors

that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

- ii) Income taxes: The major tax jurisdictions for the Group are India and the United States of America. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.
- iii) Defined benefit plans and compensated absences: The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- iv) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Group's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

### d) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the functional currency of the Group.

### e) 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

## Notes forming part of the Consolidated Financial Statements

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, for like transactions and other events in similar circumstances. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of changes in equity respectively.

### f) Common control business combination

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and where control is not transitory, are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the transferred division/Company are reflected at their carrying amounts immediately prior to the transfer.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information of the transferred division/Company in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The difference, if any, between consideration paid in the form of issue of share capital or cash or other assets and the amount of share capital (if any) of the transferor shall be transferred to capital reserve and should be presented separately from other capital reserves. Share capital issued will be recorded at nominal value.

### 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. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations, each party's rights and obligations and the payment terms can be identified, the contract has commercial substance and it is probable that the entity will collect the consideration to which it is entitled to in exchange for the services that will be transferred to the customer.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract.

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's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

## Notes forming part of the Consolidated Financial Statements

The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price.

Revenue from contracts which are on time and material basis are recognized when services are rendered, and related costs are incurred.

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. Use of the percentage of completion method requires the Group to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. The cost & efforts expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Estimates of total costs or efforts are continuously monitored over the term of the contracts and are recognized in the net profit prospectively in the period when these estimates change or when the estimates are revised. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The Group presents revenue net of discounts, indirect taxes and value-added taxes in its statement of profit and loss.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

### 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 for in the period in which the right to receive the same is established.
- c) Exchange gain/loss consists of mark to market gain/loss on ineffective hedges, realized gain/loss and revaluation gain/loss on translation of foreign currency assets and liabilities.
- d) 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) 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 recognized in the statement of profit and loss in the period in which the employee renders the related service. 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.

##### 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.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return

## Notes forming part of the Consolidated Financial Statements

on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. 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.

With respect to defined benefit plan for overseas employees, the Group provides for post-employment benefits payable as per the laws applicable in respective countries and the requirements of the standard, as explained above.

### iii) Compensated absences:

The group treats accumulated leave expected to be carried forward beyond twelve months, as other long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

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*       | Useful life as per schedule II (in years) | Useful life adopted (in years) |
|---------|--------------------------|---|--------------------------------|
| 1       | Plant and equipment      | 15  | 12                             |
| 2       | Air-condition            | 15  | 12                             |
| 3       | Canteen equipments       | 15  | 8                              |
| 4       | Laboratory equipments    | 10  | 6                              |
| 5       | Electrical installations | 10  | 10                             |
| 6       | Computers                | 3 - 6                                     | 3 - 5                          |
| 7       | Office equipments        | 5   | >1 - 4                         |
| 8       | Furniture and fixtures   | 10  | 7 - 10                         |
| 9       | Vehicles                 | 8   | 7                              |

With respect to non-removable leasehold improvements, if the lease term of the related lease is shorter than the useful life of those leasehold improvements, the Group considers whether it expects to use the leasehold improvements beyond that lease term. If the Group does not expect to use the leasehold improvements beyond the lease term of the related lease, then the useful life of the non-removable leasehold improvements is the same as the lease term.

### j) Property, plant and equipment (PPE)

#### a) Recognition & Measurement:

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".

#### b) Depreciation:

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.

Project specific assets are amortised over their estimated useful life on a straight-line basis or over the period of the license/project period, whichever is shorter.

If the Group expects to use the non-removable leasehold improvement beyond the lease term, the group generally depreciates such leasehold improvements over its expected useful life.

If the useful life of the leasehold improvements is shorter than the lease term, the group generally depreciates such leasehold improvements over its expected useful life.



## Notes forming part of the Consolidated Financial Statements

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

\*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.

PPE is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition is recognised in the Statement of Profit and Loss in the same period.

### k) 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), less accumulated amortisation and cumulative impairment, if any.

The estimated useful life of intangible assets (software) is amortised on a straight line basis as per the terms of software license. Project specific intangible assets are amortised over their estimated useful life on a straight-line basis or over the period of the license/project period as given below:

| Asset class                          | Useful life (years) |
|--------------------------------------|---------------------|
| Specialised software                 | 3 – 6               |
| Technical knowhow                    | 4                   |
| Customer contracts and relationships | 4                   |
| Tradename                            | 1                   |

### l) Impairment of assets

#### i) Trade receivables

The Group uses an expected credit loss model to determine impairment loss on portfolio of its trade receivable. The ECL model is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates.

#### ii) Non-financial 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 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.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### m) Leases

Ind AS 116 “Leases” sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

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.

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.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease

## Notes forming part of the Consolidated Financial Statements

payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The group has elected not 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. 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.

The Group recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

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. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### n) Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

All financial liabilities are recognised initially at fair value and, in the case of those financial liabilities subsequently measured at amortised cost, net of directly attributable transaction costs.

### (i) Financial assets:

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

#### 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 other eligible current and non-current financial assets.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### b) Financial assets (debt instruments) at fair value through other comprehensive income (FVOCI)

Financial assets are measured at FVOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual term give rise on specified dates to solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. For debt instruments measured at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are

## Notes forming part of the Consolidated Financial Statements

recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

### **Financial assets designated at FVOCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under Ind AS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established.

### **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 (equity instruments designated at FVOCI or debt instruments measured at FVOCI). 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.

This category includes derivative instruments not designated in a cash flow hedging relationship and investments in mutual funds.

### **(ii) Financial liabilities – classification, subsequent measurement and gains and losses:**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial

liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See Note 2(n)(iv) for financial liabilities designated as hedging instruments.

### **(iii) Derivative financial instruments and hedge accounting**

The Group uses derivative financial instruments, such as forward currency forward and option contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group designates eligible derivative contracts as hedge instruments in respect of foreign exchange risks arising from highly probable forecasted sale in a cash flow hedging relationship. Changes in the fair value of derivatives which do not qualify for hedge accounting are recorded in statement of profit and loss.

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 effective portion of change in the fair value of the forward contract designated in a hedging relationship is recognised in the other comprehensive income and accumulated under the heading cash flow hedge reserve. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss. Amount accumulated in cash flow hedge reserve is reclassified to statement of profit and loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

The Group designates the change in intrinsic value of option contracts in a cash flow hedging relationship. The effective portion of change in the intrinsic value of option contracts is recognised

## Notes forming part of the Consolidated Financial Statements

in the OCI and accumulated under the heading cash flow hedge reserve. The ineffective portion of designated hedges are recognised immediately in statement of profit and loss. Change in time value of option contract are separately accounted for as cost of hedging reserve in OCI. Amount accumulated in cost of hedging reserve and cash flow hedge reserve is reclassified to statement of profit and loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

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.

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.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The amount that has been accumulated in the cash flow hedge reserve and/or cost of hedging reserve, remains in OCI until the hedged future cash flow occurs at which time the accumulated gain/loss is reclassified to 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 "Financial Instruments". 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.

### o) 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 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.

### p) Employee stock option scheme

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an employee benefits expense,

with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. If a grant lapses after the vesting period, the cumulative amount recognised as expense in respect of such grant is transferred to general reserve.

When the terms of an equity-settled award are modified, the minimum expense recognised by the Group is the grant date fair value of the unmodified award, provided the service conditions specified on grant date of the award are met. Further, additional expense, if any, is measured and recognised as at the date of modification, in case such modification increases the total fair value of the share-based payment plan, or is otherwise beneficial to the employee.

### q) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity/foreign operation, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency of each entity/foreign operation within the Group has been determined based on the primary economic environment in which that entity/foreign operations operate in, the currency in which funds are generated, spent and retained by that entity.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

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

## Notes forming part of the Consolidated Financial Statements

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.

### r) 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 Company and its subsidiaries. The current tax payable by the Company and its subsidiaries in India is Indian income tax payable on income. 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.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

The Group recognizes interest levied related to income tax assessments in interest expenses.

#### Deferred income taxes

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. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax assets are 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.

Deferred tax assets and liabilities are offset when the Group 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.

### s) 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
- ii) 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.

## Notes forming part of the Consolidated Financial Statements

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realized.

Provisions, contingent liabilities, and contingent assets are reviewed at each balance sheet date.

### t) Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the profit before tax excluding exceptional items for the effects of:

- i. changes during the period in operating receivables and payables, transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- iii. all other items for which the cash effects are investing or financing cash flows.

### u) Earnings per equity share

Basic earnings per equity share is computed by dividing the consolidated net profit attributable to the equity holders of the Company by the weighted average numbers of the equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### v) 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 |      |
|---|--------------------------|--|------|
|   |                          | 2024                                       | 2023 |
| 1 L&T Technology Services LLC*                      | USA                      | 100  | 100  |
| 2 L&T Thales Technology Services Private Limited    | India                    | 74   | 74   |
| 3 Esencia Technology India Private Limited **       | India                    | -  | 100  |
| 4 Graphene Semiconductor Services Private Limited** | India                    | -  | 100  |
| 5 L&T Technology Services PTE. Ltd                  | Singapore                | 100  | 100  |
| 6 Graphene Solution SDN. BHD.                       | Malaysia                 | 100  | 100  |
| 7 Graphene Solutions Taiwan Limited                 | Taiwan                   | 100  | 100  |
| 8 Seastar Labs Private Limited**                    | India                    | -  | 100  |
| 9 L&T Technology Services (Shanghai) Co. Limited    | China                    | 100  | 100  |
| 10 L&T Technology Services (Canada) Limited         | Canada                   | 100  | 100  |
| 11 Orchestra Technology, Inc@                       | USA                      | -  | 100  |
| 12 L&T Technology Services Poland Sp. z o.o.***     | Poland                   | 100  | -    |

\*During the year, Orchestra Technology Inc is merged with L&T Technology Services LLC w.e.f February 01, 2024.

\*\*The Hon'ble National Company Law Tribunal, Mumbai Bench has vide order dated November 29, 2023, sanctioned a scheme of amalgamation of three wholly owned subsidiaries, Esencia Technologies India Private Limited, Graphene Semiconductor Services Private Limited and Seastar Labs Private Limited with the Company. The effective date of the scheme is April 01, 2022.

\*\*\* Wholly owned subsidiary Incorporated on October, 30 2023.

## Notes forming part of the Consolidated Financial Statements

### w) Accounting and reporting information for operating segments

Ind AS 108 establishes standards for the way that entities 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. 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.

- x) All amounts included in the consolidated financial statements are reported in millions of Indian rupees (₹ in millions) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/ rearranged, wherever necessary.

### 3. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards which has had a material impact on the Group's consolidated financial statements.

#### 4 Property, plant and equipment

(₹ in million)

| Particulars                                    | Leasehold improvements | Plant and equipment | Computers    | Furniture and fixtures | Vehicles   | Office equipments | Electrical installations | Aircondition equipments | Laboratory equipments | Canteen equipments | Total        |
|--|------------------------|---------------------|--------------|------------------------|------------|-------------------|--------------------------|-------------------------|-----------------------|--------------------|--------------|
| <b>Gross carrying value :</b>                  |                        |                     |              |                        |            |                   |                          |                         |                       |                    |              |
| As at April 1, 2023                            | 597                    | 31                  | 3,395        | 277                    | 353        | 430               | 211                      | 192                     | 1,137                 | 5                  | 6,628        |
| Additions                                      | 932                    | -                   | 459          | 192                    | 176        | 172               | 211                      | 79                      | 225                   | 5                  | 2,451        |
| Disposals                                      | 252                    | 7                   | 400          | 86                     | 85         | 86                | 104                      | 51                      | 11                    | *                  | 1,082        |
| Translation Adjustment                         | *                      | -                   | 2            | *                      | -          | 1                 | *                        | -                       | 2                     | -                  | 5            |
| <b>As at March 31, 2024</b>                    | <b>1,277</b>           | <b>24</b>           | <b>3,456</b> | <b>383</b>             | <b>444</b> | <b>517</b>        | <b>318</b>               | <b>220</b>              | <b>1,353</b>          | <b>10</b>          | <b>8,002</b> |
| <b>Accumulated depreciation/ impairment:</b>   |                        |                     |              |                        |            |                   |                          |                         |                       |                    |              |
| As at April 1, 2023                            | 375                    | 22                  | 2,238        | 123                    | 104        | 298               | 113                      | 70                      | 434                   | 1                  | 3,778        |
| Depreciation and impairment                    | 107                    | 2                   | 612          | 34                     | 66         | 82                | 28                       | 20                      | 291                   | 1                  | 1,243        |
| Disposals                                      | 207                    | 7                   | 399          | 68                     | 53         | 87                | 85                       | 36                      | 9                     | *                  | 951          |
| Translation Adjustment                         | *                      | -                   | 3            | *                      | -          | 1                 | *                        | -                       | 1                     | -                  | 5            |
| <b>As at March 31, 2024</b>                    | <b>275</b>             | <b>17</b>           | <b>2,454</b> | <b>89</b>              | <b>117</b> | <b>294</b>        | <b>56</b>                | <b>54</b>               | <b>717</b>            | <b>2</b>           | <b>4,075</b> |
| <b>Net carrying value as at March 31, 2024</b> | <b>1,002</b>           | <b>7</b>            | <b>1,002</b> | <b>294</b>             | <b>327</b> | <b>223</b>        | <b>262</b>               | <b>166</b>              | <b>636</b>            | <b>8</b>           | <b>3,927</b> |
| <b>Gross carrying value :</b>                  |                        |                     |              |                        |            |                   |                          |                         |                       |                    |              |
| As at April 1, 2022                            | 532                    | 55                  | 2,729        | 247                    | 333        | 331               | 188                      | 160                     | 653                   | 4                  | 5,232        |
| Pursuant to Business Combination**             | -                      | 1                   | 38           | 2                      | -          | 17                | 8                        | 5                       | *                     | -                  | 71           |
| Additions                                      | 65                     | 2                   | 768          | 47                     | 104        | 86                | 18                       | 29                      | 495                   | 1                  | 1,615        |
| Disposals                                      | -                      | 27                  | 149          | 19                     | 84         | 7                 | 3                        | 2                       | 12                    | *                  | 303          |
| Translation Adjustment                         | *                      | -                   | 9            | *                      | -          | 3                 | *                        | -                       | 1                     | -                  | 13           |
| <b>As at March 31, 2023</b>                    | <b>597</b>             | <b>31</b>           | <b>3,395</b> | <b>277</b>             | <b>353</b> | <b>430</b>        | <b>211</b>               | <b>192</b>              | <b>1,137</b>          | <b>5</b>           | <b>6,628</b> |
| <b>Accumulated depreciation/ impairment:</b>   |                        |                     |              |                        |            |                   |                          |                         |                       |                    |              |
| As at April 1, 2022                            | 299                    | 48                  | 1,732        | 111                    | 103        | 227               | 93                       | 54                      | 240                   | 1                  | 2,908        |
| Pursuant to Business Combination**             | -                      | *                   | 17           | 1                      | -          | 8                 | 2                        | 2                       | *                     | -                  | 30           |
| Depreciation and impairment                    | 76                     | 2                   | 628          | 29                     | 56         | 67                | 21                       | 16                      | 205                   | -                  | 1,100        |
| Disposals                                      | -                      | 28                  | 147          | 18                     | 55         | 7                 | 3                        | 2                       | 12                    | -                  | 272          |
| Translation Adjustment                         | *                      | -                   | 8            | *                      | -          | 3                 | *                        | -                       | 1                     | -                  | 12           |
| <b>As at March 31, 2023</b>                    | <b>375</b>             | <b>22</b>           | <b>2,238</b> | <b>123</b>             | <b>104</b> | <b>298</b>        | <b>113</b>               | <b>70</b>               | <b>434</b>            | <b>1</b>           | <b>3,778</b> |
| <b>Net carrying value as at March 31, 2023</b> | <b>222</b>             | <b>9</b>            | <b>1,157</b> | <b>154</b>             | <b>249</b> | <b>132</b>        | <b>98</b>                | <b>122</b>              | <b>703</b>            | <b>4</b>           | <b>2,850</b> |

\* represent value less than 0.5 million

\*\* refer note 33



#### 4. Right-of-use assets

(₹ in million)

| Particulars                                    | Buildings    |
|--|--------------|
| <b>Gross carrying value :</b>                  |              |
| <b>As at April 1, 2023</b>                     | <b>6,504</b> |
| Additions                                      | 4,101        |
| Disposals                                      | 1,876        |
| Translation Adjustment                         | 6            |
| <b>As at March 31, 2024</b>                    | <b>8,735</b> |
| <b>Accumulated depreciation/impairment:</b>    |              |
| <b>As at April 1, 2023</b>                     | <b>2,727</b> |
| Depreciation and impairment                    | 1,235        |
| Disposals                                      | 1,190        |
| Translation Adjustment                         | 12           |
| <b>As at March 31, 2024</b>                    | <b>2,784</b> |
| <b>Net carrying value as at March 31, 2024</b> | <b>5,951</b> |
| <b>Gross carrying value :</b>                  |              |
| <b>As at April 1, 2022</b>                     | <b>6,220</b> |
| Pursuant to Business Combination**             | 24           |
| Additions                                      | 716          |
| Disposals                                      | 486          |
| Translation Adjustments                        | 30           |
| <b>As at March 31, 2023</b>                    | <b>6,504</b> |
| <b>Accumulated depreciation/impairment:</b>    |              |
| <b>As at April 1, 2022</b>                     | <b>2,147</b> |
| Pursuant to Business Combination**             | 12           |
| Depreciation and impairment                    | 949          |
| Disposals                                      | 396          |
| Translation Adjustments                        | 15           |
| <b>As at March 31, 2023</b>                    | <b>2,727</b> |
| <b>Net carrying value as at March 31, 2023</b> | <b>3,777</b> |

#### 4. Capital work-in-progress

(₹ in million)

| Capital work-in-progress | For less than<br>1 year | 1 to 2 years | 2 to 3 years | More than 3<br>years | Total |
|--------------------------|-------------------------|--------------|--------------|----------------------|-------|
| As at March 31, 2024     | 74                      | -            | -            | 57                   | 131   |
| As at March 31, 2023     | 8                       | -            | -            | 57                   | 65    |

\*\* refer note 33

#### 5. Goodwill and other intangible assets

The movement in goodwill balance is given below:

(₹ in million)

|                                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year  | 6,010                   | 5,881                   |
| Translation adjustment                | 25                      | 129                     |
| Disposals                             | -                       | -                       |
| <b>Balance at the end of the year</b> | <b>6,035</b>            | <b>6,010</b>            |

## Notes forming part of the Consolidated Financial Statements

### 5. Goodwill and other intangible assets (Contd...)

#### Note on Goodwill Impairment Testing

Goodwill is tested for impairment annually or when events or circumstances indicate that an impairment loss may have occurred.

If the recoverable amount of cash generating unit (CGU) is less than its carrying amount, the carrying amount of CGU is reduced to its recoverable amount and resultant impairment loss is recognized in the statement of profit and loss.

