

Celebrating 20 Years

Annual Report 2016-17

The Return on Beliefs



A Larsen & Toubro
Group Company

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Chairman's Message

Dear Shareholders,

During the year, your Company crossed several milestones in its ongoing journey of transformation. As it celebrates the major landmark of its 20th anniversary, it unfurled a new visual identity and also completed its maiden year as a listed Company. I am happy to share my thoughts with you as your Company scales up to the next level, and addresses a rapidly changing global environment.

The world is entering an era of fundamental changes. The way we live and do business is opening up new opportunities for digital solutions and service providers. Socio-political developments in different parts of the world, meanwhile, are increasingly impinging on international business, introducing an additional dimension to the conventional interplay of market forces. You would be happy to know that your Company's clear-sighted view of future demand, its focus on exponential technologies and its commitment to client-centricity should enable it to successfully face up to these emerging challenges.

LTI is at the forefront of architecting the digital strategy for the entire Larsen & Toubro Group. This



is among the largest and most ambitious digital initiatives in the country, unequalled for width, depth and sophistication. In tandem with other companies in the L&T Group, it will extend digital levers on profitability and growth deep into the organization, re-casting processes and realizing superior outcomes. The frontline experience gained in implementing a digital dimension to the multiple businesses of the Group should add greater traction to your Company's offerings in the digital space, across the globe.

LTI's investments in new service lines, partnerships and building a strong service and marketing engine are beginning to yield positive results across all performance parameters. Revenues are up by 11.2% year-on-year, while net income rose by 16.1% year-on-year. Margin expansion was on the back of a surge in digital revenue which now constitutes 26% of total revenue.

Accolades received by your Company include being rated by the Everest Group among the top 5 service providers for 'Best Overall Experience' by enterprise clients and being named as one of the

Breakthrough 15 Sourcing Standouts in the EMEA and Americas in the Global ISG Index for 1Q17.

Complacency inhibits change and I am sure that your Company's management will continue to look for ways to push the bar even higher, and rev up an innovative, inventive mindset. Since external transformation can only succeed in the long term if it is prefaced by internal transformation, LTI has embraced several company-wide change initiatives. A recent internal collaboration program engaged more than 20,000 employees across 27 countries, bringing them on the same platform to share experiences, driving agility and honing skills at every level in the organization.

I am confident that under its outstanding leadership team, LTI will provide positive business outcomes for our clients, energize the IT vision of the group, and build an organization that is primed for the future.

A.M. Naik
Founder Chairman

CEO's Message



It has been a gratifying experience for me to lead the Company in a period when the world is going through a fundamental change. We are witnessing the defining technological trend of the 21st century – the convergence of our digital and physical worlds.

Dear Shareholders,

It is my privilege to present your Company's first annual report as a publicly listed corporation. 2017 is a major milestone for us - we are celebrating our 20th anniversary and the launch of our new visual identity as LTI to set the Company on a new path of transformation and growth. It is also a significant milestone for me at a personal level because it marks my first complete financial year as the CEO. It has been a gratifying experience for me to lead the Company in a period when the world is going through a fundamental change. We are witnessing the defining technological trend of the 21st century – the convergence of our digital and physical worlds.

The convergence of digital and physical

The lines separating the bricks and bytes are rapidly getting blurred. Exponential technologies like Mobility, Internet of Things (IoT), Big Data, artificial intelligence, machine learning, and augmented reality are driving this convergence and businesses across industries are being transformed. Amidst these changes, global corporations are going through an unprecedented disruption and expect their transformation partners to help them with fundamental rethinking in their strategies and operations along multiple dimensions. Their expectations are to enhance agility and embrace exponential technologies to stay relevant in the converging world.

A new mandate for LTI

These expectations mean that our role as their IT services partner is also being redefined dramatically. To enable clients with these capabilities requires a radically different approach. We need to showcase a deep expertise in client industries, we need to bring together proven ecosystem integration capabilities and above all, we must deliver demonstrable return on investment within a defined timeframe to differentiate in this new landscape.

Preparing LTI for this change

Recognizing these changes, LTI is transforming itself to be a truly next-generation IT services partner. This necessitates us to be a 2-Speed company – operating at two levels simultaneously. On one hand, we need to be among the very best today, delivering profitable growth consistently and building a resilient portfolio. On the other hand, we need to define what we stand for, and invent the next generation, best-of-breed services company.

Our LTI 2.0 transformation journey has set us firmly on this path. Our focus on Big 5 exponential technologies of Digital, Analytics, Automation, IoT and Cloud along with our investments in strategic acquisitions like AugmentIQ is changing the very constitution of the Company. Digital services now contribute 26% of our revenue, our Mosaic platform is accelerating digital transformation with unique offerings like Mosaic Experience, Mosaic Automation, Mosaic Decisions, Mosaic AI and Mosaic Things. Industry analysts and experts are recognizing our capabilities. Above all, our customer satisfaction has improved significantly and they see us as a true partner in their transformation journey.

The Return on Beliefs

One of the most important metrics for every shareholder is the Return. As you go through the pages of this Annual Report, you will have an opportunity to evaluate various returns – the return on investment, the return on assets, and the return on equity.

In addition to those, I also want to talk about a different return – **the Return on Beliefs**.

In August 2015, I walked into LTI with a belief. A belief in the industry. A belief in the Company. A belief in our founders. And a belief in our real-world expertise. I also believed in the passion and ambition of more than 20,000 LTIites to design innovative solutions for our clients. I believed truly that LTI is best placed to win in the converging world because we bring a rich, real-world expertise, and an engineering mindset and the right team to lead this change.

While we still have a long road ahead, the return on this belief is now visible and your Company is one of the fastest growing providers in the industry. As we begin our next twenty years' journey, our key beliefs will drive everything we do. We are committing ourselves to a strong system of beliefs that we will follow unfailingly.

Finally, as we talk about beliefs, more than anyone else, I want to thank you, as the owners of this Company, for your belief in LTI and in our ability to be a challenger in a crowded marketplace. We will continue to work hard and disrupt the market with our innovative solutions and client-centricity.

Let's solve

Sanjay Jalona

Chief Executive Officer & Managing Director

Board of Directors



Standing (L-R)

- Sanjeev Aga
- Sudhir Chaturvedi
- S. N. Subrahmanyam
- Sanjay Jalona
- R. Shankar Raman
- Aftab Zaid Ullah
- Arjun Gupta

Sitting (L-R)

- Shubhalakshmi Panse
- Samir Desai
- A. M. Naik
- M. M. Chitale
- Vedika Bhandarkar



Leadership Team

Corporate

- Sanjay Jalona
Chief Executive Officer & Managing Director
- Aftab Zaid Ullah
Chief Operating Officer
- Sudhir Chaturvedi
President Sales
- Ashok Kumar Sonthalia
Chief Financial Officer
- Rajesh Save
Global Human Resources Head
- Peeyush Dubey
Chief Marketing Officer
- Angna Arora
Head Secretarial & Compliance Officer

Vertical Head

- Anil Vazirani
Chief Business Officer, Insurance Americas
- Harsh Naidu
Chief Business Officer, Banking & Financial Services, Americas
- Siddharth Bohra
Chief Business Officer, Tech, Media, CRP & Digital, Americas
- Rohit Kedia
Chief Business Officer, Manufacturing & ERP, Americas
- Sarbajit Deb
Chief Business Officer, Nordics
- Satya Samal
Chief Business Officer, Europe (excluding Nordics)

Year at a glance

Among the
Top 20
Global IT
Services
Companies

Annual
Revenue of
\$970M

20,000+
employees
Working out of
23 Delivery
Centers

43 Sales
Offices
across
27
Countries

250+
Clients

Including
52
Fortune 500
Companies



Our Beliefs



go the Extra mile

We will go farther to win the trust of our clients. We will strive to become the most client-centric Company in the industry. We will continuously adapt ourselves to the changing business realities of our clients.



Living this belief

We commit to our clients.

We go beyond to deliver.

We bring new ideas and thinking to the table.

We keep contracts in the office, not in our back pockets.

We help our clients find success – it’s where we find our own.