The recoverable amount of a CGU is determined based on higher of value-in-use and fair value less cost to sell. The calculation of value in use involves use of significant estimates and assumptions which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

The movement in other intangible assets is given below:

(₹ in million)

| Particulars                                    | Other Intangible Assets |                   |                                      |            |                        | Total        |
|--|-------------------------|-------------------|--------------------------------------|------------|------------------------|--------------|
|  | Specialised softwares   | Technical knowhow | Customer Contracts and relationships | Tradename  | Non-compete agreements |              |
| <b>Gross carrying value :</b>                  |                         |                   |                                      |            |                        |              |
| <b>As at April 1, 2023</b>                     | <b>1,769</b>            | <b>143</b>        | <b>2,008</b>                         | <b>106</b> | <b>^</b>               | <b>4,026</b> |
| Additions                                      | 55                      | -                 | -                                    | -          | -                      | 55           |
| Disposals                                      | -                       | -                 | -                                    | -          | -                      | -            |
| Translation Adjustments                        | ^                       | -                 | 24                                   | -          | -                      | 24           |
| <b>As at March 31, 2024</b>                    | <b>1,824</b>            | <b>143</b>        | <b>2,032</b>                         | <b>106</b> | <b>^</b>               | <b>4,105</b> |
| <b>Accumulated amortisation/ impairment:</b>   |                         |                   |                                      |            |                        |              |
| <b>As at April 1, 2023</b>                     | <b>1,561</b>            | <b>143</b>        | <b>1,823</b>                         | <b>106</b> | <b>^</b>               | <b>3,633</b> |
| Amortisation and impairment                    | 112                     | -                 | 124                                  | -          | -                      | 236          |
| Disposals                                      | -                       | -                 | -                                    | -          | -                      | -            |
| Translation Adjustments                        | ^                       | -                 | 23                                   | -          | -                      | 23           |
| <b>As at March 31, 2024</b>                    | <b>1,673</b>            | <b>143</b>        | <b>1,970</b>                         | <b>106</b> | <b>^</b>               | <b>3,892</b> |
| <b>Net carrying value as at March 31, 2024</b> | <b>151</b>              | <b>-</b>          | <b>62</b>                            | <b>-</b>   | <b>-</b>               | <b>213</b>   |
| <b>Gross carrying value :</b>                  |                         |                   |                                      |            |                        |              |
| <b>As at April 1, 2022</b>                     | <b>1,835</b>            | <b>143</b>        | <b>1,880</b>                         | <b>106</b> | <b>^</b>               | <b>3,964</b> |
| Additions                                      | 111                     | -                 | -                                    | -          | -                      | 111          |
| Disposals                                      | 178                     | -                 | -                                    | -          | -                      | 178          |
| Translation Adjustments                        | 1                       | -                 | 128                                  | -          | -                      | 129          |
| <b>As at March 31, 2023</b>                    | <b>1,769</b>            | <b>143</b>        | <b>2,008</b>                         | <b>106</b> | <b>^</b>               | <b>4,026</b> |
| <b>Accumulated amortisation/ impairment:</b>   |                         |                   |                                      |            |                        |              |
| <b>As at April 1, 2022</b>                     | <b>1,618</b>            | <b>143</b>        | <b>1,548</b>                         | <b>106</b> | <b>^</b>               | <b>3,415</b> |
| Amortisation and impairment                    | 121                     | -                 | 169                                  | -          | -                      | 290          |
| Disposals                                      | 179                     | -                 | -                                    | -          | -                      | 179          |
| Translation Adjustments                        | 1                       | -                 | 106                                  | -          | -                      | 107          |
| <b>As at March 31, 2023</b>                    | <b>1,561</b>            | <b>143</b>        | <b>1,823</b>                         | <b>106</b> | <b>^</b>               | <b>3,633</b> |
| <b>Net carrying value as at March 31, 2023</b> | <b>208</b>              | <b>-</b>          | <b>185</b>                           | <b>-</b>   | <b>-</b>               | <b>393</b>   |

^ represent value less than 0.5 million

## Notes forming part of the Consolidated Financial Statements

### 6 Non Current investment

(₹ in million)

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>Corporate deposits</b>                 |                         |                         |
| Corporate deposit with Bajaj Finance Ltd. | 500                     | 1,000                   |
| Corporate deposit with HDFC Bank Ltd.     | 500                     | 500                     |
| <b>Non convertible debentures</b>         |                         |                         |
| Kotak Mahindra Prime Ltd.                 | 216                     | -                       |
| HDB Financial Services Ltd.               | 518                     | -                       |
| Kotak Mahindra Prime Ltd.                 | 257                     | -                       |
| L&T Finance Ltd.                          | -                       | 252                     |
|   | <b>1,991</b>            | <b>1,752</b>            |

### 7 Other financial assets - non current

(₹ in million)

|                                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| Security deposits                | 760                     | 561                     |
| Fixed deposits*                  | 55                      | 5                       |
| Derivative financial instruments | 885                     | 481                     |
|                                  | <b>1,700</b>            | <b>1047</b>             |

\*Includes fixed deposits kept as margin money deposits against bank guarantees and fixed deposit marked as lien.

### 8 Deferred tax assets / liabilities (net)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ in million)

| Deferred tax assets / (liabilities) in relation to | Opening balance | Recognised in profit and loss | Recognised in / reclassified from other comprehensive income | Exchange difference | Closing balance |
|--|-----------------|-------------------------------|--|---------------------|-----------------|
| Property, Plant and equipment                      | (811)           | 72                            | -  | (1)                 | (740)           |
| Investments  | (10)            | 6                             | -  | -                   | (4)             |
| Derivative financial instruments                   | (100)           | -                             | (175)  | -                   | (275)           |
| Leases   | 217             | (23)                          | -  | -                   | 194             |
| Employee benefit obligations                       | 379             | (19)                          | -  | 2                   | 362             |
| MAT credit entitlement                             | 314             | -                             | -  | -                   | 314             |
| Deferred Tax - US Branch                           | 250             | (33)                          | -  | -                   | 217             |
| Others   | 287             | (149)                         | -  | 2                   | 140             |
| Branch profit tax - US Branch                      | (785)           | (114)                         | -  | -                   | (899)           |
|  | <b>(259)</b>    | <b>(260)</b>                  | <b>(175)</b>   | <b>3</b>            | <b>(691)</b>    |

Gross deferred tax assets and liabilities are as follows

As at March 31, 2024

(₹ in million)

| Deferred tax assets / (liabilities) in relation to | Assets | Liabilities | Net   |
|--|--------|-------------|-------|
| Property, Plant and equipment                      | (82)   | (658)       | (740) |
| Investments  | (3)    | (1)         | (4)   |
| Derivative financial instruments                   | -      | (275)       | (275) |
| Leases   | 9      | 185         | 194   |
| Employee benefit obligations                       | 50     | 312         | 362   |

## Notes forming part of the Consolidated Financial Statements

### 8 Deferred tax assets / liabilities (net) (Contd...)

Gross deferred tax assets and liabilities are as follows

(₹ in million)

As at March 31, 2024

| Deferred tax assets / (liabilities) in relation to | Assets    | Liabilities  | Net          |
|--|-----------|--------------|--------------|
| MAT credit entitlement                             | -         | 314          | 314          |
| Deferred Tax - US Branch                           | -         | 217          | 217          |
| Others   | 80        | 60           | 140          |
| Branch profit tax - US Branch                      | -         | (899)        | (899)        |
|  | <b>54</b> | <b>(745)</b> | <b>(691)</b> |

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows :

As at 31 March 2023

(₹ in million)

| Deferred tax assets / (liabilities) in relation to | Opening balance | Recognised in profit and loss | Recognised in / reclassified from other comprehensive income | Exchange difference | Closing balance |
|--|-----------------|-------------------------------|--|---------------------|-----------------|
| Property, Plant and equipment                      | (731)           | (72)                          | -  | (8)                 | (811)           |
| Investments  | (27)            | 17                            | -  | -                   | (10)            |
| Derivative financial instruments                   | (638)           | -                             | 538  | -                   | (100)           |
| Leases   | 200             | 17                            | -  | *                   | 217             |
| Employee benefit obligations                       | 329             | 40                            | -  | 10                  | 379             |
| MAT credit entitlement                             | 314             | -                             | -  | -                   | 314             |
| Deferred Tax - US Branch                           | 250             | -                             | -  | -                   | 250             |
| Others   | 275             | 4                             | -  | 8                   | 287             |
| Branch profit tax - US Branch                      | (644)           | (141)                         | -  | -                   | (785)           |
|  | <b>(672)</b>    | <b>(135)</b>                  | <b>538</b>   | <b>10</b>           | <b>(259)</b>    |

Gross deferred tax assets and liabilities are as follows

(₹ in million)

As at March 31, 2023

| Deferred tax assets / (liabilities) in relation to | Assets     | Liabilities  | Net          |
|--|------------|--------------|--------------|
| Property, Plant and equipment                      | (107)      | (704)        | (811)        |
| Investments  | *          | (10)         | (10)         |
| Derivative financial instruments                   | -          | (100)        | (100)        |
| Leases   | 6          | 211          | 217          |
| Employee benefit obligations                       | 132        | 247          | 379          |
| MAT credit entitlement                             | -          | 314          | 314          |
| Deferred Tax - US Branch                           | -          | 250          | 250          |
| Others   | 107        | 180          | 287          |
| Branch profit tax - US Branch                      | -          | (785)        | (785)        |
|  | <b>138</b> | <b>(397)</b> | <b>(259)</b> |

\* represent value less than 0.5 million

During the year the Group have acquired Smart World Communications (SWC) from Larsen & Toubro Limited. Due to this business acquisition the deferred tax balance for previous years has been re-stated.

### 9 Other non-current assets

(₹ in million)

|                             | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------|----------------------|----------------------|
| Prepaid expenses            | 789                  | 377                  |
| Income tax receivable (net) | 1,791                | 1,798                |
|                             | <b>2,580</b>         | <b>2,175</b>         |

## Notes forming part of the Consolidated Financial Statements

### 10 Investments

(₹ in million except stated otherwise)

| Financial assets: investments - current                  | As at March 31, 2024 |        | As at March 31, 2023 |        |
|--|----------------------|--------|----------------------|--------|
|  | Units                | Amount | Units                | Amount |
| <b>a) Quoted mutual funds</b>                            |                      |        |                      |        |
| Investment carried at fair value through profit and loss |                      |        |                      |        |
| Axis Liquid Fund - Direct - Growth                       | 279,781              | 751    | 451,715              | 1,130  |
| Axis Overnight Fund - Direct - Growth                    | -                    | -      | 843,614              | 1,000  |
| Aditya Birla Sun Life Arbitrage Fund - Direct - Growth   | 9,833,859            | 256    | -                    | -      |
| Aditya Birla SunLife Liquid Fund - Direct - Growth       | 420,234              | 163    | 2,276,655            | 827    |
| Aditya Birla Sun Life Overnight Fund - Direct - Growth   | -                    | -      | 824,911              | 1,000  |
| HSBC Liquid Fund - Direct - Growth                       | 270,101              | 650    | 425,812              | 955    |
| ICICI Prudential Overnight Fund - Direct - Growth        | -                    | -      | 566,920              | 685    |
| ICICI Prudential Liquid Fund - Direct - Growth           | -                    | -      | 2,881,057            | 960    |
| Invesco India Arbitrage Fund - Direct - Growth           | 6,176,877            | 194    | -                    | -      |
| Invesco India Liquid Fund - Direct - Growth              | 198,468              | 658    | -                    | -      |
| Kotak Overnight Fund - Direct - Growth                   | -                    | -      | 837,283              | 1,001  |
| Kotak Liquid Fund - Direct - Growth                      | 147,054              | 718    | 141,469              | 644    |
| DSP Liquidity Fund - Direct - Growth                     | 132,837              | 458    | -                    | -      |
| LIC MF Liquid Fund - Direct Growth                       | -                    | -      | 112,166              | 458    |
| Nippon India Liquid Fund - Direct - Growth               | 127,961              | 756    | 193,794              | 1,067  |
| Nippon India Overnight Fund - Direct - Growth            | -                    | -      | 8,309,539            | 1,000  |
| SBI Liquid Fund - Direct - Growth                        | 175,415              | 663    | 178,374              | 628    |
| SBI Arbitrage Opportunities Fund - Direct - Growth       | 6,299,294            | 206    | -                    | -      |
| TATA Arbitrage Fund - Direct - Growth                    | 18,532,006           | 254    | -                    | -      |
| TATA Money Market Fund - Direct - Growth                 | 58,290               | 255    | -                    | -      |
| Mirae Asset Liquid Fund - Direct - Growth                | 162,355              | 414    | -                    | -      |
| UTI Liquid Fund - Direct - Growth                        | 11,341               | 45     | 186,062              | 686    |
| Kotak Equity Arbitrage Fund - Direct Plan - Growth       | 10,307,439           | 375    | -                    | -      |
| <b>b) Corporate deposits</b>                             |                      |        |                      |        |
| Corporate deposit with Bajaj Finance Ltd.                |                      | 1,765  |                      | 1,130  |
| Corporate deposit with HDFC Bank Ltd.                    |                      | 400    |                      | 1,230  |
| Corporate deposit with LIC Housing Finance Ltd.          |                      | 750    |                      | 1,200  |
| Corporate deposit with Aditya Birla Finance Ltd.         |                      | 253    |                      | -      |
| <b>c) Non convertible debentures</b>                     |                      |        |                      |        |
| Kotak Mahindra Prime Ltd.                                |                      | -      |                      | 357    |
| HDB Financial Services Ltd.                              |                      | 499    |                      | 512    |
| L&T Finance Ltd.   |                      | 251    |                      | -      |
| HDFC Bank Ltd.   |                      | -      |                      | 259    |
| TATA Capital Housing Finance Ltd.                        |                      | -      |                      | 251    |
| <b>d) Commercial papers</b>                              |                      |        |                      |        |
| Aditya Birla Finance Ltd.                                |                      | 243    |                      | 494    |
| Kotak Mahindra Prime Ltd.                                |                      | -      |                      | 248    |
| SBICAP Securities Ltd.                                   |                      | 494    |                      | -      |
| HDFC Securities Ltd.                                     |                      | 496    |                      | -      |
| HDFC Bank Ltd.   |                      | 248    |                      | 237    |
| Kotak Mahindra Investments Ltd.                          |                      | -      |                      | 478    |
| TATA Capital Ltd.  |                      | -      |                      | 237    |
| Tata Cleantech Capital Ltd.                              |                      | -      |                      | 237    |
| ICICI Securities Ltd.                                    |                      | 721    |                      | 742    |

## Notes forming part of the Consolidated Financial Statements

### 10 Investments (Contd...)

(₹ in million except stated otherwise)

| Financial assets: investments - current               | As at March 31, 2024 |               | As at March 31, 2023 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | Units                | Amount        | Units                | Amount        |
| <b>e) Certificate of Deposits</b>                     |                      |               |                      |               |
| SIDBI   |                      | -             |                      | 1,192         |
| HDFC Bank Ltd.  |                      | -             |                      | 243           |
|   |                      | <b>12,936</b> |                      | <b>21,088</b> |
| Aggregate amount of quoted investment at cost         |                      | 12,859        |                      | 21,048        |
| Aggregate amount of quoted investment at market value |                      | 12,936        |                      | 21,088        |

### 11 Financial assets: trade receivables - current

(₹ in million)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>Current</b>                           |                         |                         |
| Undisputed considered good               | 21,976                  | 21,812                  |
|  | <b>21,976</b>           | <b>21,812</b>           |
| Less: Allowance for Expected credit loss | (173)                   | (295)                   |
|  | <b>21,803</b>           | <b>21,517</b>           |

The following table represent ageing of Trade receivables as on March 31, 2024:

(₹ in million)

| Particulars  | Outstanding for following periods from due date of payment |                       |                      |            |              |                      | Total         |
|--|--|-----------------------|----------------------|------------|--------------|----------------------|---------------|
|  | Not Due  | Less than<br>6 months | 6 months<br>- 1 Year | 1-2 Years  | 2-3<br>Years | More than<br>3 Years |               |
| (i) Undisputed Trade Receivables<br>- Considered good                                    | 19,617   | 1,562                 | 597                  | 150        | 13           | 37                   | 21,976        |
| (ii) Undisputed Trade Receivables<br>- Which have significant<br>increase in credit risk | -  | -                     | -                    | -          | -            | -                    | -             |
| (iii) Undisputed Trade Receivables<br>- Credit impaired                                  | -  | -                     | -                    | -          | -            | -                    | -             |
| (iv) Disputed Trade Receivables -<br>Considered good                                     | -  | -                     | -                    | -          | -            | -                    | -             |
| (v) Disputed Trade Receivables<br>- Which have significant<br>increase in credit risk    | -  | -                     | -                    | -          | -            | -                    | -             |
| (vi) Disputed Trade Receivables -<br>Credit impaired                                     | -  | -                     | -                    | -          | -            | -                    | -             |
| <b>Gross Trade Receivable</b>  | <b>19,617</b>  | <b>1,562</b>          | <b>597</b>           | <b>150</b> | <b>13</b>    | <b>37</b>            | <b>21,976</b> |
| Less : Allowance for Expected<br>credit loss   | -  | -                     | -                    | -          | -            | -                    | (173)         |
| <b>Total</b>   |  |                       |                      |            |              |                      | <b>21,803</b> |

The following table represent ageing of Trade receivables as on March 31, 2023:

(₹ in million)

| Particulars  | Outstanding for following periods from due date of payment |                       |                      |           |              |                      | Total  |
|--|--|-----------------------|----------------------|-----------|--------------|----------------------|--------|
|  | Not Due  | Less than<br>6 months | 6 months<br>- 1 Year | 1-2 Years | 2-3<br>Years | More than<br>3 Years |        |
| (i) Undisputed Trade Receivables<br>- Considered good                                    | 18,573   | 2,383                 | 615                  | 182       | 18           | 41                   | 21,812 |
| (ii) Undisputed Trade Receivables<br>- Which have significant<br>increase in credit risk | -  | -                     | -                    | -         | -            | -                    | -      |

## Notes forming part of the Consolidated Financial Statements

### 11 Financial assets: trade receivables - current (Contd...)

(₹ in million)

| Particulars   | Outstanding for following periods from due date of payment |                    |                   |            |           |                   | Total         |
|---|--|--------------------|-------------------|------------|-----------|-------------------|---------------|
|   | Not Due  | Less than 6 months | 6 months - 1 Year | 1-2 Years  | 2-3 Years | More than 3 Years |               |
| (iii) Undisputed Trade Receivables - Credit impaired                            | -  | -                  | -                 | -          | -         | -                 | -             |
| (iv) Disputed Trade Receivables - Considered good                               | -  | -                  | -                 | -          | -         | -                 | -             |
| (v) Disputed Trade Receivables - Which have significant increase in credit risk | -  | -                  | -                 | -          | -         | -                 | -             |
| (vi) Disputed Trade Receivables - Credit impaired                               | -  | -                  | -                 | -          | -         | -                 | -             |
| <b>Gross Trade Receivable</b>   | <b>18,573</b>  | <b>2,383</b>       | <b>615</b>        | <b>182</b> | <b>18</b> | <b>41</b>         | <b>21,812</b> |
| Less : Allowance for Expected credit loss                                       | -  | -                  | -                 | -          | -         | -                 | (295)         |
| <b>Total</b>  |  |                    |                   |            |           |                   | <b>21,517</b> |

Allowance for expected credit loss movement

(₹ in million)

| Particulars  | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Balance at the beginning of the year                 | 295                  | 251                  |
| Additions during the year, net                       | 373                  | 236                  |
| Uncollectable receivables charged against allowances | (495)                | (192)                |
| Exchange Gain/Loss                                   | -                    | -                    |
| <b>Balance at the end of the year</b>                | <b>173</b>           | <b>295</b>           |

### 12 Financial assets: cash and cash equivalents - current

(₹ in million)

|   | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balances with banks                                     |                      |                      |
| - in current account                                    | 7,767                | 3,026                |
| Cheques on hand   | -                    | 9                    |
| Cash on hand  | -                    | -*                   |
| Remittance in transit                                   | 713                  | 196                  |
| Fixed deposits with banks (maturity less than 3 months) | 2,741                | 2,115                |
|   | <b>11,221</b>        | <b>5,346</b>         |

\*represents value less than 0.5 million

There are no repatriation restrictions with regard to cash and cash equivalents at the end of reporting period and prior period.

### 13 Financial assets: other bank balances - current

(₹ in million)

|   | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Fixed deposits with banks*                          |                      |                      |
| Maturity more than 3 months but less than 12 months | 2,678                | 1,549                |
| Earmarked balances with banks - unclaimed dividend  | 6                    | 4                    |
|   | <b>2,684</b>         | <b>1,553</b>         |

\* Fixed deposits are placed as margin money deposits against bank guarantees.

## Notes forming part of the Consolidated Financial Statements

### 14 Financial assets: others - current

(₹ in million)

|                                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Advances to employees                 | 98                      | 91                      |
| Security deposits                     | 41                      | 19                      |
| Derivative financial instruments      | 469                     | 331                     |
| Loans and advances to related parties | 10                      | 751                     |
| Other receivables                     | 54                      | 22                      |
| Unbilled revenue *                    | 923                     | 992                     |
| Less: ECL on unbilled revenue         | (25)                    | (24)                    |
|                                       | <b>1,570</b>            | <b>2,182</b>            |

\* For those contracts where right to consideration is unconditional upon passage of time.

### 15 Other current assets

(₹ in million)

|                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------|-------------------------|-------------------------|
| Contract Assets               | 6,474                   | 6,549                   |
| Unbilled revenue *            | 3,445                   | 3,767                   |
| Less: ECL on unbilled revenue | (63)                    | (52)                    |
|                               | <b>9,856</b>            | <b>10,264</b>           |
| Retention money not due       | 63                      | 26                      |
| Advances to suppliers         | 291                     | 310                     |
| Prepaid expenses              | 1,336                   | 1,084                   |
| GST receivable                | 501                     | 376                     |
| Other receivables             | 9                       | 7                       |
|                               | <b>2,200</b>            | <b>1,803</b>            |
|                               | <b>12,056</b>           | <b>12,067</b>           |

\* For those contracts where right to consideration is conditional upon completion of contractual milestones.

### 16 Equity share capital

#### 16.1 Authorised :

(₹ in million)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| 5,285,300,000 (previous year: 5,250,000,000) equity shares of ₹ 2 each | 10,571                  | 10,500                  |
|  | <b>10,571</b>           | <b>10,500</b>           |

#### 16.2 Issued, subscribed and fully paid up

(₹ in million)

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Issued, subscribed and fully paid up equity shares outstanding at the end of the year [105,608,142 (previous year: 105,532,167) equity shares of ₹ 2 each]          | 211                     | 211                     |
| Add: shares issued on exercise of employee stock options during the period [145,700 (previous year: 75,975) equity shares of ₹2 each]                               | -*                      | -*                      |
| <b>Issued, subscribed and fully paid up equity shares outstanding at the end of the period [105,753,842 (previous year: 105,608,142) equity shares of ₹ 2 each]</b> | <b>212</b>              | <b>211</b>              |
| <b>Total issued, subscribed and paid up capital</b>   | <b>212</b>              | <b>211</b>              |



## Notes forming part of the Consolidated Financial Statements

### 16 Equity share capital (Contd...)

#### 16.3 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.

#### 16.4 Shareholders holding more than 5% of equity shares as at the end of the year

| Equity shares                       | As at March 31, 2024 |           | As at March 31, 2023 |           |
|-------------------------------------|----------------------|-----------|----------------------|-----------|
|                                     | No. of shares        | % Holding | No. of shares        | % Holding |
| Larsen & Toubro Ltd.                | 77,986,899           | 73.74%    | 77,986,899           | 73.85%    |
| Life Insurance Corporation of India | 7,018,547            | 6.64%     | 4,785,916            | 4.53%     |
|                                     | <b>85,005,446</b>    |           | <b>82,772,815</b>    |           |

#### 16.5 Shares held by Promoters

| Equity shares        | As at March 31, 2024 |           | As at March 31, 2023 |           |
|----------------------|----------------------|-----------|----------------------|-----------|
|                      | No. of shares        | % Holding | No. of shares        | % Holding |
| Larsen & Toubro Ltd. | 7,79,86,899          | 73.74%    | 7,79,86,899          | 73.85%    |
|                      | <b>7,79,86,899</b>   |           | <b>7,79,86,899</b>   |           |

#### 16.6 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 16.8 of the consolidated financial statement.

#### 16.7 In the period of five years immediately preceding March 31, 2024 :

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)

#### 16.8 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. In Series A, the options are vested equally over a period of 5 years and in Series B options are vested equally over period of 4 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, 2021 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  |         |
|------------------|--------------------|---------|
|                  | 2023-24            | 2022-23 |
| Grant price -₹   | 2                  | 2       |
| Grant dates      | 28-07-2016 onwards |         |

## Notes forming part of the Consolidated Financial Statements

| Series reference  | ESOP scheme, 2016  |         |
|---|--------------------|---------|
|   | 2023-24            | 2022-23 |
| Vesting commences on  | 28-07-2017 onwards |         |
| Options granted and outstanding at the beginning of the year      | 514,250            | 215,725 |
| Options lapsed during the year                                    | 24,400             | 22,700  |
| Options granted during the year                                   | 16,400             | 397,200 |
| Options exercised during the year                                 | 145,700            | 75,975  |
| Options granted and outstanding at the end of the year-(a)        | 360,550            | 514,250 |
| of (a) above - vested outstanding options                         | 47,150             | 50,350  |
| of (a) above - unvested outstanding options                       | 313,400            | 463,900 |
| Weighted average remaining contractual life of options (in years) | 2.89               | 3.84    |

- iv) No options were granted to key managerial personnel during the year (previous year - 1,10,000 options).
- v) The number and weighted average exercise price of stock options are as follows:

| Particulars  | 2023-24              |                                     | 2022-23              |                                     |
|--|----------------------|-------------------------------------|----------------------|-------------------------------------|
|  | 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 | 5,14,250             | 2                                   | 2,15,725             | 2                                   |
| Options granted during the year                              | 16,400               | 2                                   | 3,97,200             | 2                                   |
| Options exercised during the year                            | 1,45,700             | 2                                   | 75,975               | 2                                   |
| Options lapsed during the year                               | 24,400               | 2                                   | 22,700               | 2                                   |
| Options granted and outstanding at the end of the year -(a)  | 3,60,550             | 2                                   | 5,14,250             | 2                                   |
| Options exercisable at the end of the year out of -(a) above | 47,150               | 2                                   | 50,350               | 2                                   |

- vi) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 4,320.68 per share. (previous year ₹ 3,692.66 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 2023-24 is ₹ 434 million (previous year: ₹ 816 million).
- ix) There were 16,400 new options granted during the year ended March 31, 2024. The fair value at grant date of options granted during previous year: ₹ 3,369.5. 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   | 2023-24   | 2022-23               |
|---|---|-----------------------|
| Weighted average exercise price                               | 2   | 2                     |
| Grant date  | April 26, 2023  | April 21, 2022        |
| Expiry date   | April 25, 2030  | April 20, 2029        |
| Weighted average share price at grant date                    | ₹ 3,447.00 per option   | ₹ 4,244.30 per option |
| Weighted average expected price volatility of company's share | 39.00%  | 40.52%                |
| Weighted average expected dividend yield over life of option  | 2.65%   | 2.07%                 |
| Weighted average risk-free interest                           | 6.96%   | 5.86%                 |
| 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

### 16.9 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:

- (a) During the year ended March 31, 2024, the Company paid the final dividend of ₹ 30 per equity share for the year ended March 31, 2023.
- (b) The Company paid, on November 13, 2023 an Interim dividend of ₹ 17 per equity share for the year ended March 31, 2024.
- (c) On April 25, 2024, the Board of Directors of the Company have recommended the final dividend of ₹ 33 per equity share for the year ended March 31, 2024 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, 2024 is expected to be ₹ 3,490 million.

### 17 Other equity

|   | (₹ in million)       |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 |
| Securities premium account                    | 11,872               | 11,462               |
| Share options outstanding account [note 2(p)] |                      |                      |
| Employee share options outstanding            | 1,332                | 1,765                |
| Deferred employee compensation expense        | (371)      961       | (827)      938       |
| Retained earnings                             | 44,737               | 36,667               |
| Cash flow hedge reserve [ note 2(n)(iii) ]    | 815                  | 296                  |
| Foreign currency translation reserve          | 451                  | 451                  |
| Other items of other comprehensive income     | (194)                | (93)                 |
| Capital reserve                               | (5,583)              | (5,583)              |
|   | <b>53,059</b>        | <b>44,138</b>        |

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.

#### Nature and Purpose of reserves.

##### Securities Premium Account

Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

##### Share options outstanding account

Employee Share options reserve represents the cumulative expense recognized for equity-settled transactions at each reporting date until the employee share options are exercised/expired upon which such amount is transferred to Profit and Loss.

## Notes forming part of the Consolidated Financial Statements

### Retained Earnings

This reserve represents undistributed accumulated earnings of the Group as on the balance sheet date.

### Capital Reserve

The Group recognizes difference between the amount of consideration paid and net worth of acquired business as capital reserve for common control business combination transactions.

### Cash flow hedge reserve

When a derivative is designated as cashflow hedging instrument, the effective portion of changes in the fair value of derivative is recognised in Other comprehensive income (OCI) and accumulated in cashflow hedge reserve.

Cumulative gains or losses previously recognised in cashflow hedge reserve are recognised in the statement of profit and loss in the period in which such transaction occurs/hedging instruments are settled/ cancelled.

### Foreign currency translation reserve

The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented under equity in the foreign currency translation reserve. The amount is transferred to retained earnings upon disposal of investment in foreign operation.

## 18 Financial liabilities: others - Non-current

|                                  | (₹ in million)          |                         |
|----------------------------------|-------------------------|-------------------------|
|                                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Lease liabilities                | 5,195                   | 3,731                   |
| Derivative financial instruments | 13                      | 165                     |
|                                  | <b>5,208</b>            | <b>3,896</b>            |

## 19 Financial liabilities: Trade payable - current

|                                    | (₹ in million)          |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Due to micro and small enterprises | 187                     | 104                     |
| Due to others*                     | 13,930                  | 12,265                  |
|                                    | <b>14,117</b>           | <b>12,369</b>           |

\* Includes dues to subsidiaries and fellow subsidiaries (refer note 42)

|  | (₹ in million) |                     |                |                |          |               |
|--|----------------|---------------------|----------------|----------------|----------|---------------|
|  | Not Due        | Less than<br>1 year | 1 to 2<br>year | 2 to 3<br>year | > 3 year | Total         |
| <b>As at March 31, 2024</b>                  |                |                     |                |                |          |               |
| Undisputed due to Micro and small enterprise | 185            | 2                   | -*             | -*             | -        | 187           |
| Undisputed due to others                     | 9,455          | 3,312               | 566            | 588            | 9        | 13,930        |
| Disputed due to micro and small enterprises  | -              | -                   | -              | -              | -        | -             |
| Disputed due to others                       | -              | -                   | -              | -              | -        | -             |
| <b>Total</b>                                 | <b>9,640</b>   | <b>3,314</b>        | <b>566</b>     | <b>588</b>     | <b>9</b> | <b>14,117</b> |
| <b>As at March 31, 2023</b>                  |                |                     |                |                |          |               |
| Undisputed due to Micro and small enterprise | 104            | -*                  | -              | -              | -        | 104           |
| Undisputed due to others                     | 9,685          | 2,325               | 194            | 58             | 3        | 12,265        |
| Disputed due to micro and small enterprises  | -              | -                   | -              | -              | -        | -             |
| Disputed due to others                       | -              | -                   | -              | -              | -        | -             |
| <b>Total</b>                                 | <b>9,789</b>   | <b>2,325</b>        | <b>194</b>     | <b>58</b>      | <b>3</b> | <b>12,369</b> |

\*represents value less than 0.5 million.

## Notes forming part of the Consolidated Financial Statements

### 20 Financial liabilities: others - current

(₹ in million)

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Lease liabilities                          | 1,393                   | 811                     |
| Unclaimed dividend                         | 6                       | 4                       |
| Due to others                              |                         |                         |
| Liability towards employee compensation    | 2,326                   | 4,010                   |
| Other payables                             | 91                      | 314                     |
| Derivative financial instruments           | 53                      | 313                     |
| Suppliers ledger - capital goods/services  | 127                     | 81                      |
| Liability - employee car schemes           | -                       | 7                       |
| Consideration payable on business purchase | -                       | 7,978                   |
|  | <b>3,996</b>            | <b>13,518</b>           |

### 21 Other current liabilities

(₹ in million)

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Unearned revenue including contract liabilities | 2,250                   | 2,606                   |
| Other payables                                  | 2,703                   | 1,947                   |
| Liability - employee car schemes                | 148                     | 135                     |
|   | <b>5,101</b>            | <b>4,688</b>            |

### 22 Provisions

(₹ in million)

|                                  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------------|-------------------------|-------------------------|
| <b>Current</b>                   |                         |                         |
| Provisions for employee benefits | 1,540                   | 1,361                   |
|                                  | <b>1,540</b>            | <b>1,361</b>            |
| <b>Non-current</b>               |                         |                         |
| Provisions for employee benefits | 83                      | 53                      |
|                                  | <b>83</b>               | <b>53</b>               |

### 23 Revenue from operations

(₹ in million)

|                                     | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|-------------------------------------|------------------------------|------------------------------|
| Engineering and technology services | 96,473                       | 88,155                       |
|                                     | <b>96,473</b>                | <b>88,155</b>                |

#### Disaggregation of Revenue :

The tables below present disaggregated revenue from contracts with customers by business segment and nature of contract. The Group believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

## Notes forming part of the Consolidated Financial Statements

### 23 Revenue from operations (Contd...)

|                                      | (₹ in million)               |                              |
|--------------------------------------|------------------------------|------------------------------|
|                                      | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| <b>Revenue by nature of Contract</b> |                              |                              |
| Fixed price contracts                | 36,091                       | 30,528                       |
| Time and materials contracts         | 60,382                       | 57,627                       |
| <b>Total</b>                         | <b>96,473</b>                | <b>88,155</b>                |
| <b>Revenue by Geography</b>          |                              |                              |
| North America                        | 53,069                       | 49,842                       |
| Europe                               | 15,326                       | 13,010                       |
| India                                | 21,133                       | 19,051                       |
| Rest of World                        | 6,945                        | 6,252                        |
| <b>Total</b>                         | <b>96,473</b>                | <b>88,155</b>                |
| <b>Revenue by Region</b>             |                              |                              |
| Onsite                               | 39,590                       | 35,008                       |
| Offshore                             | 56,883                       | 53,147                       |
| <b>Total</b>                         | <b>96,473</b>                | <b>88,155</b>                |

#### Fixed price contracts:

Fixed price arrangements with customers have defined delivery milestones with agreed scope of work and pricing for each milestone. Revenue from fixed-price contracts, where the performance obligations are satisfied over the time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the 'percentage-of-completion' method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Percentage of completion is determined based on the project costs incurred to date as a percentage of total estimated project costs required to complete the project. The input method has been used to measure the progress towards completion as there is direct relationship between input and productivity.

#### Time and materials contracts:

Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer.

### 24 Other income

|   | (₹ in million)               |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Foreign exchange gain*  | 502                          | 676                          |
| Profit/(loss) on disposal of PPE and ROU  | 163                          | 16                           |
| Gain/(loss) from mutual fund investments (measured at fair value through profit and loss) | 37                           | (68)                         |
| Interest received**   | 816                          | 876                          |
| Miscellaneous income  | 72                           | 109                          |
| Net gain/(loss) on fair valuation of investment   | 483                          | 424                          |
|   | <b>2,073</b>                 | <b>2,033</b>                 |

\* The foreign exchange gain reported above includes gain of ₹ 403 million (previous year: ₹ 203 million loss) being effective portion of the gain/loss on derivative instruments which are designated as cash flow hedges.

\*\* Interest income includes interest earned and accrued interest on account of investment in various instruments such as commercial paper, fixed deposits, Non convertible debentures etc.