▶▶ We partnered with LTI more than ten years ago and the relationship has grown continuously. We wanted a partner focused on our needs, a partner who worried about our issues and got excited about our success. That is what we call client-centricity and that is what we experience with LTI. ▶▶

Mikael Spliid

Head of WMO IT Solutions, Nordea

- **Innovating Client Experience (ICE)**
 - Mapping and analyzing client’s user journey while acquiring or consuming our services and re-modeling them to enhance productivity.
- **Going BEYOND**
 - An internal initiative to create a treasury of new ideas from employees for elevating client experience. Close to 70 ideas already implemented across 20 clients globally.
- **Improved client satisfaction**
 - Client satisfaction jumped by 12 index points during the year as measured by an independent agency.
- **Client Experience**
 - LTI rated amongst the Top 5 service providers in ‘Overall Experience by Enterprises’ by the Everest Group.

be. Agile

In a world that is changing rapidly, we will respond speedily to opportunities and threats. We will adjust quickly to the dynamic business environment and work collaboratively with our ecosystem to delight customers.



Living this belief

In the way we think and work.

We respond faster to what clients need.

We use new and nimble ways of working.

We deliver insightful expertise alongside swift execution.

We move at a speed that leaves our competition behind.

- Design driven delivery
 - Making delivery processes across application development, management and support, more design-oriented and agile.
- Near-shore centers
 - For quicker turnaround and enhanced client satisfaction. Poland center opened in addition to those in the US, Canada, Costa Rica, N. Ireland, S. Africa, India, Singapore & Philippines.
- Agile workplace
 - At most delivery centers for quicker collaboration and faster results.
- New ways of working
 - LTI Apps to perform key internal processes and functions on the move.

The background of the slide is a blurred industrial or laboratory environment. In the foreground, two white robotic arms with black joints are positioned on a light-colored surface. Behind them are several large, semi-transparent geometric shapes in shades of blue, purple, and yellow, creating a sense of depth and modernity.

push frontiers of Innovation

We will stay ahead of the technology curve by investing in technologies relevant to industries we operate in. We will streamline innovation by empowering people.

Living this belief

We are never satisfied with the status quo.

We always innovate and implement new solutions.

We provide fresh thinking as a catalyst to action.

We push the frontiers of what's possible.

- Mosaic Experience Center, Mumbai; Le Lab Paris
 - Where clients experience value creation through the power of exponential technologies.
- Hackathons
 - Teaming up with tech-niche start-ups to evaluate business benefits of technology and their business potential.
- Strong eco-system to offer pioneering solutions
 - Through a strong alliance program, offer pioneering solutions to clients on the belief that, the sum is always greater than the parts.

Ken Nicolson, VP, Global Alliances, Pegasystems Inc. said

▾▾ L&T Infotech demonstrates the depth of domain expertise, industry focus and client commitment we look for in a partner. This collaboration will help deliver successful digital transformation to our clients. ▾▾

- Acquisition of AugmentIQ, to deliver IP-based Big Data & Analytics solutions.





keep Learning

We will foster a culture of continuous learning to keep the rate of learning faster than the rate of change. We will develop a learning organization with focus on technology, domain and leadership skills.



Living this belief

Never stand still.

Learn new ways of working.

Develop new skills and approaches.

Grow as an individual, a professional, and a colleague.

And help LTI grow in turn.

- **Mosaic Academy**
 - Based on the premise that technology competency continuously needs up-skilling, cross-skilling and multi-skilling. The academy is a cloud-based learning ecosystem that facilitates building technical and domain competency through e-learning, group learning, virtual learning, social learning and collaborative learning.
- **Catalyst**
 - People as Change agents for People transformation experience. It ensures seamless, transparent, visible and democratic communications across all levels.
- **Building Leadership**
 - Our Leadership development academy focuses on enhancing leadership behaviors of existing leaders and also to identify and nurture future leaders. As a part of leadership journey, we have also initiated opportunities for higher education and mentoring.
- **Enterprise Collaboration**
 - Workplace by Facebook where 20,000 plus employees across 27 countries connect, share, learn and collaborate thus driving agility, and deep engagement.



solve for
Society

We will be a good neighbor everywhere we operate. We will be at the forefront of becoming a responsible organization through our holistic approach towards society.

Living this belief

We think big and think global.

We think about creating solutions for society.

We create opportunities for growth and lend a helping hand where it's needed.

- **Digital Sakshar**
 - Helping youth learn computer skills as per market requirements and industry collaborations. Supporting jobs for youth through the Rural BPO project in villages in UP and MP.
- **Collaboration with Academia**
 - Supporting VJTI, a leading technical institute in Mumbai for their Industrial Internet of Things (IIoT) project that works on various technologies to enhance affordability of renewable sources.
- **Promote Literacy**
 - Leveraging technology to teach children in remote villages through virtual classroom.
 - We have supported the Akshaya Patra project in Bengaluru where wholesome meals are provided to 17500 school children from marginalized areas. This has helped reduce the drop-out rate in the schools.
- **Women Empowerment**
 - Over 4,100 women trained in different vocations in rural Maharashtra.
- **Environment**
 - Environment conservation through tree plantation and e-waste collection. Tree plantation certificates are given instead of bouquets to clients.







A brand for the
converging world.

Let's Solve Our Tagline

**We solve our clients'
toughest challenges.**

Our clients need a partner that can help them navigate an increasingly complex technological landscape. Leveraging our real-world expertise, we partner with our clients to accelerate their digital transformation journey whilst solving their toughest challenges.



Night Blue, Warm Orange Our Colors

We look to the horizon - and beyond.

Nothing represents the converging world better than the horizon. We have adopted its colors - blue and orange - to represent the coming together of the physical and digital, of our real-world expertise and our client-centricity. Having an identity inspired on the horizon speaks about our commitment to think and deliver beyond what's expected.



The Mosaic

Our Visual Expression

We think with a Mosaic mind.

It is the way we bring together different technologies into a seamless offering - and solutions - for our clients. Through our Mosaic platform, we help our clients navigate the potential of Mobile, Omni-channel, Social, Analytics, IoT and Cloud technologies for them to create meaningful experiences for their customers.

The Mosaic visual identity also represents a seamless interaction of technology with art, a meaningful metaphor that gives us a dynamic and vibrant identity.



Pioneering Solutions in a Converging World

A world more dynamic and productive where everything possible is connected.

We believe in pioneering solutions for our clients, helping them solve some of their most complex challenges while transforming their business for a world where physical is digital – and digital is physical.

We believe in pioneering solutions for Larsen & Toubro, combining bricks and bytes to form a Group far more powerful than the sum of its parts.

We believe in pioneering solutions for society, helping create growth opportunities that everyone can make the most of.

Above all we believe in pioneering solutions with each other, learning, growing and innovating together as we play our part in transforming our own business.

LTI. Pioneering Solutions in a Converging World.



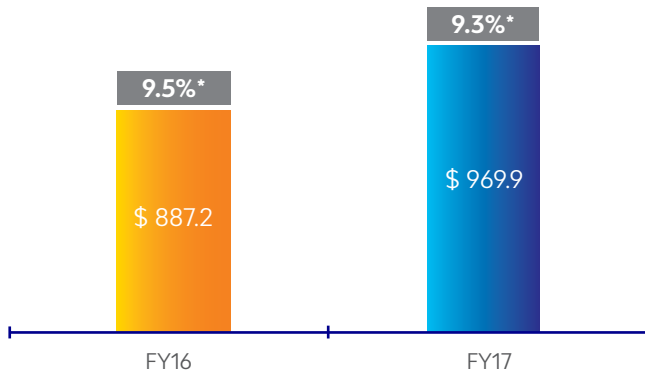
We are LTI

We are a technology consulting and digital solutions Company pioneering solutions in a converging world. We push frontiers of innovation, partnering with our clients across 27 countries.

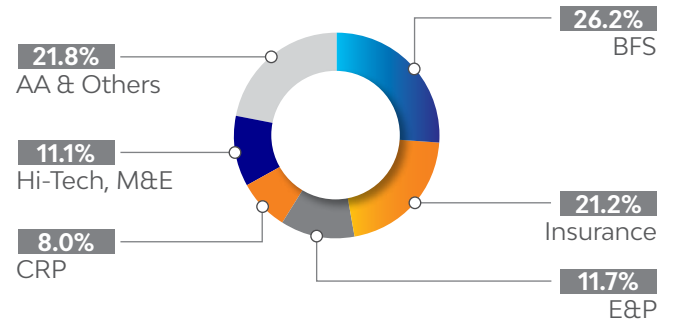
Each day, more than 20,000 LTItes are solving toughest challenges of enterprises while creating conditions for growth and prosperity around the world.