## Notes forming part of the Consolidated Financial Statements

### 25 Employee benefits expenses \*

|  | (₹ in million)                       |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>March 31, 2024</b> | <b>Year ended<br/>March 31, 2023</b> |
| Salaries including overseas staff expenses | 47,057                               | 43,870                               |
| Contribution to and provision for:         |                                      |                                      |
| Contribution to provident and pension fund | 1,107                                | 906                                  |
| Contribution to gratuity fund              | 243                                  | 190                                  |
| Share based payments to employees          | 434                                  | 816                                  |
| Staff welfare expenses                     | 457                                  | 526                                  |
|  | <b>49,298</b>                        | <b>46,308</b>                        |

\*Refer Note no.39 for disclosure pertaining to IND AS - 19 - Employee benefits

### 26 Other expenses

|  | (₹ in million)                       |                                      |
|--|--------------------------------------|--------------------------------------|
|  | <b>Year ended<br/>March 31, 2024</b> | <b>Year ended<br/>March 31, 2023</b> |
| Subcontracting and component charges     | 10,395                               | 5,965                                |
| Engineering & technical consultancy fees | 5,449                                | 5,538                                |
| Cost of computer software                | 2,707                                | 1,981                                |
| Rent and establishment expenses          | 395                                  | 284                                  |
| Communication expenses                   | 350                                  | 362                                  |
| Legal and professional charges           | 679                                  | 563                                  |
| Advertisement and sales promotion        | 359                                  | 282                                  |
| Recruitment                              | 406                                  | 593                                  |
| Repairs to buildings and machineries     | 628                                  | 462                                  |
| General repairs and maintenance          | 261                                  | 215                                  |
| Power and fuel                           | 380                                  | 307                                  |
| Equipment hire charges                   | 42                                   | 58                                   |
| Insurance charges                        | 215                                  | 161                                  |
| Rates and taxes                          | 379                                  | 387                                  |
| Bad debts written off                    | 497                                  | 192                                  |
| Allowances for doubtful debts            | (82)                                 | (77)                                 |
| ECL on unbilled revenue                  | (33)                                 | 95                                   |
| Overheads charged by group companies     | 62                                   | 257                                  |
| Trademark fees                           | 241                                  | 120                                  |
| Corporate social responsibility          | 223                                  | 202                                  |
| Commission to Directors                  | 30                                   | 27                                   |
| Other operating expenses                 | 1,583                                | 3,432                                |
| Travelling expense                       | 2,468                                | 2,445                                |
| Miscellaneous expenses                   | 351                                  | 387                                  |
|  | <b>27,985</b>                        | <b>24,238</b>                        |

### 27 Finance costs

|                                | (₹ in million)                       |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|
|                                | <b>Year ended<br/>March 31, 2024</b> | <b>Year ended<br/>March 31, 2023</b> |
| <b>Interest paid</b>           |                                      |                                      |
| Interest on lease liability    | 424                                  | 376                                  |
| Interest on bill discounting   | 67                                   | 32                                   |
| Interest paid/payable - others | 18                                   | 36                                   |
|                                | <b>509</b>                           | <b>444</b>                           |

## Notes forming part of the Consolidated Financial Statements

### 28 Provision for taxation

|                                     | (₹ in million)               |                              |
|-------------------------------------|------------------------------|------------------------------|
|                                     | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
| Current tax                         |                              |                              |
| Current tax on profits for the year | 4,678                        | 4,492                        |
| Tax expenses for prior periods      | 37                           | 69                           |
| Deferred tax                        |                              |                              |
| Deferred tax charge/(credit)        | 260                          | 135                          |
|                                     | <b>4,975</b>                 | <b>4,696</b>                 |

### 29 Basic and diluted earning per equity share

|   | (₹ in million except stated otherwise) |                              |
|---|--|------------------------------|
|   | Year ended<br>March 31, 2024           | Year ended<br>March 31, 2023 |
| <b>Basic EPS</b>  |  |                              |
| Profit after tax  | 13,037                                 | 12,121                       |
| Profit attributable to equity shareholders  | 13,037                                 | 12,121                       |
| Weighted average no. of equity shares outstanding   | 105,697,381                            | 105,571,928                  |
| Basic EPS (₹)   | 123.34                                 | 114.82                       |
| <b>Diluted EPS</b>  |  |                              |
| Profit after tax  | 13,037                                 | 12,121                       |
| Profit attributable to equity shareholders  | 13,037                                 | 12,121                       |
| Number of shares considered as basic weighted average shares outstanding                      | 105,697,381                            | 105,571,928                  |
| Add - Effect of dilutive issues of stock options  | 289,988                                | 307,701                      |
| Number of shares considered as basic weighted average shares and potential shares outstanding | 105,987,369                            | 105,879,629                  |
| Diluted EPS (₹)   | 123.00                                 | 114.48                       |

**30** Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 262 million (previous year: ₹ 1,459 million).

### 31 Contingent liabilities

|                     | (₹ in million)          |                         |
|---------------------|-------------------------|-------------------------|
|                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Corporate guarantee | 1,376                   | 1,356                   |
|                     | <b>1,376</b>            | <b>1,356</b>            |

Corporate 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

### 32 Financial ratios :

| Ratio                            | Numerator  | Denominator   | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 | Variance<br>% |
|----------------------------------|--|---|------------------------------|------------------------------|---------------|
| Current Ratio*                   | Total current assets   | Total current liabilities   | 2.5                          | 1.9                          | 27.5%         |
| Debt Equity Ratio                | Debt consists of lease liabilities   | Total equity  | 0.1                          | 0.1                          | 20.0%         |
| Debt Service Coverage Ratio      | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest | Debt service= Lease payments  | 10.8                         | 12.7                         | (15.6)%       |
| Return on Equity Ratio           | Profit for the year less Preference dividend (if any)                                      | Average total equity  | 26.7%                        | 28.2%                        | (5.3)%        |
| Trade Receivables Turnover Ratio | Revenue from operations  | Average trade receivables   | 4.5                          | 3.9                          | 15.3%         |
| Trade Payables Turnover Ratio    | Adjusted expenses <sup>^</sup>   | Average trade payables  | 2.1                          | 1.8                          | 15.0%         |
| Net capital turnover ratio       | Revenue from operations  | Average working capital (i.e., Total current assets less Total current liabilities) | 2.9                          | 2.9                          | (2.7)%        |
| Net profit %                     | Profit for the year  | Revenue from operations   | 13.5%                        | 13.8%                        | (2.2)%        |
| EBITDA %                         | Earnings before interest, taxes, depreciation and amortization                             | Revenue from operations   | 19.9%                        | 20.0%                        | (0.5)%        |
| EBIT %                           | Earnings before interest and taxes   | Revenue from operations   | 17.1%                        | 17.3%                        | (1.2)%        |
| Return on capital employed       | Profit before tax and Interest   | Average capital employed (Capital employed = Net worth)                             | 33.8%                        | 36.0%                        | (6.1)%        |
| Return on investment             | Income generated from invested funds   | Average invested funds in treasury investments                                      | 5.7%                         | 5.4%                         | 5.6%          |

**Note :**

<sup>^</sup>Adjusted expenses - Other expense net of CSR expense, bad debts written off and allowances for doubtful debts.

**Explanation for variances exceeding 25% :**

\* Improvement in cash management has resulted in higher investment and positive working capital along with reduction in current liabilities on account of consideration paid during FY 2023-24 towards business acquisition.

### 33 Disclosures pursuant to Indian accounting standard (IND AS) 103 "Business combinations":

**Common Control Business Combination- Smart World & Communication (SWC) :**

The Group entered into a Business Transfer Agreement on January 12, 2023 to acquire substantial portion of business division under the name Smart World and Communication Business Unit (SWC) from Larsen & Toubro Ltd. (L&T). The Group consummated the above transfer of business on April 1, 2023

The transaction was recorded in the books of the Group in previous year using the "Pooling of interests method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

## Notes forming part of the Consolidated Financial Statements

### 33 Disclosures pursuant to Indian accounting standard (IND AS) 103 “Business combinations”: (Contd...)

- Accordingly, the assets and liabilities transferred have been accounted at the carrying amounts as reflected in the books of L&T as at April 1, 2022 and no adjustments have been made to reflect the fair values, or recognize any new assets or liabilities;
- The identity of the reserves have been preserved and are recorded in the same form and at the carrying amount as appearing in the Standalone financial statements of L&T;
- The inter-company balances between both have been eliminated;
- Comparative financial information in the financial statements of the Group has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period;
- The difference between the purchase consideration and the carrying amounts of the net assets transferred has been transferred to capital reserve and presented separately from other capital reserves.

#### i) Details of purchase consideration:

| Particulars                                    | ₹ in million |
|--|--------------|
| Cash paid                                      | 8,000        |
| Less: Receivable towards employee liabilities  | (48)         |
| Payable towards Net Working Capital adjustment | 26           |
| <b>Total purchase consideration</b>            | <b>7,978</b> |

#### ii) Assets acquired and liabilities recognised on date of acquisition:

| Particulars                    | ₹ in million  |
|--------------------------------|---------------|
| <b>Non-Current Assets</b>      |               |
| Property, plant and equipment  | 42            |
| Right-of-Use Assets            | 12            |
| Loans                          | 3             |
| Other non-current assets       | 73            |
| <b>Current Assets</b>          |               |
| Inventories                    | -*            |
| Trade receivables              | 7,191         |
| Cash and cash equivalents      | -*            |
| Other Financial Asset          | 9             |
| Other Current Assets           | 3,591         |
| <b>Total Assets</b>            | <b>10,921</b> |
| <b>Non-Current Liabilities</b> |               |
| Lease Liabilities              | 5             |
| <b>Current Liabilities</b>     |               |
| Lease Liabilities              | 8             |
| Trade payables                 | 10,106        |
| Other financial liabilities    | 177           |
| Other current liabilities      | 565           |
| <b>Total Liabilities</b>       | <b>10,861</b> |
| <b>Net Asset</b>               | <b>60</b>     |

#### iii) Calculation of Capital Reserve

| Particulars  | ₹ in million |
|--|--------------|
| Purchase consideration paid / payable as per (i) above | 7,978        |
| Less: fair value of net assets acquired                | 60           |
| <b>Capital Reserve as on date of acquisition</b>       | <b>7,918</b> |

\*represents value less than 0.5 million

## Notes forming part of the Consolidated Financial Statements

### 34 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:

(₹ in million except stated otherwise)

| Particulars                  | As at March 31, 2024 |                   |                      |                     | As at March 31, 2023 |                  |                      |                     |
|------------------------------|----------------------|-------------------|----------------------|---------------------|----------------------|------------------|----------------------|---------------------|
|                              | Nominal amount       | Average rate* (₹) | Within twelve months | After twelve months | Nominal amount       | Average rate (₹) | Within twelve months | After twelve months |
| <b>(a) Receivable hedges</b> |                      |                   |                      |                     |                      |                  |                      |                     |
| US Dollar                    | 78,445               | 87.61             | 36,798               | 41,647              | 75,882               | 88.41            | 39,222               | 36,660              |
| EURO                         | 3,135                | 95.00             | 2,520                | 615                 | 6,230                | 95.85            | 4,493                | 1,737               |
| GBP                          | 929                  | 103.26            | 929                  | -                   | 2,390                | 99.59            | 1,461                | 929                 |
| <b>(b) Payable hedges</b>    |                      |                   |                      |                     |                      |                  |                      |                     |
| US Dollar                    | 4,064                | 85.40             | 3,449                | 615                 | 8,620                | 83.48            | 5,954                | 2,666               |
| EURO                         | 733                  | 81.44             | 733                  | -                   | 2,766                | 85.10            | 1,996                | 770                 |
| GBP                          | 399                  | 88.69             | 399                  | -                   | 1,096                | 91.33            | 697                  | 399                 |

\*Average rate is attributable to forward contracts only.

#### ii) Carrying amounts of hedge instruments for which hedge accounting is followed:

(₹ in million)

| Cash flow hedge             | As at March 31, 2024 |             |       | As at March 31, 2023 |             |       |
|-----------------------------|----------------------|-------------|-------|----------------------|-------------|-------|
|                             | Current              | Non-current | Total | Current              | Non-current | Total |
| Other financial assets      | 469                  | 885         | 1,354 | 331                  | 481         | 812   |
| Other financial liabilities | 53                   | 13          | 66    | 313                  | 165         | 478   |

#### iii) Break up of hedging reserve

(₹ in million)

| Cash flow hedging reserve                       | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balance towards continuing hedge                | 808                  | 8                    |
| Balance for which hedge accounting discontinued | 7                    | 288                  |
| <b>Total</b>                                    | <b>815</b>           | <b>296</b>           |

#### iv) Movement of hedging reserve

(₹ in million)

| Hedging reserve  | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Opening Balance  | 296                  | 1,895                |
| Changes in fair value of forward and options contracts designated as hedging instruments       | 1,087                | (1,879)              |
| Amount reclassified to statement of profit & loss where hedge item has become on-balance sheet | (393)                | (258)                |
| Tax impact on above  | (175)                | 538                  |
| <b>Closing balance</b>   | <b>815</b>           | <b>296</b>           |

# Notes forming part of the Consolidated Financial Statements

## 35 Segment reporting

### (a) Description of segments and principal activities

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer.

The Group has identified business segments as reportable segments. The business segments comprise of :-

- Transportation
- Industrial products
- Hi-tech communications and media
- Plant Engineering
- Medical Devices

Brief description of each segment and principal activities are as under:

- 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 **Hi-tech communications and media:** Hi-tech communications and media 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:** Plant engineering 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.

## Notes forming part of the Consolidated Financial Statements

### 35 Segment reporting (Contd...)

- (i) Primary segments are defined based on the industries from which revenues are derived and segmental results are as under:

(₹ in million except stated otherwise)

| Particulars                                      | Transportation | Industrial Products | Telecom and Hi-tech | Plant Engineering | Medical Devices | Total         |
|--|----------------|---------------------|---------------------|-------------------|-----------------|---------------|
| <b>Revenue</b>                                   | <b>31,613</b>  | <b>16,350</b>       | <b>25,503</b>       | <b>13,545</b>     | <b>9,462</b>    | <b>96,473</b> |
| <b>% to Total</b>                                | <b>32.8%</b>   | <b>17.0%</b>        | <b>26.4%</b>        | <b>14.0%</b>      | <b>9.8%</b>     | <b>100.0%</b> |
|  | <i>27,705</i>  | <i>15,257</i>       | <i>23,578</i>       | <i>12,795</i>     | <i>8,820</i>    | <i>88,155</i> |
| % to Total                                       | <i>31.4%</i>   | <i>17.3%</i>        | <i>26.8%</i>        | <i>14.5%</i>      | <i>10.0%</i>    | <i>100.0%</i> |
| <b>Segment operating profits</b>                 | <b>6,202</b>   | <b>4,976</b>        | <b>2,482</b>        | <b>3,462</b>      | <b>2,930</b>    | <b>20,052</b> |
| <b>% to Revenue</b>                              | <b>19.6%</b>   | <b>30.4%</b>        | <b>9.7%</b>         | <b>25.6%</b>      | <b>31.0%</b>    | <b>20.8%</b>  |
|  | <i>5,362</i>   | <i>4,544</i>        | <i>2,437</i>        | <i>3,449</i>      | <i>2,867</i>    | <i>18,659</i> |
| % to Revenue                                     | <i>19.4%</i>   | <i>29.8%</i>        | <i>10.3%</i>        | <i>27.0%</i>      | <i>32.5%</i>    | <i>21.2%</i>  |
| <b>Un-allocable expenses (net)</b>               |                |                     |                     |                   |                 | <b>862</b>    |
|  |                |                     |                     |                   |                 | <i>1,050</i>  |
| <b>Other income</b>                              |                |                     |                     |                   |                 | <b>2,073</b>  |
|  |                |                     |                     |                   |                 | <i>2,033</i>  |
| <b>Operating profit</b>                          |                |                     |                     |                   |                 | <b>21,263</b> |
|  |                |                     |                     |                   |                 | <i>19,642</i> |
| <b>Finance cost</b>                              |                |                     |                     |                   |                 | <b>509</b>    |
|  |                |                     |                     |                   |                 | <i>444</i>    |
| <b>Depreciation</b>                              |                |                     |                     |                   |                 | <b>2,716</b>  |
|  |                |                     |                     |                   |                 | <i>2,338</i>  |
| <b>Profit before extraordinary items and tax</b> |                |                     |                     |                   |                 | <b>18,038</b> |
|  |                |                     |                     |                   |                 | <i>16,860</i> |

- (ii) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

(₹ in million)

| Particulars                               | North America | Europe        | India         | Rest of World | Total         |
|---|---------------|---------------|---------------|---------------|---------------|
| External revenue by location of customers | 53,069        | 15,326        | 21,133        | 6,945         | 96,473        |
|   | <i>49,842</i> | <i>13,010</i> | <i>19,051</i> | <i>6,252</i>  | <i>88,155</i> |

*Numbers in italics are for the previous year.*

Property, Plan 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 March 31, 2024 and March 31, 2023.
- (iv) The Group is streamlining and simplifying its organizational structure into 3 main segments to drive future growth, scalability and technology innovation effective April 1, 2024. The Group will consolidate its existing five segments into three: Mobility, Sustainability, and Hi-Tech, as part of the Group's 'Go Deeper to Scale' strategy to meet evolving customer demands. The Mobility segment will encompass Automotive, Commercial Vehicles and Aerospace verticals. Sustainability will cover Industrial Machinery & Building Technology, Electric & Power, FMCG and Oil & Gas. The Hi-Tech segment will include MedTech, Semiconductors, Consumer Electronics, Hyperscalers and NexGen Comm verticals.

## Notes forming part of the Consolidated Financial Statements

### 36 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 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 +/- ₹ 12.75 million as of March 31, 2024, and +/- ₹ 22.53 million as of March 31, 2023. 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 ₹ 174 million as of March 31, 2024 and ₹ 238 million as of March 31, 2023.

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, 2024 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.

## Notes forming part of the Consolidated Financial Statements

### 36 Financial risk management (Contd...)

#### 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 ₹ 173 million as at March 31, 2024 and ₹ 295 million as at March 31, 2023. The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

|   | (₹ in million) |         |
|---|----------------|---------|
|   | 2023-24        | 2022-23 |
| Opening balance of allowances for doubtful accounts | 295            | 251     |
| Allowances recognized (reversed)                    | (122)          | 44      |
| Closing balance of allowances for doubtful accounts | 173            | 295     |

The percentage of revenue from its top five customers is 14% for 2023-24 (14% for 2022-23).

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 asset        | (₹ in million)       |                  |               |                      |                  |               |
|------------------------|----------------------|------------------|---------------|----------------------|------------------|---------------|
|                        | As at March 31, 2024 |                  |               | As at March 31, 2023 |                  |               |
|                        | Less than 1 year     | More than 1 year | Total         | Less than 1 year     | More than 1 year | Total         |
| Investments            | 12,936               | 1,991            | 14,927        | 21,088               | 1,752            | 22,840        |
| Trade receivables      | 21,803               | -                | 21,803        | 21,517               | -                | 21,517        |
| Other financial assets | 1,102                | 760              | 1,862         | 1,851                | 561              | 2,412         |
| <b>Total</b>           | <b>35,841</b>        | <b>2,751</b>     | <b>38,592</b> | <b>44,456</b>        | <b>2,313</b>     | <b>46,769</b> |

| Financial liabilities       | (₹ in million)       |                  |               |                      |                  |               |
|-----------------------------|----------------------|------------------|---------------|----------------------|------------------|---------------|
|                             | As at March 31, 2024 |                  |               | As at March 31, 2023 |                  |               |
|                             | Less than 1 year     | More than 1 year | Total         | Less than 1 year     | More than 1 year | Total         |
| Trade payables              | 14,117               | -                | 14,117        | 12,369               | -                | 12,369        |
| Lease liabilities           | 1,393                | 5,195            | 6,588         | 811                  | 3,731            | 4,542         |
| Other financial liabilities | 2,550                | -                | 2,550         | 12,395               | -                | 12,395        |
| <b>Total</b>                | <b>18,060</b>        | <b>5,195</b>     | <b>23,255</b> | <b>25,575</b>        | <b>3,731</b>     | <b>29,306</b> |

## Notes forming part of the Consolidated Financial Statements

### 37 Fair value measurements

#### Financial instruments by category

(₹ in million)

|  | As at March 31, 2024 |              |                | As at March 31, 2023 |            |                |
|--|----------------------|--------------|----------------|----------------------|------------|----------------|
|  | FVPL                 | FVOCI        | Amortised Cost | FVPL                 | FVOCI      | Amortised Cost |
| <b>Financial assets</b>                  |                      |              |                |                      |            |                |
| Investments                              |                      |              |                |                      |            |                |
| - Mutual funds                           | 6,815                | -            | -              | 12,041               | -          | -              |
| - Bank fixed deposits                    | -                    | -            | 55             | -                    | -          | 5              |
| - Corporate deposits                     | -                    | -            | 4,168          | -                    | -          | 5,060          |
| - Non Convertible Debentures             | -                    | -            | 1,741          | -                    | -          | 1,631          |
| - Commercial papers                      | -                    | -            | 2,202          | -                    | -          | 2,673          |
| - Certificate of Deposits                | -                    | -            | -              | -                    | -          | 1,435          |
| Trade receivables                        | -                    | -            | 21,803         | -                    | -          | 21,517         |
| Cash and cash equivalents                | -                    | -            | 11,221         | -                    | -          | 5,346          |
| Other bank balances                      | -                    | -            | 2,684          | -                    | -          | 1,553          |
| Derivative financial instruments         | -                    | 1,354        | -              | -                    | 812        | -              |
| Security deposits                        | -                    | -            | 801            | -                    | -          | 580            |
| Loans - related parties                  | -                    | -            | 10             | -                    | -          | 751            |
| Advances - to employees                  | -                    | -            | 98             | -                    | -          | 91             |
| Other receivables                        | -                    | -            | 952            | -                    | -          | 990            |
| <b>Total financials assets</b>           | <b>6,815</b>         | <b>1,354</b> | <b>45,735</b>  | <b>12,041</b>        | <b>812</b> | <b>41,632</b>  |
| <b>Financial liabilities</b>             |                      |              |                |                      |            |                |
| Trade payables                           | -                    | -            | 14,117         | -                    | -          | 12,369         |
| Derivative financial instruments         | -                    | 66           | -              | -                    | 478        | -              |
| Lease liability                          | -                    | -            | 6,588          | -                    | -          | 4,542          |
| Supplier ledger - capital goods/services | -                    | -            | 127            | -                    | -          | 81             |
| Liability towards employee compensation  | -                    | -            | 2,326          | -                    | -          | 4,010          |
| Unclaimed dividend                       | -                    | -            | 6              | -                    | -          | 4              |
| Other payables                           | -                    | -            | 91             | -                    | -          | 8,299          |
| <b>Total financials liabilities</b>      | <b>-</b>             | <b>66</b>    | <b>23,255</b>  | <b>-</b>             | <b>478</b> | <b>29,305</b>  |

#### (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.

(₹ in million)

| Financial assets and liabilities measured at fair value - recurring fair value measurements | As at March 31, 2024 |         |         |       | As at March 31, 2023 |         |         |        |
|---|----------------------|---------|---------|-------|----------------------|---------|---------|--------|
|   | Level 1              | Level 2 | Level 3 | Total | Level 1              | Level 2 | Level 3 | Total  |
| <b>Financial assets</b>   |                      |         |         |       |                      |         |         |        |
| Financial investment at FVPL  |                      |         |         |       |                      |         |         |        |
| - Mutual funds  | 6,815                | -       | -       | 6,815 | 12,041               | -       | -       | 12,041 |
| Financial investment at FVOCI   |                      |         |         |       |                      |         |         |        |



## Notes forming part of the Consolidated Financial Statements

### 37 Fair value measurements (Contd...)

(₹ in million)

| Financial assets and liabilities measured at fair value - recurring fair value measurements | As at March 31, 2024 |              |          |              | As at March 31, 2023 |            |          |               |
|---|----------------------|--------------|----------|--------------|----------------------|------------|----------|---------------|
|   | Level 1              | Level 2      | Level 3  | Total        | Level 1              | Level 2    | Level 3  | Total         |
| Derivative financial instruments  |                      | 1,354        |          | 1,354        |                      | 812        |          | 812           |
| <b>Total financials assets</b>  | <b>6,815</b>         | <b>1,354</b> | <b>-</b> | <b>8,169</b> | <b>12,041</b>        | <b>812</b> | <b>-</b> | <b>12,853</b> |
| <b>Financial liabilities</b>  |                      |              |          |              |                      |            |          |               |
| Derivative financial instruments  |                      | 66           |          | 66           |                      | 478        |          | 478           |
| <b>Total financials liabilities</b>   | <b>-</b>             | <b>66</b>    | <b>-</b> | <b>66</b>    | <b>-</b>             | <b>478</b> | <b>-</b> | <b>478</b>    |

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 Group 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 financials 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 Consolidated Financial Statements

### 38 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:

(₹ in million)

| Sr. no. Particulars                                | Year ended 31 March, |               |
|--|----------------------|---------------|
|  | 2024                 | 2023          |
| (a) <b>Profit before tax</b>                       | 18,038               | 16,436        |
| Profit before tax on business acquisition*         | -                    | 424           |
| <b>Total</b>                                       | <b>18,038</b>        | <b>16,860</b> |
| (b) Corporate tax rate as per Income tax Act, 1961 | 25.17%               | 25.17%        |
| (c) <b>Tax on accounting profit</b>                | <b>(c)=(a)*(b)</b>   | <b>4,540</b>  |
| <b>Total</b>                                       | <b>4,540</b>         | <b>4,137</b>  |
| (d) (i) Effect of non-deductible expenses          | 30                   | 56            |
| (ii) Overseas taxes                                | 417                  | 348           |
| (iii) Tax effect on various other items            | (12)                 | 155           |
| Total effect of tax adjustments [(i) to (iii)]     | 435                  | 559           |
| (e) <b>Tax expense recognised during the year</b>  | <b>(e)=(c)+(d)</b>   | <b>4,975</b>  |
| (f) <b>Effective tax rate</b>                      | <b>(f)=(e)/(a)</b>   | <b>27.58%</b> |

The applicable Indian statutory tax rate for fiscal 2024 and 2023 is 25.17%.

Overseas taxes are on account of income taxes payable overseas, principally in the United States of America.

\*During the year the Group have acquired Smart World Communications (SWC) from Larsen & Toubro Limited. Due to this business acquisition the tax charge for previous years has been re-stated.

### 39 Disclosure pursuant to Ind AS 19 "Employee benefits"

#### i) Defined Contribution Plan

The Group has recognised ₹ 2,443 million (Previous year ₹ 2,115 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:

(₹ in million)

|   | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|---|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| A. Present value of defined benefit obligation        |                      |                      |                                      |                      |   |                      |
| Wholly funded   | 1,495                | 1,185                | -                                    | -                    | 10,204  | 7,924                |
| Wholly unfunded                                       | 13                   | 13                   | 85                                   | 54                   | -   | -                    |
| <b>Total (a)</b>                                      | <b>1,508</b>         | <b>1,198</b>         | <b>85</b>                            | <b>54</b>            | <b>10,204</b>                                       | <b>7,924</b>         |
| Less: Fair value of plan assets (b)                   | 1,100                | 880                  | -                                    | -                    | 10,665  | 8,104                |
| Amount to be recognised as liability or (asset) (a-b) | 408                  | 318                  | 85                                   | 54                   | (461)   | (180)                |
| B. Amounts reflected in the balance sheet             |                      |                      |                                      |                      |   |                      |
| Liabilities   | 408                  | 318                  | 85                                   | 54                   | 193   | 157                  |
| Assets & values                                       | -                    | -                    | -                                    | -                    | -   | -                    |
| <b>Net Liability/(asset)</b>                          | <b>408</b>           | <b>318</b>           | <b>85</b>                            | <b>54</b>            | <b>193</b>  | <b>157</b>           |

## Notes forming part of the Consolidated Financial Statements

### 39 Disclosure pursuant to Ind AS 19 “Employee benefits” (Contd...)

b) The amounts recognised in Statement of Profit and Loss are as follows :

(₹ in million)

|  | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|--|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|  | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| 1 Current service cost                                   | 223                  | 173                  | 27                                   | 27                   | 910   | 673                  |
| 2 Interest cost  | 12                   | 3                    | 5                                    | 4                    | 726   | 556                  |
| 3 Expected return on plan assets                         | -                    | -                    | -                                    | -                    | (726)   | (556)                |
| 4 Actuarial losses / (gains)                             | -                    | -                    | -                                    | -                    | 381   | 253                  |
| 5 Past service cost                                      | -                    | -                    | 14                                   | -                    | -   | -                    |
| 6 Actuarial gain/(loss) not recognized in books          | -                    | -                    | -                                    | -                    | (381)   | (253)                |
| <b>Total expense for the year included in staff cost</b> | <b>235</b>           | <b>176</b>           | <b>46</b>                            | <b>31</b>            | <b>910</b>  | <b>673</b>           |

c) Amount recorded In other comprehensive income :

(₹ in million)

|   | Gratuity plan        |                      | Post retirement medical benefit plan |                      |
|---|----------------------|----------------------|--------------------------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 |
| Opening amount recognized in OCI outside Profit and Loss Account        | 295                  | 140                  | (182)                                | (147)                |
| Remeasurement during the period due to                                  |                      |                      |                                      |                      |
| a Changes in financial assumptions                                      | (24)                 | (59)                 | 1                                    | (10)                 |
| b Changes in demographic assumptions                                    | 1                    | *                    | 8                                    | -                    |
| c Experience adjustments  | 131                  | 208                  | (33)                                 | (25)                 |
| d Actual return on plan assets less interest on plan assets             | 51                   | 6                    | -                                    | -                    |
| <b>Closing amount recognized in OCI outside profit and loss account</b> | <b>454</b>           | <b>295</b>           | <b>(206)</b>                         | <b>(182)</b>         |

\* represent value less than 0.5 million

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in million)

|  | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|--|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|  | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| Opening balance of the present value of defined benefit obligation | 1,198                | 992                  | 54                                   | 59                   | 7,924   | 6,620                |
| Transfer in/(out)  | -                    | -                    | -                                    | -                    | 927   | 382                  |
| Current service cost   | 223                  | 173                  | 27                                   | 27                   | 910   | 673                  |
| Past service cost  | -                    | -                    | 13                                   | -                    | -   | -                    |
| Interest on defined benefit obligation                             | 81                   | 54                   | 5                                    | 3                    | 725   | 556                  |
| Remeasurements due to :  |                      |                      |                                      |                      |   |                      |

## Notes forming part of the Consolidated Financial Statements

### 39 Disclosure pursuant to Ind AS 19 "Employee benefits" (Contd...)

(₹ in million)

|  | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|--|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|  | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| Actuarial loss/(gain) arising from change in financial assumptions   | (24)                 | (59)                 | 1                                    | (10)                 | -   | -                    |
| Actuarial loss/(gain) arising from change in demographic assumptions | 1                    | *                    | 8                                    | -                    | -   | -                    |
| Actuarial loss/(gain) arising on account of experience changes       | 131                  | 208                  | (33)                                 | (25)                 | -   | -                    |
| Contribution by plan participants                                    | -                    | -                    | -                                    | -                    | 1,361   | 1,064                |
| Benefits paid  | (138)                | (170)                | (1)                                  | *                    | (1,643)   | (1,371)              |
| Liabilities assumed / (settled)**                                    | 36                   | -                    | 11                                   | -                    | -   | -                    |
| Closing balance of the present value of defined benefit obligation   | 1,508                | 1,198                | 85                                   | 54                   | 10,204  | 7,924                |

\* represent value less than 0.5 million

\*\*On account of business combination or inter group transfer

The Group expects to contribute ₹ 394 million towards its gratuity plan in FY 2024-25 (₹ 305.03 million in FY 2023-24)

- e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in million)

|   | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|---|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| Opening balance of the fair value of the plan assets          | 880                  | 881                  | -                                    | -                    | 8,104   | 7,123                |
| Expected return on plan assets                                | -                    | -                    | -                                    | -                    | 725   | 556                  |
| Add / (less) : transfer in/(out)                              | -                    | -                    | -                                    | -                    | 927   | 382                  |
| Add/(less) : actuarial gains/ (losses)                        | -                    | -                    | -                                    | -                    | 381   | (253)                |
| Employer contributions  | 305                  | 125                  | 1                                    | *                    | 893   | 650                  |
| Contributions by plan participants                            | -                    | -                    | -                                    | -                    | 1,278   | 1,017                |
| Interest on plan assets                                       | 69                   | 51                   | -                                    | -                    | -   | -                    |
| Administration expenses                                       | -                    | -                    | -                                    | -                    | -   | -                    |
| Assets acquired on acquisition / (distributed on divestiture) | -                    | -                    | -                                    | -                    | -   | -                    |
| Remeasurements due to :                                       |                      |                      |                                      |                      |   |                      |
| Actual return on plan assets less interest on plan assets     | (52)                 | (7)                  | -                                    | -                    | -   | -                    |
| Benefits paid   | (138)                | (170)                | (1)                                  | *                    | (1,643)   | (1,371)              |
| Liabilities assumed / (settled)                               | 36                   | -                    | -                                    | -                    | -   | -                    |
| Liabilities extinguished on settlements                       | -                    | -                    | -                                    | -                    | -   | -                    |

## Notes forming part of the Consolidated Financial Statements

### 39 Disclosure pursuant to Ind AS 19 “Employee benefits” (Contd...)

(₹ in million)

|                                    | Gratuity plan        |                      | Post retirement medical benefit plan |                      | Provident Fund trust managed by the holding company |                      |
|------------------------------------|----------------------|----------------------|--------------------------------------|----------------------|---|----------------------|
|                                    | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                                | As at March 31, 2023 |
| Closing balance of the plan assets | 1,100                | 880                  | -                                    | *                    | 10,665  | 8,104                |

\* represents value less than 0.5 million

f) Sensitivity analysis

|   | Gratuity plan        |                      | Post retirement medical benefit plan |                      |
|---|----------------------|----------------------|--------------------------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 |
| Impact of increase in 100 bps on defined benefit obligation |                      |                      |                                      |                      |
| Discount rate   | (4.21)% to (7.96)%   | (4.11)% to (7.01)%   |                                      |                      |
| Salary escalation rate                                      | 4.62% to 7.82%       | 4.26% to 7.29%       |                                      |                      |
| Impact of decrease in 100 bps on defined benefit obligation |                      |                      |                                      |                      |
| Discount rate   | 4.57% to 9.07%       | 4.45% to 7.95%       |                                      |                      |
| Salary escalation rate                                      | (4.33)% to (7.59)%   | (4.05)% to (7.18)%   |                                      |                      |
| Discount rate   |                      |                      |                                      |                      |
| Impact of increase in 100 bps on defined benefit obligation |                      |                      | (12.04)%                             | (12.58)%             |
| Impact of decrease in 100 bps on defined benefit obligation |                      |                      | 15.14%                               | 15.99%               |
| Healthcare costs rate                                       |                      |                      |                                      |                      |
| Impact of increase in 100 bps on defined benefit obligation |                      |                      | 0.00%                                | 9.52%                |
| Impact of decrease in 100 bps on defined benefit obligation |                      |                      | 0.00%                                | (7.85)%              |
| Life expectancy   |                      |                      |                                      |                      |
| Impact of increase in 1 year on defined benefit obligation  |                      |                      | 1.14%                                | 1.16%                |
| Impact of decrease by 1 year on defined benefit obligation  |                      |                      | (1.20)%                              | (1.22)%              |

- 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.

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 March 31, 2024 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 |
| Government of India securities   |                      |                      | 9.53%                                | 11.35%               |
| State government securities  |                      |                      | 35.36%                               | 34.02%               |
| Corporate bonds  |                      |                      | 33.47%                               | 32.21%               |
| Public sector bonds  |                      |                      | 3.44%                                | 6.44%                |
| Mutual Funds   | Scheme with LIC      | Scheme with LIC      | 10.32%                               | 9.12%                |
| Fixed deposits under Special Deposit Scheme framed by central government for provident funds & other allowable investments |                      |                      | 7.88%                                | 6.85%                |

## Notes forming part of the Consolidated Financial Statements

### 39 Disclosure pursuant to Ind AS 19 “Employee benefits” (Contd...)

h) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

|  | As at<br>March 31, 2024             | As at<br>March 31, 2023             |
|--|-------------------------------------|-------------------------------------|
| 1. Discount rate:                        |                                     |                                     |
| (a) Gratuity plan                        | 7.15%                               | 7.30%                               |
| (b) Post retirement medical benefit plan | 7.15%                               | 7.30%                               |
| 2. Annual increase in healthcare costs   | 0.00%                               | 5.00%                               |
| 3. Salary growth rate                    | 5.00%                               | 5.50%                               |
| 4. Attrition rate                        | 1% to 40% for<br>various age groups | 1% to 40% for<br>various age groups |

#### Risk exposure

##### i. Gratuity

The Group 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.

i) The amounts pertaining to defined benefit plans for the current year are as follows:

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
|   |                         | (₹ in million)          |
| <b>Gratuity plan (wholly funded/ unfunded)</b>                |                         |                         |
| 1 Defined benefit obligation                                  | 1,508                   | 1,198                   |
| 2 Plan assets   | 1,100                   | 880                     |
| 3 (Surplus) / deficit   | 408                     | 318                     |
| <b>Post retirement medical benefit plan (wholly unfunded)</b> |                         |                         |
| 1 Defined benefit obligation                                  | 85                      | 54                      |
| <b>Self - managed provident fund plan (wholly funded)</b>     |                         |                         |
| 1 Defined benefit obligation                                  | 10,204                  | 7,924                   |
| 2 Plan assets   | 10,665                  | 8,104                   |
| 3 (Surplus) / deficit   | (461)                   | (180)                   |

#### General descriptions of defined benefit plans:

##### a Gratuity plan

The Group 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.

Unfunded gratuity represents a small part of gratuity plan which is not material. Further, the unfunded portion includes amounts payable in respect of the Group’s foreign operations which result in gratuity payable to employees engaged as per local laws of country of operation.