Key Financial Highlights

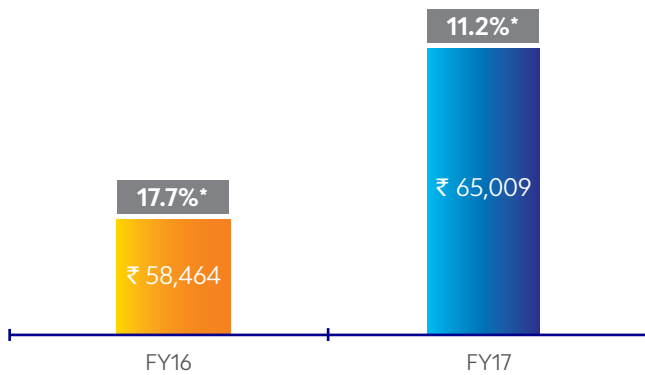
Revenue in USD Million



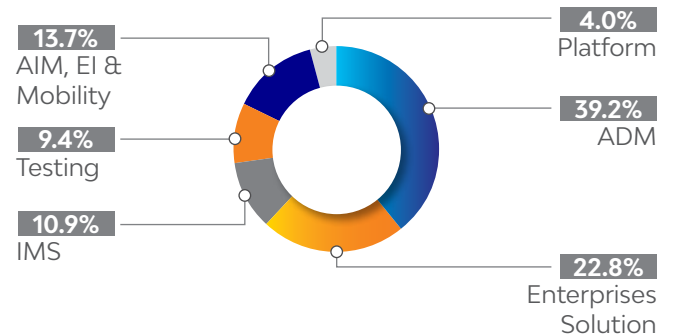
% Revenue by Verticals



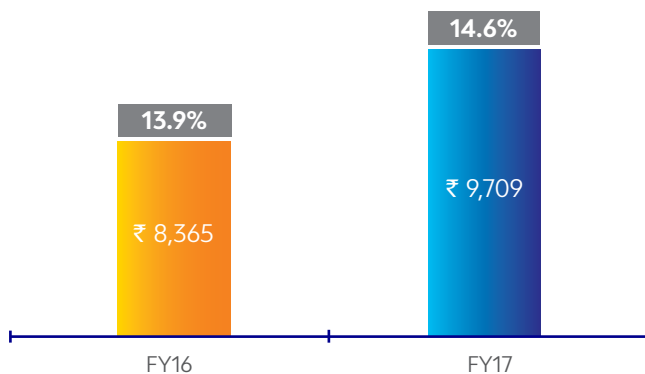
Revenue in INR Million



% Revenue by Service Offerings



PAT (INR Million) & PAT Margins (%)



% Revenue by Geography



* The figures in %, indicate the Y-o-Y growth over their previous FYs

Corporate Information

Board of Directors

A. M. Naik

Non-Executive Chairman

S. N. Subrahmanyam

Non-Executive Vice Chairman

Sanjay Jalona

Chief Executive Officer and
Managing Director

R. Shankar Raman

Non-Executive Director

Aftab Zaid Ullah

Chief Operating Officer &
Whole-time Director

Sudhir Chaturvedi

President-Sales & Whole-time Director

Samir Desai

Independent Director

M. M. Chitale

Independent Director

Vedika Bhandarkar

Independent Director

Arjun Gupta

Independent Director

Shubhalakshmi Panse*

Independent Director

Sanjeev Aga

Independent Director

Sudip Banerjee#

Independent Director

* Up to May 15, 2017

Appointed w.e.f. May 20, 2017

Corporate Information

Registered Office of our Company

L&T House

Ballard Estate

Mumbai - 400 001

Tel: (91 22) 6752 5656

Fax: (91 22) 6752 5893

E-mail: investor@Intinfotech.com

Website: www.Intinfotech.com

Corporate Identification Number:

U72900MH1996PLC104693

Registration Number: 104693

Corporate Office of our Company

Technology Tower 1

Gate No. 5, Saki Vihar Road

Powai, Mumbai - 400 072

Tel: (91 22) 6776 6776

Fax: (91 22) 2858 1130

Auditors to our Company

M/s. Sharp & Tannan

Bankers to our Company

Citibank N.A.

Standard Chartered Bank

Barclays Bank PLC

ICICI Bank Limited

The Hongkong and Shanghai

Banking Corporation Limited

Registrar & Share Transfer Agent

Link Intime India Private Limited

Committee Positions

Audit Committee

M. M. Chitale

Chairperson

S. N. Subrahmanyam

Samir Desai

Vedika Bhandarkar

Nomination and Remuneration Committee

Samir Desai

Chairperson

A. M. Naik

S. N. Subrahmanyam

Arjun Gupta

Stakeholders' Relationship Committee

Vedika Bhandarkar

Chairperson

Sanjay Jalona

Aftab Zaid Ullah

Corporate Social Responsibility Committee

Sanjay Jalona

Chairperson

Aftab Zaid Ullah

Arjun Gupta

Risk Management Committee

S. N. Subrahmanyam

Chairperson

Sanjay Jalona

Aftab Zaid Ullah

Ashok Kumar Sonthalia

Strategic Investment Committee

A. M. Naik

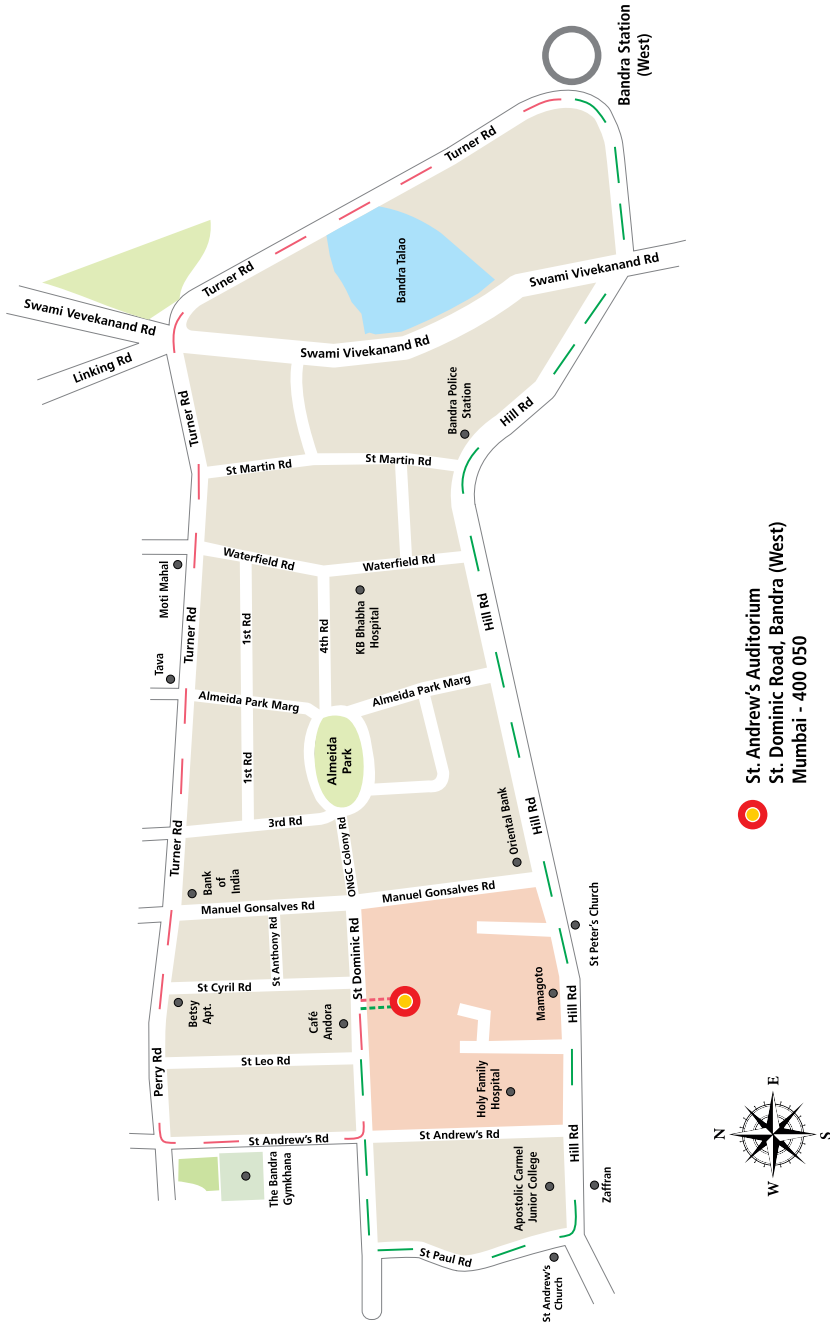
Chairperson

S. N. Subrahmanyam

R. Shankar Raman

Sanjay Jalona

Route Map to the AGM Venue



Notice

NOTICE IS HEREBY GIVEN THAT the Twenty First Annual General Meeting ('AGM') of **Larsen & Toubro Infotech Limited** will be held on **Thursday, August 24, 2017 at 3:00 p.m.** at **St. Andrew's Auditorium, Inside Andrew's College Premises, St. Dominic Road, St. Sebastian Colony, Bandra (West), Mumbai – 400 050**, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2017, together with the Report of the Auditors thereon.
2. To declare a Final Dividend on the equity shares of the Company for the financial year 2016-17.
3. To appoint a Director in place of Mr. S. N. Subrahmanyam (DIN: 02255382), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. A. M. Naik (DIN: 00001514), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration by passing the following resolution, with or without modification(s) as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. B. K. Khare & Co., Chartered Accountants, ICAI Registration No. 105102W, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of 21st Annual General Meeting till the conclusion of 26th Annual General Meeting, subject to ratification by the shareholders at every Annual General Meeting to be held during the said period.