## Notes forming part of the Consolidated Financial Statements

### 39 Disclosure pursuant to Ind AS 19 “Employee benefits” (Contd...)

#### 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 Group’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 Group 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. The Plan allows the employee and Group’s contributions to vest 100% immediately. During the year ended March 31, 2024, the Group contributed ₹ 165 million towards the Plan (Previous year: ₹ 150 million)

### 40 Leases

|   | (₹ in million)          |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| 1. Classwise right of use assets : Buildings  |                         |                         |
| Opening balance   | 3,777                   | 4,084                   |
| Addition during the year (net of deletion)  | 3,414                   | 618                     |
| Depreciation during the year  | 1,236                   | 948                     |
| FCTR impact   | (4)                     | 23                      |
| Closing balance   | 5,951                   | 3,777                   |
| 2. Repayment during the year (lease payment towards lease liability net of finance cost)  | (1,103)                 | (842)                   |
| 3. Maturity analysis of lease liability ( <b>undiscounted</b> )   |                         |                         |
| Less than 1 year  | 1,850                   | 1,172                   |
| 1 to 5 years  | 5,207                   | 3,198                   |
| More than 5 years   | 1,152                   | 1,718                   |
| <b>Total</b>  | <b>8,209</b>            | <b>6,088</b>            |
| Closing balance   |                         |                         |
| Current liability   | 1,393                   | 811                     |
| Non-current liability   | 5,195                   | 3,731                   |
|   | <b>6,588</b>            | <b>4,542</b>            |
| 4. Amount recognised in P&L account   |                         |                         |
| Interest on lease liability   | 424                     | 376                     |
| Rent expense - short term lease   | 343                     | 182                     |
| 5. Lease commitment   |                         |                         |
| During the year Group has entered into lease commitment of ₹ 327 million for 5 Years (Undiscounted Lease liability) for a property in Hyderabad. (previous year ₹ Nil). |                         |                         |

## Notes forming part of the Consolidated Financial Statements

### 41 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

#### Additional disclosure pursuant to schedule III to the Companies Act, 2013 as at March 31, 2024

(₹ in 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 (₹ in million) | As % of consolidated profit or loss | Amount (₹ in million) | As % of consolidated profit or loss | Amount (₹ in million) | As % of consolidated profit or loss | Amount (₹ in million) |
| <b>A - Parent</b>                           |   |                       |                                     |                       |                                     |                       |                                     |                       |
| L&T Technology Services Limited             | 91.35%  | 50,511                | 96.34%                              | 12,585                | 99.40%                              | 416                   | 96.43%                              | 13,001                |
| <b>B - Subsidiaries</b>                     |   |                       |                                     |                       |                                     |                       |                                     |                       |
| <b>(i) Indian subsidiaries</b>              |   |                       |                                     |                       |                                     |                       |                                     |                       |
| L&T Thales Technology Services Private Ltd. | 1.41%   | 781                   | 0.77%                               | 100                   | 0.65%                               | 3                     | 0.77%                               | 103                   |
| <b>(ii) Foreign subsidiary</b>              |   |                       |                                     |                       |                                     |                       |                                     |                       |
| L&T Technology Services LLC (Consolidated)  | 7.15%   | 3,953                 | 2.87%                               | 375                   | 0.92%                               | 4                     | 2.81%                               | 379                   |
| L&T Technology Services PTE. Ltd            | 0.01%   | 3                     | (0.01)%                             | (1)                   | 0.00%                               | -^                    | (0.01)%                             | (1)                   |
| Graphene Solutions SDN. BHD                 | 0.00%   | 1                     | 0.00%                               | -^                    | (0.01)%                             | -^                    | 0.00%                               | -^                    |
| Graphene Solutions Taiwan Ltd.              | 0.00%   | -^                    | (0.01)%                             | (1)                   | (0.09)%                             | -^                    | (0.01)%                             | (1)                   |
| L&T Technology Services (Shanghai) Co. Ltd. | 0.08%   | 44                    | 0.04%                               | 5                     | (0.87)%                             | (4)                   | 0.01%                               | 1                     |
| <b>Subtotal (A+B)</b>                       | <b>100%</b>   | <b>55,293</b>         | <b>100%</b>                         | <b>13,063</b>         | <b>100%</b>                         | <b>419</b>            | <b>100%</b>                         | <b>13,482</b>         |
| a. Adjustments arising out of consolidation |   | (1,816)               |                                     | -^                    |                                     | -                     |                                     | -^                    |
| b. Non-controlling interests in subsidiary  |   | (207)                 |                                     | (26)                  |                                     | (1)                   |                                     | (27)                  |
| <b>Total owners's share</b>                 |   | <b>53,271</b>         |                                     | <b>13,037</b>         |                                     | <b>418</b>            |                                     | <b>13,455</b>         |

#### Additional disclosure pursuant to schedule III to the Companies Act, 2013 as at March 31, 2023

(₹ in 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 (₹ in million) | As % of consolidated profit or loss | Amount (₹ in million) | As % of consolidated profit or loss | Amount (₹ in million) | As % of consolidated profit or loss | Amount (₹ in million) |
| <b>A - Parent</b>                           |   |                       |                                     |                       |                                     |                       |                                     |                       |
| L&T Technology Services Limited             | 90.72%  | 42,043                | 97.64%                              | 27,551                | 115.31%                             | (1,688)               | 96.68%                              | 25,863                |
| <b>B - Subsidiaries</b>                     |   |                       |                                     |                       |                                     |                       |                                     |                       |
| <b>(i) Indian subsidiaries</b>              |   |                       |                                     |                       |                                     |                       |                                     |                       |
| L&T Thales Technology Services Private Ltd. | 1.47%   | 679                   | 0.58%                               | 165                   | 0.08%                               | (1)                   | 0.61%                               | 164                   |
| <b>(ii) Foreign subsidiary</b>              |   |                       |                                     |                       |                                     |                       |                                     |                       |
| L&T Technology Services LLC (Consolidated)  | 7.71%   | 3,574                 | 1.71%                               | 481                   | -15.40%                             | 225                   | 2.64%                               | 706                   |
| L&T Technology Services PTE. Ltd            | 0.01%   | 4                     | 0.00%                               | (1)                   | (0.04)%                             | -^                    | 0.00%                               | (1)                   |
| Graphene Solutions SDN. BHD                 | 0.00%   | 1                     | 0.00%                               | -^                    | 0.00%                               | -^                    | 0.00%                               | -^                    |
| Graphene Solutions Taiwan Ltd.              | 0.00%   | 1                     | 0.00%                               | (1)                   | 0.00%                               | -^                    | 0.00%                               | (1)                   |
| L&T Technology Services (Shanghai) Co. Ltd. | 0.09%   | 42                    | 0.07%                               | 20                    | 0.01%                               | -^                    | 0.07%                               | 20                    |
| <b>Subtotal (A+B)</b>                       | <b>100%</b>   | <b>46,344</b>         | <b>100%</b>                         | <b>28,215</b>         | <b>100%</b>                         | <b>(1,464)</b>        | <b>100%</b>                         | <b>26,751</b>         |
| a. Adjustments arising out of consolidation |   | (1,815)               |                                     | (16,051)              |                                     | -                     |                                     | (16,051)              |
| b. Non-controlling interests in subsidiary  |   | (180)                 |                                     | (43)                  |                                     | -                     |                                     | (43)                  |
| <b>Total owners's share</b>                 |   | <b>44,349</b>         |                                     | <b>12,121</b>         |                                     | <b>(1,464)</b>        |                                     | <b>10,657</b>         |

^ represent value less than 0.5 million



## Notes forming part of the Consolidated Financial Statements

### 42 Disclosure of related parties/related party transactions pursuant to Ind AS 24 “Related Party Disclosures”

#### 42 (1) (i) List of related parties over which control exists/exercised:

| Name  | Relationship   |
|---|--|
| L&T Technology Services LLC*                | Wholly owned subsidiary                                  |
| L&T Thales Technology Services Private Ltd. | Joint Venture  |
| L&T Technology services Pte. Ltd.           | Wholly owned subsidiary                                  |
| Graphene Solution SDN. BHD.                 | Wholly owned subsidiary                                  |
| Graphene Solutions Taiwan Ltd.              | 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   |
| L&T Technology Services Poland sp. z o.o.   | Wholly owned subsidiary Incorporated on October, 30 2023 |

#### 42 (1) (ii) List of related parties which can exercise control:

| Name                 | Relationship    |
|----------------------|-----------------|
| Larsen & Toubro Ltd. | Holding company |

#### 42 (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                       |
| Ms. Prajakta Powle  | Company Secretary                             |
| Mr. Alind Saxena    | Chief Sales Officer (W.e.f.26th April 2023)   |

#### Non-executive directors

Mr. Anilkumar Manibhai Naik  
 Mr. Sekharipuram Narayanan Subrahmanyam  
 Dr. Keshab Panda

#### Independent directors

Mr. Sudip Banerjee  
 Mr. Narayanan Kumar  
 Ms. Apurva Purohit  
 Mr. Chandrasekaran Ramakrishnan  
 Mr. Luis Miranda  
 Ms. Aruna Sundararajan (W.e.f.26th April 2023)

#### 42 (1) (iv) List of related parties with whom there were transactions during the year:

| Name   | Relationship      |
|--|-------------------|
| Larsen & Toubro Ltd.                             | Holding company   |
| LTIMindtree Ltd.                                 | Fellow subsidiary |
| LTIMindtree Financial Services Technologies Inc. | Fellow subsidiary |
| LTIMindtree Norge AS                             | Fellow subsidiary |
| Larsen & Toubro Saudi Arabia LLC                 | Fellow subsidiary |
| Larsen & Toubro (East Asia) SDN. BHD.            | Fellow subsidiary |
| L&T Realty Developers Ltd.                       | Fellow subsidiary |
| L&T Finance Ltd.                                 | Fellow subsidiary |
| L&T Semiconductor Technologies Ltd.              | Fellow subsidiary |
| L&T Energy Hydrocarbon Engineering Limited       | Fellow subsidiary |
| L&T-Sargent & Lundy Ltd.                         | Joint Venture     |

\*During the year, Orchestra Technology Inc is merged with L&T Technology Services LLC with effect from February 01, 2024. Hence, transactions for the year ended 31 March 2024 and balances as on 31 March 2024 of Orchestra Technology Inc are shown under L&T Technology Services LLC.

The Hon'ble National Company Law Tribunal, Mumbai Bench has vide order dated November 29, 2023, sanctioned a scheme of amalgamation of three wholly owned subsidiaries, Esencia Technologies India Private Ltd., Graphene Semiconductor Services Private Ltd. and Seastar Labs Private Ltd. with the Company. The effective date of the scheme is April 01, 2022

## Notes forming part of the Consolidated Financial Statements

### 42 Disclosure of related parties/related party transactions pursuant (Contd...)

#### 42 (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 Ltd. Employee Group Gratuity Scheme

#### 42 (1) (vi) Disclosure of related party transactions

(₹ in million)

| Nature of Balances/relationship/major parties              | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| <b>Trade receivable</b>                                    |                |                |
| <b>Holding Company</b>                                     | <b>1,107</b>   | <b>199</b>     |
| - Larsen & Toubro Limited                                  | 1,107          | 199            |
| <b>Fellow subsidiaries</b>                                 | <b>246</b>     | <b>243</b>     |
| - LTIMindtree Limited                                      | 223            | 243            |
| - L&T Energy Hydrocarbon Engineering Limited               | 22             | -              |
| - Larsen & Toubro Saudi Arabia LLC                         | 1              | -              |
| <b>Contract Assets</b>                                     |                |                |
| <b>Holding Company</b>                                     | <b>204</b>     | <b>-</b>       |
| - Larsen & Toubro Limited                                  | 204            | -              |
| <b>Trade payable</b>                                       |                |                |
| <b>Holding Company</b>                                     | <b>474</b>     | <b>109</b>     |
| - Larsen & Toubro Limited                                  | 474            | 109            |
| <b>Fellow subsidiaries</b>                                 | <b>167</b>     | <b>177</b>     |
| - Larsen & Toubro (East Asia) Sdn. Bhd.                    | ^              | ^              |
| - Larsen & Toubro Saudi Arabia LLC                         | -              | 26             |
| - L&T Realty Developers Limited                            | 76             | -              |
| - LTIMindtree Limited                                      | 91             | 151            |
| <b>Joint Venture</b>                                       | <b>-</b>       | <b>^</b>       |
| - L&T-Sargent & Lundy Limited                              | -              | ^              |
| <b>Associate Company</b>                                   | <b>-</b>       | <b>1</b>       |
| - Thales Services SAS, France                              | -              | 1              |
| <b>Advances recoverable</b>                                |                |                |
| <b>Holding Company</b>                                     | <b>-</b>       | <b>383</b>     |
| - Larsen & Toubro Limited                                  | -              | 383            |
| <b>Fellow subsidiaries</b>                                 | <b>8</b>       | <b>375</b>     |
| - LTIMindtree Financial Services Technologies Inc.         | -              | -              |
| - Larsen & Toubro Saudi Arabia LLC                         | ^              | -              |
| - L&T Semiconductor Technologies Limited                   | 8              | -              |
| - L&T Realty Developers Limited                            | -              | 375            |
| <b>Investment</b>  |                |                |
| <b>Fellow Subsidiary</b>                                   | <b>251</b>     | <b>252</b>     |
| - L&T Finance Limited                                      | 251            | 252            |
| <b>Corporate guarantee issued on behalf of the company</b> |                |                |
| <b>Holding Company</b>                                     | <b>4,911</b>   | <b>4,883</b>   |
| - Larsen & Toubro Limited                                  | 4,911          | 4,883          |
| <b>Capital Commitment</b>                                  |                |                |
| <b>Fellow subsidiaries</b>                                 | <b>-</b>       | <b>1,250</b>   |
| - L&T Realty Developers Limited                            | -              | 1,250          |
| <b>Deposit</b>   |                |                |
| <b>Fellow subsidiaries</b>                                 | <b>185</b>     | <b>-</b>       |
| - L&T Realty Developers Limited                            | 185            | -              |
| <b>Revenue from services</b>                               |                |                |
| <b>Holding Company</b>                                     | <b>1,730</b>   | <b>257</b>     |
| - Larsen & Toubro Limited                                  | 1,730          | 257            |
| <b>Fellow subsidiaries</b>                                 | <b>1,423</b>   | <b>1,012</b>   |
| - LTIMindtree Limited                                      | 1,333          | 1,012          |
| - L&T Energy Hydrocarbon Engineering Limited               | 80             | -              |
| - Larsen & Toubro Saudi Arabia LLC                         | 10             | -              |

## Notes forming part of the Consolidated Financial Statements

### 42 Disclosure of related parties/related party transactions pursuant (Contd...)

#### 42 (1) (vi) Disclosure of related party transactions

(₹ in million)

| Nature of Balances/relationship/major parties      | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| <b>Purchase of services</b>                        |                |                |
| <b>Holding Company</b>                             | <b>1,248</b>   | <b>35</b>      |
| - Larsen & Toubro Limited                          | 1,248          | 35             |
| <b>Fellow subsidiaries</b>                         | <b>995</b>     | <b>849</b>     |
| - LTIMindtree Limited                              | 995            | 849            |
| <b>Joint Venture</b>                               | <b>4</b>       | <b>12</b>      |
| - L&T-Sargent & Lundy Limited                      | 4              | 12             |
| <b>Capital Expenditure</b>                         |                |                |
| <b>Fellow subsidiaries</b>                         | <b>930</b>     | <b>375</b>     |
| - L&T Realty Developers Limited                    | 930            | 375            |
| <b>Business Acquisition</b>                        |                |                |
| <b>Holding Company</b>                             | <b>7,978</b>   | <b>-</b>       |
| - Larsen & Toubro Limited                          | 7,978          | -              |
| <b>Rent paid</b>                                   |                |                |
| <b>Holding Company</b>                             | <b>368</b>     | <b>255</b>     |
| - Larsen & Toubro Limited                          | 368            | 255            |
| <b>Fellow subsidiaries</b>                         | <b>356</b>     | <b>28</b>      |
| - L&T Realty Developers Limited                    | 325            | -              |
| - LTIMindtree Limited                              | 30             | 27             |
| - LTIMindtree Financial Services Technologies Inc. | -              | -              |
| - LTIMindtree Norge AS                             | -              | -              |
| - Larsen & Toubro (East Asia) Sdn. Bhd.            | 1              | 1              |
| <b>Rent Received :</b>                             |                |                |
| <b>Fellow subsidiaries</b>                         | <b>-</b>       | <b>2</b>       |
| - LTIMindtree Limited                              | -              | 2              |
| <b>Guarantee Charges:</b>                          |                |                |
| <b>Holding company</b>                             | <b>3</b>       | <b>-</b>       |
| - Larsen & Toubro Limited                          | 3              | -              |
| <b>Interest Income</b>                             |                |                |
| <b>Fellow Subsidiaries</b>                         | <b>16</b>      | <b>59</b>      |
| - L&T Finance Limited                              | 16             | 59             |
| <b>Services availed by the Company</b>             |                |                |
| <b>Holding Company</b>                             | <b>241</b>     | <b>202</b>     |
| - Larsen & Toubro Limited                          | 241            | 202            |
| <b>Fellow subsidiaries</b>                         | <b>111</b>     | <b>13</b>      |
| - L&T Realty Developers Limited                    | 77             | -              |
| - L&T Energy Hydrocarbon Engineering Limited       | ^              | -              |
| - LTIMindtree Limited                              | 34             | 13             |
| <b>Services rendered by the Company</b>            |                |                |
| <b>Holding Company</b>                             | <b>35</b>      | <b>284</b>     |
| - Larsen & Toubro Limited                          | 35             | 284            |
| <b>Fellow subsidiaries</b>                         | <b>8</b>       | <b>-</b>       |
| - L&T Semiconductor Technologies Limited           | 8              | -              |
| <b>Trademark fees</b>                              |                |                |
| <b>Holding Company</b>                             | <b>241</b>     | <b>120</b>     |
| - Larsen & Toubro Limited                          | 241            | 120            |
| <b>Interim/final dividend paid - equity</b>        |                |                |
| <b>Holding Company</b>                             | <b>3,665</b>   | <b>2,340</b>   |
| - Larsen & Toubro Limited                          | 3,665          | 2,340          |

## Notes forming part of the Consolidated Financial Statements

### 42 Disclosure of related parties/related party transactions pursuant (Contd...)

#### Compensation to key managerial personnel

(₹ in million)

| Particulars                         | 2023-24    | 2022-23    |
|-------------------------------------|------------|------------|
| <b>Short-term employee benefits</b> | <b>175</b> | <b>111</b> |
| <b>Executive Directors</b>          | <b>153</b> | <b>89</b>  |
| Mr. Amit Chadha                     | 82         | 73         |
| Mr. Abhishek Sinha                  | 17         | 16         |
| Mr. Alind Saxena                    | 54         | -          |
| <b>Key Managerial Personnel</b>     | <b>22</b>  | <b>22</b>  |
| Mr. Rajeev Gupta                    | 17         | 17         |
| Ms. Prajakta Powle                  | 5          | 5          |
| <b>Post-employment benefits</b>     | <b>1</b>   | <b>1</b>   |
| <b>Executive Directors</b>          | <b>^</b>   | <b>^</b>   |
| Mr. Abhishek Sinha                  | ^          | ^          |
| <b>Key Managerial Personnel</b>     | <b>1</b>   | <b>1</b>   |
| Mr. Rajeev Gupta                    | 1          | ^          |
| Ms. Prajakta Powle                  | ^          | ^          |
| <b>Share-based payment</b>          | <b>185</b> | <b>27</b>  |
| <b>Executive Directors</b>          | <b>168</b> | <b>21</b>  |
| Mr. Amit Chadha                     | 73         | -          |
| Mr. Abhishek Sinha                  | 46         | 21         |
| Mr. Alind Saxena                    | 49         | -          |
| <b>Key Managerial Personnel</b>     | <b>17</b>  | <b>6</b>   |
| Mr. Rajeev Gupta                    | 17         | 6          |
| <b>Total compensation</b>           | <b>361</b> | <b>139</b> |

#### Compensation to non-executive directors

(₹ in million)

| Particulars                        | 2023-24   | 2022-23   |
|------------------------------------|-----------|-----------|
| <b>Sitting fees</b>                | <b>3</b>  | <b>3</b>  |
| <b>Non-executive directors</b>     | <b>1</b>  | <b>1</b>  |
| Mr. A M Naik                       | ^         | 1         |
| Dr Keshab Panda                    | ^         | ^         |
| <b>Independent Directors</b>       | <b>2</b>  | <b>2</b>  |
| Mr. Sudip Banerjee                 | ^         | ^         |
| Mr. Narayanan Kumar                | ^         | 1         |
| Mr. Apurva Purohit                 | 1         | 1         |
| Mr. Chandrasekaran Ramakrishnan    | ^         | ^         |
| Ms. Luis Miranda                   | 1         | ^         |
| Ms. Aruna Sundararajan             | ^         | -         |
| <b>Commission due to Directors</b> | <b>31</b> | <b>27</b> |
| <b>Non-executive directors</b>     | <b>20</b> | <b>17</b> |
| Mr. A M Naik                       | 15        | 12        |
| Dr. Keshab Panda                   | 5         | 5         |
| <b>Independent Directors</b>       | <b>11</b> | <b>10</b> |
| Mr. Sudip Banerjee                 | 2         | 2         |
| Mr. Narayanan Kumar                | 2         | 2         |
| Mr. Apurva Purohit                 | 2         | 2         |
| Mr. Chandrasekaran Ramakrishnan    | 2         | 2         |
| Ms. Luis Miranda                   | 2         | 2         |
| Ms. Aruna Sundararajan             | 1         | -         |
| <b>Total compensation</b>          | <b>34</b> | <b>30</b> |

## Notes forming part of the Consolidated Financial Statements

### 42 Disclosure of related parties/related party transactions pursuant (Contd...)

| <b>Transactions with trust managed employees provident fund</b> |                | (₹ in million) |  |
|---|----------------|----------------|--|
| <b>Particulars</b>  | <b>2023-24</b> | <b>2022-23</b> |  |
| Towards employer's contribution                                 | 893            | 650            |  |
| Paid during the year**  | 2,169          | 1,667          |  |
| Due to trust (year end liability)                               | 193            | 157            |  |

\*\*Includes Employer & Employee Contribution

| <b>Transactions with approved gratuity fund</b> |                | (₹ in million) |  |
|---|----------------|----------------|--|
| <b>Particulars</b>                              | <b>2023-24</b> | <b>2022-23</b> |  |
| Towards employer's contribution                 | 305            | 124            |  |
| Paid during the year                            | 305            | 124            |  |
| Due to trust (year end liability)               | 394            | 305            |  |

^represents value less than 0.5 million

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 43 Disclosure pursuant to Ind AS 115 "Revenue from contract with customers"

#### a) Transaction price allocated to remaining performance obligation

- i) The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2024, other than those meeting the exclusion criteria mentioned below in (ii), is ₹ 46,704 million. Out of this, the Group expects to recognize revenue of around ₹ 20,552 million 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 revalidations, 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.

#### b) 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.

## Notes forming part of the Consolidated Financial Statements

### 43 Disclosure pursuant to Ind AS 115 “Revenue from contract with customers” (Contd...)

- ii) Movement in contract asset and contract liability

| Particulars                            | For year ended March 31, 2024 |                  | For year ended March 31, 2023 |                  |
|--|-------------------------------|------------------|-------------------------------|------------------|
|  | Unbilled revenue              | Unearned revenue | Unbilled revenue              | Unearned revenue |
| Opening balance                        | 11,232                        | 2,606            | 6,172                         | 1,054            |
| Revenue recognised during period       | 10,714                        | (2,594)          | 11,179                        | (1,046)          |
| Invoiced during period                 | (11,195)                      | 2,237            | (6,173)                       | 2,598            |
| ECL on unbilled movement               | (2)                           | -                | -*                            | -                |
| Translation Gain/loss on consolidation | 5                             | -*               | 54                            | -                |
| <b>Closing balance</b>                 | <b>10,754</b>                 | <b>2,249</b>     | <b>11,232</b>                 | <b>2,606</b>     |

\*represents value less than 0.5 million

### 44 Government grants

- A. The Group has received incentives amounting to ₹ 29 million (previous year ₹ 17 million) from government of UK against money spent on research and development and has accounted for it under other income.
- B. The Group has received Compensation Grant due to war in Israel that resulted in decreased revenue cycle of a financial entity amounting to ₹ 2 million (previous year ₹ NIL) and has accounted for it under other income.
- C. The Group has received government grants amounting to ₹ 29 million (Previous year ₹ 6 million) from governments of various countries on compliance with several employment-related conditions and accordingly, accounted it as a credit to employee benefits expense.

### 45 Capital Management Note

The key objective of the Group's capital management is to maximise shareholder value, safeguard business continuity and support the growth of the group. The Group determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through operating cash flows generated, and equity. The Group is not subject to any externally imposed capital requirements.

Capital Structure of the Group is as under :-

| Particulars   | (₹ in million)       |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 |
| <b>Equity attributable to shareholders of the Group (A)</b>                           | 53,478               | 44,529               |
| As a % of total capital   | 89.0%                | 90.7%                |
| Borrowings  | -                    | -                    |
| Lease Liabilities   | 6,588                | 4,542                |
| <b>Total Borrowings and lease liabilities (B)</b>                                     | <b>6,588</b>         | <b>4,542</b>         |
| As a % of total capital   | 11.0%                | 9.3%                 |
| <b>Total Capital (Equity, Borrowings and lease liabilities) ( C ) = ( A ) + ( B )</b> | <b>60,066</b>        | <b>49,071</b>        |

As evident from the above table, the group is predominantly equity-financed. Also, the group has been generating healthy free cash flow along with major investments in liquid instruments. The Group continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating. Low gearing levels also equip the Group 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.

## Notes forming part of the Consolidated Financial Statements

### 46 Struck off companies disclosure

(₹ in million)

| Name of Struck off company     | Nature of transaction with struck off company | Relationship with struck off company if any, to be disclosed | Transaction during the year | Balance outstanding as at March 31, 2024 | Balance outstanding as at March 31, 2023 |
|--------------------------------|---|--|-----------------------------|--|--|
| Bennett Coleman And Co Ltd.    | Payables                                      | N/A  | -*                          | -  | -  |
| Nitin Commercials Private Ltd. | Dividend paid                                 | N/A  | -*                          | -  | -  |

\*represents value less than 0.5 million

- 47** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labor and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Group will assess the impact and its evaluation after 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.
- 48** The Group did not have any significant long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 49** An amount of ₹ 0.10 million which was due and payable and remained unclaimed and unpaid for a period of seven years, was transferred to the Investor Education and Protection Fund (IEPF) as at March 31, 2024 (previous year: ₹ Nil).
- 50** Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report attached  
For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration no. 105047W

For and on behalf of the Board of Directors of  
**L&T Technology Services Limited**

**VISHAL VILAS DIVADKAR**  
Partner  
Membership no. 118247

**PRAJAKTA POWLE**  
Company Secretary  
Membership no. A20135

**RAJEEV GUPTA**  
Chief Financial Officer

**AMIT CHADHA**  
Chief Executive Officer &  
Managing Director  
(DIN: 07076149)

**ABHISHEK SINHA**  
Chief Operating Officer &  
Whole-Time Director  
(DIN: 07596644)

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

Place: Mumbai  
Date: April 25, 2024

## Form No. Aoc.1 - Statement Containing Salient Features of the Financial Statements of Subsidiaries/ Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(₹ million)

| Sr no    | Particulars  | L&T Thales Technology Services Private Limited | L&T Technology Services LLC                                | L&T Technology Services PTE. Ltd                       | L&T Technology Services PTE. Ltd                            | L&T Technology Services PTE. Ltd                            | L&T Technology Solution SDN. BHD                           | Graphene Solutions Taiwan Limited                          | L&T Technology Services (Shanghai) Co. Ltd                 |
|----------|--|--|--|--|---|---|--|--|--|
|          | The date since when subsidiary was acquired / incorporated | June 26, 2014                                  | June 26, 2014  | August 20, 2019  | October 15, 2018  | March 31, 2024  | October 15, 2018   | October 15, 2018   | August 06, 2019  |
|          | Financial year ending on                                   | March 31, 2024                                 | March 31, 2024   | March 31, 2024   | March 31, 2024  | March 31, 2024  | March 31, 2024   | December 31, 2023  | December 31, 2023  |
|          | 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 PTE. Ltd | Wholly owned subsidiary of L&T Technology Services PTE. Ltd | 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\$   | CAD  | SGD   | MYR   | TWD  | CNY  |  |
|          | Exchange rate on the last day of financial year            | 1.00   | 83.41  | 61.27  | 61.74   | 17.62   | 2.61   | 11.54  |  |
| 1        | Share capital  | 21   | 1,783  | *  | 3   | 2   | 13   | 38   |  |
| 2        | Reserves   | 760  | 2,218  | (23.1)   | *   | (1)   | (11)   | 28   |  |
| 3        | Non-current liabilities                                    | 24   | 211  | -  | -   | -   | -  | -  |  |
| 4        | Current liabilities  | 81   | 2,020  | 79   | 1   | *   | 5  | 2  |  |
| <b>5</b> | <b>Total equity and liabilities (1+2+3+4)</b>              | <b>886</b>                                     | <b>6,232</b>   | <b>56</b>  | <b>4</b>  | <b>1</b>  | <b>7</b>   | <b>68</b>  |  |
| 6        | Non-current assets   | 88   | 2,189  | -  | -   | -   | *  | -  |  |
| 7        | Current assets   | 798  | 4,044  | 56   | 4   | 1   | 7  | 68   |  |
| <b>8</b> | <b>Total assets (6+7)</b>                                  | <b>886</b>                                     | <b>6,232</b>   | <b>56</b>  | <b>4</b>  | <b>1</b>  | <b>7</b>   | <b>68</b>  |  |
| 9        | Investments included in non-current assets (6 above)       | -  | *  | -  | -   | -   | -  | -  |  |
| 10       | Investments included in current assets (7 above)           | 364  | -  | -  | -   | -   | -  | -  |  |
| 11       | Revenue from operations                                    | 685  | 11,899   | 17   | -   | -   | -  | 28   |  |
| 12       | Profit before taxation                                     | 134  | 524  | (14)   | (1)   | *   | (1)  | 11   |  |
| 13       | Provision for taxation                                     | 34   | 135  | -  | *   | -   | *  | 1  |  |
| 14       | Profit after taxation                                      | 100  | 389  | (14)   | (1)   | *   | *  | 10   |  |
| 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%   |

\* represent value less than 0.5 million

L&T TECHNOLOGY SERVICES POLAND SP. Z O.O. (L&T Technology Services Poland) has not commenced the business till 31st March 2024.



## Glossary

|                     |  |
|---------------------|--|
| 3D                  | Three Dimensional  |
| 5G                  | The 5th 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  |
| ASIC                | Application-Specific Integrated Circuit  |
| 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   |
| CrossPollInnovation | Enabling the design and development of innovative products by leveraging multi-vertical, cross industrial expertise  |
| CII                 | Confederation of Indian Industry   |
| CGU                 | Cash Generating Unit   |
| CPG                 | Consumer Packaged Goods  |
| CSAT                | Customer Satisfaction  |
| CSR                 | Corporate Social Responsibility  |
| 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   |
| HUF                                    | Hindu Undivided Family  |
| 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  |
| 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  |
| 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" or "The Company" | L&T Technology Services Limited   |
| MCA                                    | Ministry of Corporate Affairs   |
| 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   |
| Net Profit Margin                      | Ratio of Net Profit to Revenue  |
| NGO                                    | Non-Governmental Organization   |
| NRC                                    | Nomination and Remuneration Committee   |
| NRI                                    | Non-Resident Indian   |
| NSDL                                   | National Securities Depository Limited  |
| NSE                                    | National Stock Exchange   |
| NVG                                    | National Voluntary Guidelines   |

|                     |   |
|---------------------|---|
| 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  |
| 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  |
| SDx                 | Software Defined  |
| SBEB Regulations    | Securities & Exchange Board of India (Share Based Employee Benefit) Regulations, 2014   |
| SDV                 | Software Defined Vehicle  |
| 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  |
| 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   |

# INDEPENDENT ASSURANCE STATEMENT

## Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by L & T Technology Services Limited, Corporate Identity Number L72900MH2012PLC232169, hereafter referred to as 'LTTS' or 'the Company') to undertake an independent assurance of the Company's disclosures in Business Responsibility and Sustainability Report (hereafter referred as 'BRSR'). The disclosures include Core indicators as per Annexure I of SEBI circular dated 12 July 2023.

## Reporting standard/framework

The disclosures have been prepared by LTTS in reference to:

- BRSR Core – Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
- ISO 14064-1:2018 - Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

## Assurance Methodology/Standard

This assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's Verisustain Protocol has been developed in accordance with the most widely accepted reporting and assurance standards.

## Intended User

The intended user of this assurance statement is the Management of LTTS ('the Management').

## Level of Assurance

- Reasonable Level of assurance for BRSR 9 Core Indicators (Ref: Annexure I of SEBI circular)

## Responsibilities of the Management of L & T Technology Services Limited and of the Assurance Provider

The Management of LTTS has the sole responsibility for the preparation of the BRSR Report and is responsible for all information disclosed in this BRSR Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. LTTS is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

## Scope, Boundary and Limitations

### Scope

The scope of our engagement includes independent assurance of 'BRSR 9 Core indicators' (Ref: Annexure I of SEBI Circular) – Reasonable level of assurance for Financial Year (FY) 2023-24.

### Boundary of our assurance work:

- *Reasonable assurance of BRSR Core indicators:* Boundary covers the performance of LTTS operations that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of reasonable assurance covers the operations of LTTS across all locations globally / India, unless otherwise stated in the table below.

| BRSR Core Indicator                                 | Boundary for reasonable Assurance   |
|---|---|
| Principle 6, Question 7 of essential indicators     | Indian operations   |
| Principle 6, Question 3 of essential indicators     | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 6, Question 4 of essential indicators     | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 6, Question 1 of essential indicators     | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 6, Question 9 of essential indicators     | Indian operations (14 major offices in India)                                   |
| Principle 3, Question 1 (c) of essential indicators | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 3, Question 11 of essential indicators    | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 5, Question 3 (b) of essential indicators | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 5, Question 7 of essential indicators     | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 8, Question 4 of essential indicators     | Global operations (32 major offices in India and 8 major offices outside India) |

DNV Headquarters, Veritasveien 1, P.O.Box 300, 1322 Høvik, Norway. Tel: +47 67 57 99 00. [www.dnv.com](http://www.dnv.com)

|   |   |
|---|---|
| Principle 8, Question 5 of essential indicators | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 9, Question 7 of essential indicators | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 1, Question 8 of essential indicators | Global operations (32 major offices in India and 8 major offices outside India) |
| Principle 1, Question 9 of essential indicators | Global operations (32 major offices in India and 8 major offices outside India) |

**Limitation(s):**

We performed a reasonable Level of assurance for the BRSR Core indicators reporting based on our assurance methodology VeriSustain, v06. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (ref- all sections of core indicators where currency; INR has been applied) relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy, or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

**Assurance process**

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of LTTS. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

1. Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The format of BRSR Core used as basis of reasonable level of assurance.
2. Evaluation of the design and implementation of key systems, processes, and controls for collecting, managing and reporting the BRSR Core indicators
3. Assessment of operational control and reporting boundaries
4. Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.
5. Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
6. DNV audit team conducted on-site and remote audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annex-II.
7. Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.
8. DNV teams conducted the:
  - Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
  - Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain for reasonable level verification for the disclosures.

**Conclusion**

**Reasonable level of Assurance- BRSR 9 Core Indicators**

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, the BRSR Core indicators (as listed in Annex I of this statement) for FY 2023-24 are reported in accordance with reporting requirements outlined in BRSR Core (Annexure I of SEBI Circular dated 12 July 2023).

**Statement of Competence and Independence**

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity assessment - General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>1</sup> during the assurance engagement and maintain independence wherever required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of LTTS. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to LTTS in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

**Purpose and Restriction on Distribution and Use**

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the LTTS and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

|  |   |
|--|---|
| <p><b>Panda,<br/>Tapan<br/>Kumar</b></p> <p>Digitally signed by<br/>Panda, Tapan<br/>Kumar<br/>Date: 2024.06.03<br/>08:39:24 +05'30'</p>                         | <p><b>Kakaraparathi<br/>, Venkata<br/>Raman</b></p> <p>Digitally signed by<br/>Kakaraparathi,<br/>Venkata Raman<br/>Date: 2024.06.03<br/>09:40:55 +05'30'</p> |
| <p>Tapan Kumar Panda<br/>Lead Verifier,<br/>Sustainability Services,<br/>DNV Business Assurance India Private Limited, India.</p>                                | <p>Kakaraparathi Venkata Raman<br/>Assurance Reviewer,<br/>Sustainability Services,<br/>DNV Business Assurance India Private Limited, India.</p>              |
| <p>Anamika Kumari (Verifier)<br/>Varsha Bohiya (Verifier)<br/>Sameeksha.S P (Verifier)<br/>Karthik Ramaswamy (Verifier)<br/>3rd June 2024, Bengaluru, India.</p> |   |

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

<sup>1</sup> DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

## Annex I

### Verified Data

| Sr. No. | Attribute   | Parameter   | Unit of Measures  | Assured Values |
|---------|---|---|---|----------------|
| 1       | Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* | Total Scope 1 emissions   | MT of CO <sub>2</sub> e   | 247            |
|         |   | Total Scope 2 emissions   | MT of CO <sub>2</sub> e   | 16,950         |
|         |   | Total Scope 1 and Scope 2 emission intensity per Million rupee of turnover                                    | MT CO <sub>2</sub> e per Million INR turnover   | 0.18           |
|         |   | Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) | MT CO <sub>2</sub> e per Million USD turnover adjusted for PPP  | 3.99           |
|         |   | Total Scope 1 and Scope 2 emission intensity in terms of physical output                                      |   | NA             |
|         |   | Total Scope 1 and Scope 2 emission intensity(optional)  |   | NA             |
| 2       | Water footprint   | Total water consumption   | KL  | 2,79,191       |
|         |   | Water consumption intensity   | Water intensity per Million rupee of turnover. (KL/INR Millions)  | 2.89           |
|         |   |   | Water intensity per Million USD of turnover adjusted for PPP. (Total water consumption/Revenue from operation adjusted for PPP) | 64.83          |
|         |   | Water intensity in terms of physical output   | Water intensity in terms of physical output.  | NA             |
|         |   | Water Discharge by destination and levels of Treatment  | KL  | 1,344          |
| 3       | Energy footprint  | Total energy consumed   | Gigajoules (GJ)   | 1,01,961.5     |
|         |   | % of energy consumed from renewable sources   | In % terms  | 22.9%          |
|         |   | Energy intensity  | Energy intensity per Million rupee of turnover. (Total Energy consumed/Revenue from operations)                                 | 1.06           |
|         |   |   | Energy intensity per Million USD of turnover adjusted for PPP. (GJ/ Revenue from operations in Million USD adjusted for PPP)    | 23.67          |
|         |   | Energy intensity in terms of physical output.   | NA  |                |
| 4       | Embracing circularity - details related to waste management by the entity   | Total Hazardous waste generated   | MT  | 0              |
|         |   | Plastic waste (A)   | MT  | 0              |
|         |   | E-waste (B)   | MT  | 4.4            |
|         |   | Bio-medical waste (C)   | MT  | 0.4            |
|         |   | Construction and demolition waste (D)   | MT  | 0              |
|         |   | Battery waste (E)   | MT  | 0              |
|         |   | Radioactive waste (F)   | MT  | NA             |
|         |   | Other Hazardous Waste (G)   | MT  | 0              |

|   |   |   |   |                              |
|---|---|---|---|------------------------------|
|   |   | Total Non-Hazardous Waste (H)   | MT  | 211.4                        |
|   |   | Dry leaves and garden waste   | MT  | 13.9                         |
|   |   | Food waste  | MT  | 118.5                        |
|   |   | Packaging waste (corrugated boxes and wood)   | MT  | 30.9                         |
|   |   | Paper & Packaging waste   | MT  | 12.8                         |
|   |   | Scrap   | MT  | 35.3                         |
|   |   | Total (A+B + C + D + E + F + G+ H)  | MT  | 216.2                        |
|   |   | Waste intensity per Million Rupee of turnover from operations   | Total waste generated /Million revenue from operations                        | 0.0022                       |
|   |   | Waste intensity per Million USD of turnover adjusted for Purchasing Power Parity (PPP)  | Total waste generated /Revenue from operations adjusted for PPP               | 0.05                         |
|   |   | Waste intensity in terms of physical output   |   | NA                           |
|   |   | Waste intensity(optional)   |   | NA                           |
|   |   | total waste recovered through recycling, re-using or other recovery operations**  |   |                              |
|   |   | (i) Recycled  | MT  | 48.1                         |
|   |   | (ii) Re-used  | MT  | 0                            |
|   |   | (iii) Other recovery operations   | MT  | 0                            |
|   |   | Total   | MT  | 48.1                         |
|   |   | Total waste disposed by nature of disposal method***  |   |                              |
|   |   | (i) Incineration  | MT  | 0                            |
|   |   | (ii) Landfilling  | MT  | 0                            |
|   |   | (iii) Other disposal options  |   |                              |
|   |   | a) Authorized vendors(e-waste, biomedical waste , batteries , scrap)  | MT  | a) 35.7                      |
|   |   | b) Organic composters/ Vermicompost/ Animal Husbandry   |   | b) 132.4                     |
|   |   | Total   | MT  | 168.1                        |
| 5 | Enhancing Employee Wellbeing and Safety | Spending on measures towards well-being of employees and workers - cost incurred as a % of total revenue of the company (Excluding Workers)   | In % terms  | 0.5%                         |
|   |   | Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) | Total recordable work-related injuries  | Employees: Nil<br>Worker: NA |
|   |   |   | Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees: Nil<br>Worker: NA |
|   |   |   | No. of fatalities   | Employees: Nil<br>Worker: NA |
|   |   |   | High consequence work-related injury or ill-health (excluding fatalities)     | Employees: Nil<br>Worker: NA |
| 6 | Enabling Gender Diversity in Business   | Gross wages paid to females as % of wages paid  | In % terms  | 21.7%                        |
|   |   | Complaints on POSH  | Total Complaints on Sexual Harassment (POSH) reported                         | 8                            |
|   |   |   | Complaints on POSH as a % of female employees / workers                       | 0.1%                         |
|   |   |   | Complaints on POSH upheld   | 0                            |