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

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable

provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Samir Desai (DIN: 01182256), who was appointed as an Independent Director not liable to retire by rotation and whose term expired on March 31, 2017 and in respect of whom the Company has received a notice in writing from the Director under section 160 of the Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of four years upto March 31, 2021, with effect from April 1, 2017, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. M. M. Chitale (DIN: 00101004), who was appointed as an Independent Director not liable to retire by rotation and whose term expired on March 31, 2017, and in respect of whom the Company has received a notice in writing from the Director under section 160 of the Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of five years upto March 31, 2022, with effect from April 1, 2017, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors)

Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Sanjeev Aga (DIN: 00022065), who was appointed as an Additional Director of the Company and holds office up to the date of ensuing Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from the Director under the provisions of section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director.

RESOLVED FURTHER THAT Mr. Sanjeev Aga be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years upto November 8, 2021 with effect from November 9, 2016, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Sudip Banerjee (DIN: 05245757), who was appointed as an Additional Director of the Company and holds office up to the date of ensuing Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from the Director under the provisions of section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director.

RESOLVED FURTHER THAT Mr. Sudip Banerjee be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years upto May 19, 2022, with effect from May 20, 2017, not liable to retire by rotation."

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

"RESOLVED THAT in partial modification of the resolution passed by the shareholders at the Extraordinary General Meeting of the Company held on September 14, 2015,

for the appointment of Mr. Sanjay Jalona (DIN: 07256786) as the Chief Executive Officer and Managing Director of the Company and the terms of remuneration payable to him and pursuant to provisions of sections 196, 197 read with Schedule V of the Companies Act, 2013 ('Act') and other applicable provisions of the Act and the rules made thereunder, as amended from time to time, said Act, the consent of the shareholders of the Company be and is hereby accorded to revise the terms of remuneration payable to Mr. Sanjay Jalona, as detailed in the explanatory statement forming part of this Notice.

RESOLVED FURTHER THAT the Board of Directors and/or the Nomination and Remuneration Committee be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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

"RESOLVED THAT Mr. Aftab Zaid Ullah (DIN: 05165334) who was appointed as an Additional Director of the Company and holds office up to the date of ensuing Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from the Director under the provisions of section 160 of the Companies Act, 2013 ('Act'), proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

RESOLVED FURTHER THAT pursuant to provisions of sections 196, 197, 203 read with Schedule V of the Act and other applicable provisions, if any, of the Act and the rules made thereunder, approval be and is hereby granted to the appointment of Mr. Aftab Zaid Ullah as the Whole-time Director of the Company with effect from November 9, 2016 till November 8, 2021.

RESOLVED FURTHER THAT Mr. Aftab Zaid Ullah in his capacity as a Whole-time Director, be paid remuneration as may be fixed by the Board, from time to time, as prescribed under the Act and within the limits approved by the shareholders as per the details given in the explanatory statement."

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

"RESOLVED THAT Mr. Sudhir Chaturvedi (DIN: 07180115) who was appointed as an Additional Director of the Company and holds office up to the date of ensuing Annual General Meeting of the Company, and is eligible for appointment, and in respect of whom the Company

has received a notice in writing from the Director under the provisions of section 160 of the Companies Act, 2013 ('Act'), proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

RESOLVED FURTHER THAT pursuant to provisions of sections 196, 197, 203 read with Schedule V of the Act and other applicable provisions, if any, of the Act and the rules made thereunder, approval be and is hereby granted to the appointment of Mr. Sudhir Chaturvedi as the Whole-time Director of the Company with effect from November 9, 2016 till November 8, 2021.

RESOLVED FURTHER THAT Mr. Sudhir Chaturvedi in his capacity as Whole-time Director, be paid remuneration as may be fixed by the Board, from time to time, as prescribed under the Act and within the limits approved by the shareholders as per the details given in the explanatory statement."

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

Mumbai
May 19, 2017

Ashok Kumar Sonthalia
Chief Financial Officer

NOTES:

- a) The information required to be provided under section 102 of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Secretarial Standard 2 on General Meetings ('SS-2') in respect of the Special Business under items 6 to 12 set out above are annexed hereto. Ms. Shubhalakshmi Panse was appointed as an Independent Director of the Company by the Board with effect from October 25, 2016. She has resigned from the Board with effect from May 15, 2017 and accordingly approval of shareholders is not sought for appointment as an Independent Director. Further disclosures as required under SS-2 with respect to details of Directors who are proposed to be appointed/ re-appointed are provided in Annexure to this Notice.
- b) A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.

Pursuant to section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of shareholders not exceeding 50 and holding in the aggregate not more than 10% of the total equity share capital of the Company carrying voting rights.

However, a shareholder holding more than 10% of the total equity share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of AGM i.e by 3:00 pm on Tuesday, August 22, 2017.

- c) Shareholders holding equity shares in physical form are requested to furnish bank details, e-mail address, change of address etc. in the 'Form to update Shareholder Information' available on the Company's website at <https://www.lintinfotech.com/investors> and send the same to Link Intime India Private Limited at C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400083, who are the Company's Registrar and Share Transfer Agents so as to reach them latest by Thursday, August 17, 2017, in order to take note of the same. In respect of shareholders holding equity shares in demat mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, shareholders holding equity shares in demat mode should update their records with their depository participant at the earliest.
- d) The shareholders are requested to bring their copy of the Annual Report at the AGM. The Annual Report of the Company, circulated to the shareholders of the Company, will also be made available on the Company's website, www.lintinfotech.com/Investors.
- e) The shareholders/proxies should fill the Attendance Slip for attending the AGM. The shareholders who hold equity shares in demat form are requested to write their DP ID and Client ID and those who hold equity shares in physical form are requested to write their Folio No. in the Attendance Slip for attending the AGM.
- f) If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or before Thursday, August 31, 2017;
- to all the shareholders in respect of equity shares held in physical form whose names appear on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Thursday, August 17, 2017; and
 - to all Beneficial Owners in respect of equity shares held in dematerialised form whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as at the close of business hours on Thursday, August 17, 2017.

- g) Shareholders who wish to claim dividends, which remain unclaimed, are requested to either correspond with the Corporate Secretarial Department at the Company's Registered Office or the Company's Registrar and Share Transfer Agent (Link Intime India Private Limited) for revalidation and encash them before the due dates. The details of such unclaimed dividends are available on the Company's website, www.Lntinfotech.com/Investors.
- h) All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.
- i) Electronic copy of the Notice of the AGM, Annual Report for financial year 2016-17 is being sent to all the shareholders whose e-mail IDs are registered with the Company/ Depository Participants for communication purposes, unless any shareholder has requested for a hard copy of the same. Shareholders holding shares in physical form, whose email address and other details are not registered with the Company, are requested to submit their request with the Company or Link Intime India Private Limited in the 'Form to update Shareholder Information' available on the Company's website, www.Lntinfotech.com/Investors. Members holding shares in demat form are requested to register/update their e-mail address and other details with their Depository Participant(s) directly.
- j) The Register of Members and Share Transfer Books will remain closed from Friday, August 18, 2017 to Thursday, August 24, 2017 (both days inclusive).
- k) Corporate shareholders/ Institutional shareholders intending to send their authorised representative(s) to attend the AGM are requested to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter together with attested specimen signature of the duly authorised representative(s) to attend and vote at the Meeting, to the scrutinizer through an email to alwyn.co@gmail.com with a copy to helpdesk.evoting@cdslindia.com.
- l) The shareholders who still hold share certificate(s) in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
- m) The Company has designated an e-mail id viz. investor@Lntinfotech.com to enable shareholders to contact incase of any queries/complaints.
- n) E-voting
- In compliance with the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, SS-2 and Regulation 44 of the SEBI Listing Regulations, the shareholders are informed that the Company is pleased to offer 'Remote e-voting' (e-voting from a place other than venue of the AGM) facility as an alternative mode of voting which will enable the shareholders to cast their votes electronically. Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting. Remote e-voting is optional and shareholders shall have the option to vote either through remote e-voting or voting through electronic means at the AGM. The Company has appointed Mr. Alwyn D'souza as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the AGM in a fair and transparent manner.
 - Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of the shareholder/ Beneficial Owner as on the cut-off date i.e. August 18, 2017.
 - A person whose name is recorded in the Register of shareholders or in the Register of Beneficial Owners maintained by the depositories as on cut-off date, i.e. August 18, 2017 only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
 - Any person who becomes a shareholder of the Company after dispatch of Annual Report and holding equity shares as on the cut-off date i.e. August 18, 2017, shall also follow the same procedure as is mentioned in point (o) of this Notice.
 - A person who is not a shareholder as on the cut-off date i.e. August 18, 2017, should treat this Notice for information purposes only.
 - The shareholders attending the AGM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote at the AGM for all businesses specified in the accompanying Notice. The shareholders who have exercised their right to vote by remote e-voting may attend the AGM but shall not be entitled to cast their vote again.
 - In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- o) Shareholders are requested to follow the instructions below to cast their vote through e-voting:
- (i) The remote e-voting period begins on Monday, August 21, 2017 at 9:00 a.m. and ends on Wednesday, August 23, 2017 at 5:00 p.m. During

this period shareholders holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, August 18, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now enter your User ID
 - a. For CDSL: 16 digits Beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the image verification as displayed and click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank Details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on 'SUBMIT' tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number ('EVSN') for 'Larsen & Toubro Infotech Limited'.
- (xii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on 'Click here to print' option on the voting page.
- (xvii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on 'Forgot Password' & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

The Scrutinizer after the conclusion of the AGM will submit his report of the total votes cast in favour or against and invalid votes, if any, to the Chairman of the Company or the person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of the conclusion of the AGM to the stock exchanges as required under Regulation 44(3) of the SEBI Listing Regulations.

The results declared along with the Scrutinizer's report, will be posted on the website of the Company, www.lntinfotech.com/Investors and on the website of CDSL 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.

A shareholder can opt for only one mode of voting i.e. either through remote e-voting or at the AGM. If a shareholder casts votes by both modes, then voting done through remote e-voting shall prevail.

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

The following statement sets out the material facts relating to Ordinary Business at Item No. 5 and all Special Businesses under Item No. 6 to 12 of the accompanying Notice:

Item No. 5

Though not mandatory, this statement is provided for reference.

Pursuant to the provisions of section 139 of the Companies Act, 2013 ('Act') read with Companies (Audit and Auditors) Rules, 2014, an audit firm can act as auditors of a listed company for a maximum tenure of two terms of 5 consecutive years. For the purpose of reckoning this limit, existing tenure of the auditors needs to be counted. Further, companies have been given a transition time of 3 years from April 1, 2014 to comply with this provision.

M/s. Sharp & Tannan (ICAI Registration No.109982W), Chartered Accountants, have been auditors of the Company for more than 10 years and accordingly, as per the above requirement, the term of M/s. Sharp & Tannan comes to an end with the conclusion of this Annual General Meeting ('AGM').

Accordingly, as per the aforesaid requirements of the Act, and pursuant to recommendation of Audit Committee, the Board of Directors have proposed for approval of shareholders the appointment of M/s. B. K. Khare & Co., Chartered Accountants (ICAI Registration No. 105102W) as Auditors for a period of five years, commencing from the conclusion of 21st AGM till the conclusion of the 26th AGM, subject to ratification by Shareholders of their appointment at every AGM if so required under the Act.

M/s. B. K. Khare & Co., Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to section 139(1), section 141(2) and section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at item No. 5.

The Board recommends the resolution at Item No. 5 for approval of the shareholders of the Company.

Item No. 6 & 7:

Mr. Samir Desai (DIN: 01182256) & Mr. M. M. Chitale (DIN: 00101004) were appointed as Independent Directors of the Company w.e.f. April 1, 2014 till March 31, 2017, pursuant to approval of the shareholders under the provisions of the Act

at the AGM held on September 10, 2014. The amendment to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') which are in line with the Act provides two terms for all Independent Directors.

Based on the recommendation of the Nomination and Remuneration Committee and based on skills, experience, knowledge and performance evaluation, the Board of Directors of the Company in their meeting held on November 9, 2016, appointed Mr. Samir Desai as an Independent Director for a second term of 4 years up to March 31, 2021 and Mr. M. M. Chitale as an Independent Director for a second term of 5 years upto March 31, 2022.

The re-appointments are subject to the approval of the shareholders at ensuing AGM by way of Special Resolutions.

Brief Profile of Mr. Samir Desai

Mr. Desai has obtained a post-graduate degree in electrical engineering from the Illinois Institute of Technology. He also holds a post-graduate degree in business administration from Loyola University, Chicago. Mr. Desai has over 30 years of experience in management. Prior to joining, he worked at Motorola for over 30 years and has also served as a chief information officer at Motorola. He has also served as general manager of iDEN® Networks & Devices.

Mr. Samir Desai is an Independent Director of the Company. He joined the Board of Directors as Independent Director of the Company on January 27, 2007. Further, in terms of section 149 and other applicable provisions of the Act, Mr. Samir Desai was appointed as an Independent Director for a fixed term of 3 years w.e.f. April 1, 2014 i.e. till March 31, 2017, not liable to retire by rotation.

Brief Profile of Mr. M. M. Chitale

Mr. Chitale has obtained a graduate degree in commerce from the University of Mumbai. Mr. Chitale is a qualified Chartered Accountant. He has over 40 years of experience as a Chartered Accountant in practice. He has been a fellow member of the ICAI and has served as the President of ICAI in the year 1997-98. Mr. Chitale was also associated as a member of governing council of Banking Codes and Standards Board of India. Mr. Chitale was also the Chairman of the Ethics Committee of the Stock Exchange, Mumbai. He was a member of Advisory Board on Bank, Commercial and Financial Frauds. He was also a member of the group for Amalgamation of Urban Co-operative Banks. He was a member of the Working Group on Restructuring of Weak Public Sector Banks appointed by RBI (Verma Committee) and the Committee on Procedures and Performance Audit of Public Services appointed by RBI (Dr. Tarapore Committee) as well. Mr. Chitale was appointed as the Chairman of National Advisory Committee on Accounting Standards.

Mr. M. M. Chitale is an Independent Director of the Company. He joined the Board of Directors as Independent Director of the Company on October 17, 2011. Further, In terms of section 149 and other applicable provisions of the Act, Mr. M. M. Chitale was appointed as an Independent Director for a fixed term of 3 years w.e.f. April 1, 2014 i.e. till March 31, 2017, not liable to retire by rotation.

The Board is of the opinion that Mr. Samir Desai and Mr. M. M. Chitale fulfill the conditions specified in the Act and the Rules made there under to be eligible to be re-appointed as Independent Directors of the Company pursuant to the provisions of section 149 of the Act and relevant provisions of SEBI Listing Regulations.

The Company has received a notice in writing from Mr. Samir Desai and Mr. M. M. Chitale along with a deposit of requisite amount under section 160 of the Act, proposing their candidature for the office of Independent Director of the Company.

The Board is also of the opinion that both, Mr. Samir Desai and Mr. M. M. Chitale are independent of the management of the Company and their association would be of immense benefit to the Company as in the past and hence, it is recommended to continue to avail the services of Mr. Samir Desai and Mr. M. M. Chitale as the Independent Directors of the Company. A copy of the draft letters of re-appointment of Mr. Samir Desai and Mr. M. M. Chitale as an Independent Director setting out the terms and conditions will be available for inspection without any fees at the registered office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Except Mr. Samir Desai & Mr. M. M. Chitale, being the appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolutions set out at Item Nos. 6 & 7.

The Board recommends the resolutions at Item Nos. 6 & 7 for approval of the shareholders of the Company.