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|             |   |  |  |       |
|-------------|---|--|--|-------|
| 7           | Enabling Inclusive Development                    | Input material sourced from following sources as % of total purchases -and from within India   | Directly sourced from MSMEs/ small producers (In % terms - As % of total purchases by value) | 30.6% |
|             |   |  | Directly sourced from within India   | 70.7% |
|             |   | Job creation in smaller towns - Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost  | Location   |       |
|             |   |  | Rural  | 0%    |
|             |   |  | Semi-urban   | 0%    |
| Urban       | 0.04%   |  |  |       |
|             | Metropolitan                                      | 99.9%  |  |       |
| 8           | Fairness in Engaging with Customers and Suppliers | Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events                             | In % terms   | 0     |
|             |   | Number of days of accounts payable   | (Accounts payable *365) / Cost of goods/services procured                                    | 177   |
| 9           | Open-ness of business                             | Concentration of purchases & sales done with trading houses, dealers, and related parties<br>Loans and advances & investments with related parties | Purchases from trading houses as % of total purchases  | 0%    |
|             |   |  | Number of trading houses where purchases are made from                                       | 0%    |
|             |   |  | Purchases from top 10 trading houses as % of total purchases from trading houses             | 0%    |
|             |   |  | Sales to dealers / distributors as % of total sales  | NA    |
|             |   |  | Number of dealers / distributors to whom sales are made                                      | NA    |
|             |   |  | Sales to top 10 dealers / distributors as % of total sales to dealers / distributors         | NA    |
|             |   |  | Share of RPTs (as respective %age) in  |       |
|             |   |  | Purchases  | 12.4% |
|             |   |  | Sales  | 3.3%  |
|             |   |  | Loans & advances   | 3.3%  |
| Investments | 1.7%  |  |  |       |

## Annex II

## Sites selected for audits.

| S.no | Site             | Location   |
|------|------------------|--|
| 1.   | Corporate office |  |
| 2.   | India Offices    | Knowledge City, Gujrat, Vadodara - Onsite audit<br>Mindspace, Mumbai - Onsite audit<br>Pimpri Chinchwad Smart city site office, Pune- Remote audit<br>Pimpri Chinchwad Smart city warehouse, Pune - Remote audit<br>Main Campus, Mysuru - Onsite audit<br>Manyata, Bangalore - Remote audit<br>RGA Techpark, Bangalore - Onsite audit<br>Tower S1, Bangalore - Onsite audit<br>Cyber Gateway, Hyderabad - Onsite audit |

|    |                       |   |
|----|-----------------------|---|
|    |                       | Aurobindo, Hyderabad - Onsite audit<br>DLF, Chennai - Onsite audit<br>RMZ, Chennai - Onsite Audit<br>Jhansi Smart city site office, Jhansi- Remote audit<br>Jhansi ICCC, Jhansi - Remote audit<br>Patna Smart city site office - Remote audit<br>Patna Smart city warehouse - Remote audit<br>Raipur Smart city site office - Remote audit<br>Raipur Smart city warehouse- Remote audit<br>Raipur ICCC - Remote audit |
| 3. | International Offices | Detwillier Road, US _ Remote audit<br>Allen Road, US -Remote audit  |

# GRI Content Index

|                  |  |
|------------------|--|
| Statement of use | L&T Technology Services Integrated Report 2024 has reported the information cited in this GRI content index for the period from April 1, 2023, to March 31, 2024, with reference to the GRI Standards. |
| GRI 1 used       | GRI 1: Foundation 2021   |

The following table provides the mapping of disclosures for FY 2024 against the GRI standard requirements.

| GRI Standard Disclosures and description   | Section                           | Page No.         |
|--|-----------------------------------|------------------|
| <b>GRI 2: General Disclosures 2021</b>   |                                   |                  |
| <b>1 The organization and its reporting practices</b>                            |                                   |                  |
| 2-1 Organizational details   | About the report                  | 16-21            |
| 2-2 Entities included in the organization's sustainability reporting             | About the report                  | 4                |
| 2-3 Reporting period, frequency and contact point                                | About the report                  | 4-5              |
| 2-4 Restatements of information  | NA                                |                  |
| 2-5 External assurance   | Assurance Statement               | 399              |
| <b>2 Activities and workers</b>  |                                   |                  |
| 2-6 Activities, value chain and other business relationships                     | About the Company, BRSR           | 22-33, 222       |
| 2-7 Employees  | Human Capital, BRSR               | 77, 223          |
| 2-8 Workers who are not employees  | BRSR                              | 77, 223          |
| <b>3 Governance</b>  |                                   |                  |
| 2-9 Governance structure and composition   | Governance, Annexure D            | 35-36, 185       |
| 2-10 Nomination and selection of the highest governance body                     | Annexure D                        | 188-189, 192     |
| 2-11 Chair of the highest governance body  | Annexure D, BRSR                  | 186-187, 234     |
| 2-12 Role of the highest governance body in overseeing the management of impacts | Governance, Annexure D            | 186-187          |
| 2-13 Delegation of responsibility for managing impacts                           | Annexure D, BRSR                  | 186-187          |
| 2-14 Role of the highest governance body in sustainability reporting             | BRSR                              | 230              |
| 2-15 Conflicts of interest   | BRSR                              | 233-234          |
| 2-16 Communication of critical concerns  | BRSR                              | 225              |
| 2-17 Collective knowledge of the highest governance body                         | Annexure D                        | 188-189          |
| 2-18 Evaluation of the performance of the highest governance body                | Board's Report Annexure D         | 188-189, 192-193 |
| 2-19 Remuneration policies   | Annexure D                        | 193-194          |
| 2-20 Process to determine remuneration   | Annexure D                        | 193-194          |
| 2-21 Annual total compensation ratio   | Annexure G to Board Report        | 217              |
| <b>4 Strategy, policies and practices</b>  |                                   |                  |
| 2-22 Statement on sustainable development strategy                               | CEO's letter                      | 10-13            |
| 2-23 Policy commitments  | Organizational Policies, BRSR     | 45-51, 229-230   |
| 2-24 Embedding policy commitments  | BRSR                              | 229-230          |
| 2-25 Processes to remediate negative impacts                                     | BRSR                              | 225              |
| 2-26 Mechanisms for seeking advice and raising concerns                          | BRSR                              | 225              |
| 2-27 Compliance with laws and regulations  | Organizational Policies, BRSR     | 45-51, 229-230   |
| 2-28 Membership associations   | BRSR                              | 252              |
| <b>5 Stakeholder engagement</b>  |                                   |                  |
| 2-29 Approach to stakeholder engagement  | Stakeholder engagement, BRSR      | 240-241, 60-63   |
| 2-30 Collective bargaining agreements  | BRSR                              | 244              |
| <b>GRI 3: Material Topics 2021</b>   |                                   |                  |
| 3-1 Process to determine material topics   | Materiality determination process | 64-67, 225-229   |
| 3-2 List of material topics  | Material Topics, BRSR             | 64-67, 225-229   |
| 3-3 Management of material topics  | Material Topics, BRSR             | 64-67, 225-229   |

| <b>GRI Standard Disclosures and description</b>                                       | <b>Section</b>                                      | <b>Page No.</b> |
|---|---|-----------------|
| <b>GRI 200: Economic Performance</b>  |   |                 |
| <b>GRI 201: Economic Performance 2016</b>   |   |                 |
| 201-1 Direct economic value generated and distributed                                 | Financial Capital                                   | 71              |
| 201-2 Financial implications and other risks and opportunities due to climate change  | BRSR  | 229             |
| 201-3 Defined benefit plan obligations and other retirement plans                     | Human Capital, BRSR                                 | 91-92, 235-236  |
| 201-4 Financial assistance received from government                                   | Financial Capital                                   | 71              |
| <b>GRI 202: Market Presence 2016</b>  |   |                 |
| 202-1 Ratios of standard entry level wage by gender compared to local minimum wage    | BRSR  | 243             |
| 202-2 Proportion of senior management hired from the local community                  | Being an ER&D Company this metric is Not applicable |                 |
| <b>GRI 203: Indirect Economic Impacts 2016</b>  |   |                 |
| 203-1 Infrastructure investments and services supported                               | Business model                                      | 58-59           |
| 203-2 Significant indirect economic impacts   | Operating context                                   | 71              |
| <b>GRI 204: Procurement Practices 2016</b>  |   |                 |
| 204-1 Proportion of spending on local suppliers                                       | Social and relationship capital, BRSR               | 121, 253        |
| <b>GRI 205: Anti-corruption 2016</b>  |   |                 |
| 205-1 Operations assessed for risks related to corruption                             | BRSR  | 233             |
| 205-2 Communication and training about anti-corruption policies and procedures        | BRSR  | 232             |
| 205-3 Confirmed incidents of corruption and actions taken                             | BRSR  | 233             |
| <b>GRI 206: Anti-competitive Behavior 2016</b>  |   |                 |
| 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | BRSR  | 252             |
| <b>GRI 207: Tax 2019</b>  |   |                 |
| 207-1 Approach to tax   | MD&A  | 149-151         |
| 207-2 Tax governance, control, and risk management                                    | MD&A  | 149-151         |
| 207-3 Stakeholder engagement and management of concerns related to tax                | MD&A  | 149-151         |
| 207-4 Country-by-country reporting  | Finance Capital                                     | 72              |
| <b>GRI 300: Environmental Performance</b>   |   |                 |
| <b>GRI 301: Materials 2016</b>  |   |                 |
| 301-1 Materials used by weight or volume  | BRSR  | 234-235         |
| 301-2 Recycled input materials used   | BRSR  | 234-235         |
| 301-3 Reclaimed products and their packaging materials                                | BRSR  | 234-235         |
| <b>GRI 302: Energy 2016</b>   |   |                 |
| 302-1 Energy consumption within the organization                                      | Natural Capital, BRSR                               | 127, 245        |
| 302-2 Energy consumption outside of the organization                                  | Natural Capital, BRSR                               | 127, 245        |
| 302-3 Energy intensity  | Natural Capital, BRSR                               | 127, 245        |
| 302-4 Reduction of energy consumption   | Natural Capital, BRSR                               | 127             |
| 302-5 Reductions in energy requirements of products and services                      | Data not applicable to Company                      |                 |
| <b>GRI 303: Water and Effluents 2018</b>  |   |                 |
| 303-1 Interactions with water as a shared resource                                    | Natural Capital, BRSR                               | 129, 246        |
| 303-2 Management of water discharge-related impacts                                   | Natural Capital                                     | 129, 246        |
| 303-3 Water withdrawal  | Natural Capital, BRSR                               | 129, 246        |
| 303-4 Water discharge   | Natural Capital, BRSR                               | 129, 246        |
| 303-5 Water consumption   | Natural Capital, BRSR                               | 129, 246        |

| <b>GRI Standard Disclosures and description</b>   | <b>Section</b>        | <b>Page No.</b> |
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| <b>GRI 304: Biodiversity 2016</b>   |                       |                 |
| 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | BRSR                  | 249-250         |
| 304-2 Significant impacts of activities, products and services on biodiversity  | BRSR                  | 249-250         |
| 304-3 Habitats protected or restored  | BRSR                  | 249-250         |
| 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | BRSR                  | 249-250         |
| <b>GRI 305: Emissions 2016</b>  |                       |                 |
| 305-1 Direct (Scope 1) GHG emissions  | Natural Capital, BRSR | 128, 247        |
| 305-2 Energy indirect (Scope 2) GHG emissions   | Natural Capital, BRSR | 128, 247        |
| 305-3 Other indirect (Scope 3) GHG emissions  | Natural Capital, BRSR | 128, 251        |
| 305-4 GHG emissions intensity   | Natural capital, BRSR | 128, 247, 251   |
| 305-5 Reduction of GHG emissions  | Natural Capital       | 128, 230        |
| 305-6 Emissions of ozone-depleting substances (ODS)   | Natural Capital       | 128             |
| 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions   | Natural Capital, BRSR | 128, 247        |
| <b>GRI 306: Effluents and Waste 2016</b>  |                       |                 |
| 306-3 Significant spills  | NA                    |                 |
| <b>GRI 306: Waste 2020</b>  |                       |                 |
| 306-1 Waste generation and significant waste-related impacts  | Natural Capital, BRSR | 130, 248-249    |
| 306-2 Management of significant waste-related impacts   | Natural Capital, BRSR | 130, 248-249    |
| 306-3 Waste generated   | Natural Capital, BRSR | 130, 248-249    |
| 306-4 Waste diverted from disposal  | Natural Capital, BRSR | 130, 248-249    |
| 306-5 Waste directed to disposal  | Natural Capital, BRSR | 130, 248-249    |
| <b>GRI 308: Supplier Environmental Assessment 2016</b>  |                       |                 |
| 308-1 New suppliers that were screened using environmental criteria   | BRSR                  | 234             |
| 308-2 Negative environmental impacts in the supply chain and actions taken  | BRSR                  | 234             |
| <b>GRI 400: Social Dimension</b>  |                       |                 |
| <b>GRI 401: Employment 2016</b>   |                       |                 |
| 401-1 New employee hires and employee turnover  | Human Capital, BRSR   | 77-78           |
| 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees  | Human capital, BRSR   | 91-92, 235      |
| 401-3 Parental leave  | Human Capital, BRSR   | 89, 236         |
| <b>GRI 402: Labor/Management Relations 2016</b>   |                       |                 |
| 402-1 Minimum notice periods regarding operational changes  | Human Capital         | 79              |
| <b>GRI 403: Occupational Health and Safety 2018</b>   |                       |                 |
| 403-1 Occupational health and safety management system  | Human Capital, BRSR   | 93, 237-238     |
| 403-2 Hazard identification, risk assessment, and incident investigation  | Human Capital, BRSR   | 93, 237-238     |
| 403-3 Occupational health services  | Human Capital BRSR    | 93, 237-238     |
| 403-4 Worker participation, consultation, and communication on occupational health and safety   | BRSR                  | 237-238         |
| 403-5 Worker training on occupational health and safety   | Human Capital, BRSR   | 93, 237         |
| 403-6 Promotion of worker health  | Human Capital, BRSR   | 93, 237-238     |
| 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships                             | BRSR                  | 237-239         |
| 403-8 Workers covered by an occupational health and safety management system  | BRSR                  | 237-239         |
| 403-9 Work-related injuries   | BRSR                  | 237-239         |
| 403-10 Work-related ill health  | BRSR                  | 237-239         |

| <b>GRI Standard Disclosures and description</b>  | <b>Section</b>                       | <b>Page No.</b>  |
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| <b>GRI 404: Training and Education 2016</b>  |                                      |                  |
| 404-1 Average hours of training per year per employee  | Human Capital, BRSR                  | 80               |
| 404-2 Programs for upgrading employee skills and transition assistance programs                                      | Human Capital                        | 80-87            |
| 404-3 Percentage of employees receiving regular performance and career development reviews                           | Human Capital, BRSR                  | 76, 237          |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b>   |                                      |                  |
| 405-1 Diversity of governance bodies and employees   | Human Capital, BRSR                  | 87, 223-224      |
| 405-2 Ratio of basic salary and remuneration of women to men   | BRSR                                 | 243              |
| <b>GRI 406: Non-discrimination 2016</b>  |                                      |                  |
| 406-1 Incidents of discrimination and corrective actions taken   | Human Capital, BRSR                  | 87, 243          |
| <b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>  |                                      |                  |
| 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Human Capital                        | 87               |
| <b>GRI 408: Child Labor 2016</b>   |                                      |                  |
| 408-1 Operations and suppliers at significant risk for incidents of child labor                                      | Human Capital, BRSR                  | 243, 87          |
| <b>GRI 409: Forced or Compulsory Labor 2016</b>  |                                      |                  |
| 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | Human Capital                        | 87               |
| <b>GRI 410: Security Practices 2016</b>  |                                      |                  |
| 410-1 Security personnel trained in human rights policies or procedures  | NA                                   | XX               |
| <b>GRI 411: Rights of Indigenous Peoples 2016</b>  |                                      |                  |
| 411-1 Incidents of violations involving rights of indigenous peoples   | Human Capital                        | 87               |
| <b>GRI 413: Local Communities 2016</b>   |                                      |                  |
| 413-1 Operations with local community engagement, impact assessments, and development programs                       | Social & Relationship Capital & BRSR | 107-120, 253-254 |
| 413-2 Operations with significant actual and potential negative impacts on local communities                         | BRSR                                 | 253-254          |
| <b>GRI 414: Supplier Social Assessment 2016</b>  |                                      |                  |
| 414-1 New suppliers that were screened using social criteria   | BRSR                                 | 244-245          |
| 414-2 Negative social impacts in the supply chain and actions taken  | BRSR                                 | 244-245          |
| <b>GRI 415: Public Policy 2016</b>   |                                      |                  |
| 415-1 Political contributions  | BRSR                                 | 252              |
| <b>GRI 416: Customer Health and Safety 2016</b>  |                                      |                  |
| 416-1 Assessment of the health and safety impacts of product and service categories                                  | BRSR                                 | 256              |
| 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services                  | BRSR                                 | 256              |
| <b>GRI 417: Marketing and Labeling 2016</b>  |                                      |                  |
| 417-1 Requirements for product and service information and labeling  | BRSR                                 | 256              |
| 417-2 Incidents of non-compliance concerning product and service information and labeling                            | BRSR                                 | 256              |
| 417-3 Incidents of non-compliance concerning marketing communications  | BRSR                                 | 256              |
| <b>GRI 418: Customer Privacy 2016</b>  |                                      |                  |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data                   | BRSR                                 | 256              |



Value wall at LTTS Rockford Design Center, colored by our employees

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