Item No. 8:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on November 9, 2016, appointed Mr. Sanjeev Aga as an Additional Director of the Company with effect from November 9, 2016. In terms of section 161 of the Act, Mr. Sanjeev Aga holds office as an Additional Director upto the date of the ensuing AGM. The Company has received a notice in writing from the Director along with a deposit of requisite amount, under section 160 of the Act, proposing his candidature for the office of Director of the Company. In terms of section 149 and any other applicable provisions of the Act, Mr. Sanjeev Aga is proposed to be appointed as an Independent Director to hold office for a term of five years upto November 8, 2021, with effect from November 9, 2016, not liable to retire by rotation.

Brief Profile

In a business career commencing 1973, Mr. Sanjeev Aga held senior positions in Asian Paints, Chellarams (Nigeria), and Jenson & Nicholson. In 1987, he joined Blow Plast to head the Furniture business and was made Chief Executive of Mattel Toys in 1990, and in January 1993, was appointed Managing Director of Blow Plast with multi-business responsibility including the flagship VIP Luggage business.

In November 1998, he was appointed CEO of the telecom JV, Birla AT&T, which was renamed Idea Cellular. In July 2002, Mr. Sanjeev Aga left Idea to be with the Aditya Birla Group, where from May 2005 until October 2006, he was Managing Director of Aditya Birla Nuvo, a conglomerate with interests spanning diverse group businesses.

With Idea's shareholding changing to become an Aditya Birla group entity, November 2006 saw Mr. Sanjeev Aga back once again as Managing Director. Mr. Sanjeev Aga stepped down as Managing Director of Idea Cellular in March 2011.

Mr. Sanjeev Aga studied in Scindia School, Gwalior; is an Honours graduate in Physics from St. Stephen's College, Delhi (1971); and a post graduate from the Indian Institute of Management, Kolkata (1973). He is based in Mumbai.

The Board is of the opinion that Mr. Sanjeev Aga fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as an Independent Director of the Company pursuant to the provisions of section 149 of the Act and relevant provisions of SEBI Listing Regulations.

The Board is also of the opinion that Mr. Sanjeev Aga is independent of the management of the Company and his association would be of immense benefit to the Company and hence, it is recommended to avail the services of Mr. Sanjeev Aga as an Independent Director of the Company. A copy of the draft letter of appointment of Mr. Sanjeev Aga as an Independent Director setting out the terms and conditions will be available for inspection without any fees at the registered office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Except Mr. Sanjeev Aga, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 8.

The Board recommends the resolution at Item No. 8 for approval of the shareholders of the Company.

Item No. 9:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company through circular resolution, appointed Mr. Sudip Banerjee as an Additional Director

of the Company with effect from May 20, 2017. In terms of section 161 of the Act, Mr. Sudip Banerjee holds office as an Additional Director upto the date of the ensuing AGM. The Company has received a notice in writing from the Director along with a deposit of requisite amount, under section 160 of the Act, proposing his candidature for the office of Director of the Company. In terms of section 149 and any other applicable provisions of the Act, Mr. Sudip Banerjee is proposed to be appointed as an Independent Director to hold office for a term of five years upto May 19, 2022, with effect from May 20, 2017, not liable to retire by rotation.

Brief Profile

Mr. Sudip Banerjee has over 35 years of experience in IT industry. He is presently, on the Board of Directors of Kesoram Industries Limited, IFB Industries Limited and L&T Technology Services Limited as an Independent Director. He is also an Operating Partner at Capital Square Partners Advisors Pte Ltd, Singapore. He is a member on the Advisory Board of TAPMI Business School, Jaipur.

He has worked with Wipro Limited ('Wipro') from 1983 to 2008 and was the President, Enterprise Solutions Division at Wipro and a member of the Corporate Executive Council of Wipro between 2002 and 2008. He has also held the position of Chief Executive Officer of the Company from September 1, 2008 till May 31, 2011. He has been member of the Executive Council of Nasscom during 2000-2002 and 2009-2011. He has served as a member on the Board of Governors of Indian Institute of Information Technology, Allahabad.

Mr. Sudip Banerjee has a Management Diploma and a Bachelor of Arts (Honours) degree in Economics from Delhi University.

The Board is of the opinion that Mr. Sudip Banerjee fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as an Independent Director of the Company pursuant to the provisions of section 149 of the Act and relevant provisions of SEBI Listing Regulations.

The Board is also of the opinion that Mr. Sudip Banerjee is independent of the management of the Company and his association would be of immense benefit to the Company and hence, it is recommended to avail the services of Mr. Sudip Banerjee as an Independent Director of the Company. A copy of the draft letter of appointment of Mr. Sudip Banerjee as an Independent Director setting out the terms and conditions will be available for inspection without any fees at the registered office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Except Mr. Sudip Banerjee, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 9.

The Board recommends the resolution at Item No. 9 for approval of the shareholders of the Company.

Item No. 10:

The shareholders of the Company at the Extraordinary General Meeting of the Company held on September 14, 2015, had approved the appointment and remuneration of Mr. Sanjay Jalona as Chief Executive Officer and Managing Director ('CEO & MD') of the Company.

Based on the performance of the Company, the leadership qualities demonstrated, general market trends, industry benchmarks and the quantitative and qualitative goals agreed with Mr. Sanjay Jalona, CEO & MD, the Board on the recommendation of Nomination and Remuneration Committee, had approved the revision in Base Salary of CEO & MD as follows:

- a. India based remuneration - Base Salary was increased from ₹ 1,875,000/- p.m. to ₹ 1,975,000/- p.m. w.e.f. July 1, 2016; and
- b. US based remuneration - Base Salary has been increased from USD 7,50,000 p.a. to USD 7,70,000 p.a. w.e.f. July 1, 2017

All other terms and conditions relating to his appointment and remuneration as approved earlier by the shareholders on September 14, 2015, remains unchanged.

Details of remuneration paid to Mr. Sanjay Jalona during the financial year 2016-17 have been disclosed in the Directors' Report.

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

Brief Profile

Sanjay Jalona is the CEO and MD of the Company. He has been solving complex business and technology challenges of global enterprises for more than 25 years. Sanjay has successfully led change strategies to accelerate growth and transform large businesses.

Before joining the Company, he was Executive Vice President and Global Head of High-Tech, Manufacturing and Engineering Services at Infosys and also a member of the Executive Council. During his 15 years at Infosys, he held several leadership positions across industries like Banking, Financial Services, and Retail & CPG in USA, Europe and India. Prior to Infosys, Sanjay held leadership roles at Gemplus and Wipro.

Sanjay speaks frequently with leading industry publications, analysts and advisors about technology trends, industry trends, and how companies can derive competitive advantage from the next generation technologies. He holds a degree in Engineering from BITS Pilani, India.

The letter amending remuneration of Mr. Sanjay Jalona will be open for inspection by shareholders at the Registered Office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Except Mr. Sanjay Jalona, to whom the resolution relates, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 10.

The Board recommends the resolution at Item No. 10 for approval of the shareholders of the Company.

Item No. 11:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on November 9, 2016, appointed Mr. Aftab Zaid Ullah as an Additional Director of the Company with effect from November 9, 2016. In terms of section 161 of the Act, Mr. Aftab Zaid Ullah holds office as an Additional Director upto the date of the ensuing AGM. The Company has received a notice in writing from the Director along with a deposit of requisite amount, under section 160 of the Act, proposing his candidature for the office of Director of the Company.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Aftab Zaid Ullah as a Whole-time Director of the Company with effect from November 9, 2016 till November 8, 2021, subject to the approval of the shareholders in the AGM.

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

Brief Profile

Mr. Aftab Zaid Ullah, joined the Company as the Chief Operating Officer of the Company on February 9, 2016. He has completed B.E. (Bachelor in Engineering) from Banaras Hindu University, Varanasi (designated as an Indian Institute of Technology since 2012). He has over 20 years of experience in the IT industry. Previously, Mr. Aftab Zaid Ullah worked with BA Continuum India Private Limited in various capacities including Senior Vice-President and Head, Global Delivery Center of Expertise, India as well as Whole-time Director. He is responsible for Global Delivery and Operations of the Company.

The Company has entered into an Agreement with Mr. Aftab Zaid Ullah appointing him as a Whole-time Director for the period from November 9, 2016 till November 8, 2021, subject to approval of shareholders. During the period of his appointment he shall be entitled to the following:

Remuneration: The remuneration shall be as under:

Particulars	Remuneration (₹) (p.a.)	Remuneration (₹) (p.a.) (effective July 1, 2017) *
a. Fixed Salary ¹	19,500,000	20,268,065
b. Variable Compensation:		
i. Discretionary Bonus ²	Upto 3,150,000	Upto 3,300,000
ii. On Target Variable ²	Upto 7,350,000	Upto 7,700,000
c. Retention Pay ³	17,500,000	Refer Note no. 3
Total Remuneration	Upto 47,500,000	Upto 31,268,065

Notes:

- The Fixed Salary includes Basic Salary, all Allowances, Provident Fund, Gratuity and other benefits as per Company's Policy.
- Discretionary Bonus and On Target Variable will be paid as per the Variable Compensation Plan, as per Company's Policy and will be based on the achievement of the milestones/ goals, laid out in the said Policy.
- In lieu of Retention Pay, Mr. Aftab Zaid Ullah has exercised the option to convert his Retention Pay into Stock Options and the Nomination and Remuneration Committee has granted 126,000 Stock Options in the financial year 2016-17 with equal vesting over a period of 5 years. Accordingly, the total remuneration stated above, excludes the perquisite value on exercise of vested options, if any, computed as per Income Tax Act/ Rules.
- The Total Remuneration above shall be reviewed as per the Company's policy and shall be subject to the maximum permissible extent of remuneration payable under section 197 read with Schedule V of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force.

*Based on the operational efficiency undertaken by Mr. Aftab Zaid Ullah and based on general market trends, industry benchmarks and the quantitative and qualitative goals agreed with Mr. Aftab Ullah, the Board on the recommendation of Nomination and Remuneration Committee, had approved the revision in remuneration as detailed above with effect from July 1, 2017.

Additional benefits not included in Total Remuneration:

- Will be eligible for medical benefits and health insurance in accordance with the Company's medical scheme.
- Will be eligible to participate in all employee benefit programs as are generally applicable as per benefit plans, programs, policies and/ or practices of the Company.
- Will be eligible for leave encashment as per Company's leave policy.
- Will be entitled to all other benefits, perquisites, allowances, as may be applicable to his grade as per the Company's Policy.

- Mr. Aftab Zaid Ullah shall not be entitled to sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- The appointment and remuneration of Mr. Aftab Zaid Ullah is subject to approval of the shareholders' of the Company.

The Agreement entered into by the Company with Mr. Aftab Zaid Ullah, in respect of his appointment as Whole-time Director, contains the terms and conditions of his appointment and letter amending his remuneration will be open for inspection by shareholders at the Registered Office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Except Mr. Aftab Zaid Ullah, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 11.

The Board recommends the resolution at Item No. 11 for approval of the shareholders of the Company.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, Mr. Aftab Zaid Ullah shall be paid remuneration as specified above, subject to the limits specified under section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force).

General Terms:

- Subject to the provisions of section 202(2) of the Companies Act, 2013, either party will be allowed to terminate the contract of employment by giving three months' notice in writing, subject however to the Company's right to pay basic salary in lieu thereof. In case of termination for cause, Mr. Aftab Zaid Ullah's employment can be terminated without notice and without salary in lieu of notice period.

Item No. 12:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on November 9, 2016, appointed Mr. Sudhir Chaturvedi as an Additional Director of the Company with effect from November 9, 2016. In terms of section 161 of the Act, Mr. Sudhir Chaturvedi holds office as an Additional Director upto the date of the ensuing AGM. The Company has received

a notice in writing from the Director along with a deposit of requisite amount, under section 160 of the Act, proposing his candidature for the office of Director of the Company.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Sudhir Chaturvedi as a Whole-time Director of the Company with effect from November 9, 2016 till November 8, 2021, subject to the approval of the shareholders in the AGM.

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

Brief Profile

Mr. Sudhir Chaturvedi, joined the Company as the President-Sales of the Company on September 12, 2016.

Mr. Sudhir Chaturvedi brings more than 25 years of industry experience across Sales, Business Development, Consulting and Delivery Operations. Most recently, he was the Chief Operating Officer at NIIT Technologies where he was responsible for worldwide sales and delivery for technology and business services. Before that, Mr. Sudhir Chaturvedi spent more than 13 years at Infosys in various leadership positions including Vice President for High-Tech & Manufacturing in Europe and as Senior Vice President for Banking & Financial Services in the Americas. Mr. Sudhir Chaturvedi is an Engineer from Pune University and has double MBAs in Marketing and Finance from Symbiosis Institute of Business Management in Pune and from Leeds University in UK.

The Company has entered into an Agreement with Mr. Sudhir Chaturvedi appointing him as a Whole-time Director for the period from November 9, 2016 till November 8, 2021, subject to approval of shareholders. During the period of his appointment he shall be entitled to the following:

Remuneration: The remuneration shall be as under¹:

Particulars	United Kingdom (UK) Remuneration (Based in UK) (GBP)	United States (US) Remuneration (Based in USA) (USD)
a. Onetime Joining Bonus ²	GBP 70,000	-
b. Base Salary ¹	GBP 448,000 p.a. (revised to GBP 460,000 p.a. w.e.f. July 1, 2017)*	USD 640,000 p.a.
c. Variable Compensation:		
(i) Discretionary Incentive ³	Upto GBP 157,500 p.a.	Upto USD 225,000 p.a.
(ii) Discretionary Bonus ³	Upto GBP 52,500 p.a.	Upto USD 75,000 p.a.
d. Stock Options	Eligible for stock options having a market value of USD 1,500,000. The Nomination and Remuneration Committee has granted 155,800 stock options under the Employee Stock Option Scheme 2015	
Total Remuneration (a+b+c+d)	Upto GBP 728,000 p.a. plus the stock options granted (revised to GBP 740,000 p.a. w.e.f. July 1, 2017)*	Upto USD 940,000 p.a. plus the stock options granted

Notes:

- The UK Remuneration will be applicable, when he is based in United Kingdom and once he gets a valid work permit for USA and joins office in USA, US Remuneration will become applicable. The remuneration for financial year 2016-17 would be paid/ payable on pro-rata basis. The Base Salary is subject to applicable tax and withholdings.
- Mr. Sudhir Chaturvedi has been paid one time joining bonus of GBP 70,000.
- Discretionary Incentive and Discretionary Bonus will be paid as per the Variable Compensation Plan, as per Company's Policy and will be based on the achievement of the milestones/goals, laid out in the said Policy.
- The Total Remuneration above shall be reviewed as per the Company's policy and shall be subject to the maximum permissible extent of remuneration payable under section 197 read with Schedule V of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force.

*Based on the quality of leadership provided to the sales team by Mr. Sudhir Chaturvedi and based on general market trends, industry benchmarks and the quantitative and qualitative goals agreed with Mr. Sudhir Chaturvedi, the Board on the recommendation of Nomination and Remuneration Committee, had approved the revision in remuneration as detailed above with effect from July 1, 2017.

Additional benefits not included in Total Remuneration:

- He will also be eligible for conveyance, telephone, mobile or other expenses incurred in furtherance of or in connection with the performance of duties, in accordance with the Company's policy.

2. Will be eligible for medical benefits and health insurance in accordance with the Company's medical scheme.
3. Will be eligible to participate in all employee benefit programs as are generally applicable as per benefit plans, programs, policies and/or practices of the Company applicable in UK or US, whenever he is based in UK or US respectively.
4. Will be eligible for leave encashment as per Company's leave policy, applicable in UK & US.
5. Will be entitled to all other benefits, perquisites, allowances, as may be applicable to his grade as per the Company's Policy.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, Mr. Sudhir Chaturvedi shall be paid remuneration as specified above, subject to the limits specified under section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force).

General Terms:

- a) Subject to the provisions of section 202(2) of the Companies Act, 2013, either party will be allowed to terminate the contract of employment in the following manner:

In UK

1. For convenience: By giving three months' notice in writing, subject however to the Company's right to pay base salary in lieu thereof.
2. For cause: Employment can be terminated without notice and without salary in lieu of notice period. On Termination for cause, the Employee shall not be entitled to any compensation for the loss of any rights under any bonus, share option, long term incentive plan or other profit sharing scheme operated by the Company.

In US

1. For convenience: This is at will appointment. However, as the appointment of Mr. Sudhir Chaturvedi is one of substantial responsibility, absent compelling

circumstances, Mr. Sudhir Chaturvedi should give three months' notice in writing. The Company can also absent compelling circumstances provide three months' notice in writing, subject however to the Company's right to pay base salary in lieu thereof.

2. For cause: Employment can be terminated without notice and without salary in lieu of notice period. On Termination for cause, the Employee shall not be entitled to any compensation for the loss of any rights under any bonus, share option, long term incentive plan or other profit sharing scheme operated by the Company.
- b) Mr. Sudhir Chaturvedi shall not be entitled to sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- c) The appointment and remuneration of Mr. Sudhir Chaturvedi is subject to approval of the shareholders' of the Company and the Ministry of Corporate Affairs.

The Agreement entered into by the Company with Mr. Sudhir Chaturvedi, in respect of his appointment as Whole-time Director, contains the terms and conditions of his appointment and letter amending his remuneration will be open for inspection by shareholders at the Registered Office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

Except Mr. Sudhir Chaturvedi, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 12.

The Board recommends the resolution at Item No. 12 for approval of the shareholders of the Company.

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

Mumbai
May 19, 2017

Ashok Kumar Sonthalia
Chief Financial Officer

Annexure to AGM Notice

Details of Directors Seeking Appointment/ Re-appointment at the Ensuing Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. S. N. Subrahmanyam	Mr. A. M. Naik	Mr. Aftab Zaid Ullah	Mr. Sudhir Chaturvedi
Date of Birth	March 16, 1960	June 9, 1942	August 23, 1970	January 12, 1970
Date of Appointment on the Board	January 10, 2015	December 23, 1996	November 9, 2016	November 9, 2016
Qualifications	B.Sc, Engg. (Civil) & MBA Finance	B.E. (Mech.)	B. E (Bachelor in Engineering)	Master of Science (Technology)
Expertise	Vast Experience in Design and Build (D&B) contracts, PPP Projects, Engineering and Construction Industry.	Diverse and vast experience in general management, Technology and Engineering & Construction	Over 20 years of experience in the IT industry	Over 25 years of industry experience across Sales, Business Development, Consulting and Delivery Operations
Directorships held in other public companies (excluding foreign and private companies)	<ol style="list-style-type: none"> Larsen & Toubro Limited L&T Technology Services Limited L&T Metro Rail (Hyderabad) Limited 	<ol style="list-style-type: none"> Larsen & Toubro Limited L&T Realty Limited L&T Technology Services Limited 	AugmentIQ Data Sciences Private Limited	Nil
Memberships/ Chairmanships of Committees in other public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Membership in Audit Committee: <ol style="list-style-type: none"> Larsen & Toubro Infotech Limited L&T Technology Services Limited 	Nil	Membership in Stakeholders Relationship Committee : <ol style="list-style-type: none"> Larsen & Toubro Infotech Limited 	Nil
Number of Board Meetings attended during the year	4 of 4	4 of 4	2 of 2	2 of 2
Shareholding of Non-Executive Directors	Nil	1,181,250 equity shares	Nil	2,000 equity shares
Relationships between Directors inter-se	Nil	Nil	Nil	Nil

Annexure to AGM Notice

Details of Directors Seeking Appointment/ Re-appointment at the Ensuing Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Samir Desai	Mr. M. M. Chitale	Mr. Sanjeev Aga	Mr. Sudip Banerjee
Date of Birth	August 26, 1946	November 16, 1949	February 1, 1952	February 1, 1960
Date of Appointment on the Board	April 1, 2014	April 1, 2014	November 9, 2016	May 20, 2017
Qualifications	Post-graduate in electrical engineering and also a post-graduate in business administration.	Chartered Accountant	B.Sc (Hons. in Physics), MBA	Management Diploma and a Bachelor of Arts (Honours) degree in Economics from Delhi University.
Expertise	Over 30 years of experience in management.	Vast experience in various capacities in the field of Finance and Accounts.	Vast Experience in Telecom Sector.	Over 35 years of experience in IT industry.
Directorships held in other public companies (excluding foreign and private companies)	1. L&T Technology Services Limited	1. Asrec (India) Limited 2. Ram Ratna Wires Limited 3. Essel Propack Limited 4. ONGC Petro Additions Limited 5. ITZ Cash Card Limited 6. Atul Limited 7. Larsen & Toubro Limited	1. Larsen & Toubro Limited 2. UFO Moviez India Limited 3. Pidilite Industries Limited 4. Idea Cellular Limited 5. Mahindra Holidays & Resorts India Limited 6. Manjushree Technopak Limited 7. Mahindra Logistics Limited	1. IFB Industries Ltd 2. Kesoram Industries Limited 3. L&T Technology Services Limited
Memberships/ Chairmanships of Committees across all the Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Membership in Audit Committee: 1. Larsen & Toubro Limited 2. L&T Technology Services Limited	Chairmanship in Audit Committee: 1. Essel Propack Limited 2. Larsen & Toubro Limited 3. ITZ Cash Card Limited 4. Larsen & Toubro Infotech Limited Membership in Audit Committee: 1. Asrec (India) Limited 2. ONGC Petro Additions Limited 3. Principal PNB Asset Management Company Private Limited 4. Ram Ratna Wires Limited	Chairmanship in Audit Committee: 1. UFO Moviez India Limited Membership in Audit Committee: 1. Larsen & Toubro Limited 2. Mahindra Holidays & Resorts India Limited 3. Mahindra Logistics Limited Membership in Stakeholders' Relationship Committee: 1. Pidilite Industries Limited 2. Idea Cellular Limited	Membership in Audit Committee: 1. Kesoram Industries Limited Membership in Stakeholders' Relationship Committee: 1. L&T Technology Services Limited
Number of Board Meetings attended during the year	3 of 4	4 of 4	1 of 2	N.A.
Shareholding of Non- Executive Directors	Nil	38 equity shares	Nil	Nil
Relationships between Directors inter-se	Nil	Nil	Nil	Nil



Directors' Report

Your Directors have pleasure in presenting the Annual Report along with the Audited Financial Statements of Larsen & Toubro Infotech Limited ('LTI' or 'Company') for the year ended March 31, 2017.

1. FINANCIAL RESULTS

(₹ Million)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Revenue from operations	61,829	55,685	65,009	58,464
Other Income	1,983	2,304	1,867	1,897
Total Income	63,812	57,989	66,876	60,361
Less: Operating Expenditure	50,850	46,454	52,707	48,216
Less: Finance Cost	32	58	32	58
Less: Depreciation and amortization	1,088	1,034	1,779	1,740
Profit Before Tax (PBT)	11,842	10,443	12,358	10,347
Less: Provision for Tax	2,466	1,881	2,649	1,982
Profit for the year (PAT)	9,376	8,562	9,709	8,365
Less: Non-Controlling Interests	-	-	2	2
Add: Balance brought forward from previous year	13,272	11,203	13,678	11,808
Add: Profit and loss account of GDA Technologies Limited ('GDA') on amalgamation	365	-	-	-
Add: Other Comprehensive Income	(45)	23	(45)	23
Balance available for disposal which Directors appropriate as follows:	22,968	19,788	23,340	20,194
Dividend (excluding tax)	(1,700)	(5,467)	(1,700)	(5,467)
Tax on Dividend	(278)	(1,049)	(278)	(1,049)
Balance to be carried forward	20,990	13,272	21,362	13,678

2. INDIAN ACCOUNTING STANDARDS

Ministry of Corporate Affairs ('MCA') vide its notification dated February 16, 2015, notified the Indian Accounting Standards ('Ind AS') applicable to certain classes of companies. Accordingly, financial statements for the year ended March 31, 2017, have been prepared in compliance with Ind AS as prescribed under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and financial statements for the year ended March 31, 2016, have also been restated as per Ind AS. Further, note 2a and note 2a in the notes to accounts in the standalone and consolidated financial statements, respectively, provides further explanation on the transition to Ind AS.

3. PERFORMANCE OF THE COMPANY

On standalone basis, revenue from operations and other income for the financial year under review were ₹ 63,812 Million as against ₹ 57,989 Million for the previous financial year registering an increase of 10.0%. The profit before tax was ₹ 11,842 Million and the profit after tax was ₹ 9,376 Million for the financial year under review as against ₹ 10,443 Million and ₹ 8,562 Million respectively for the previous financial year.

On consolidated basis, revenue from operations and other income for the financial year under review were ₹ 66,876 Million as against ₹ 60,361 Million for the previous financial year registering an increase of 10.8%. The profit before tax was ₹ 12,358 Million and the profit after tax was ₹ 9,709 Million for the financial year under review as against ₹ 10,347 Million and ₹ 8,365 Million respectively for the previous financial year.

4. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There have been no changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of the report.

5. INITIAL PUBLIC OFFERING OF YOUR COMPANY

Your Company undertook an Initial Public Offer ('IPO') of 17,500,000 equity shares of face value of ₹ 1 each at a price of ₹ 710 per equity share through an Offer for Sale by Larsen & Toubro Limited, the Promoter of your Company, including a discount of ₹ 10 per equity share on the offer price to Retail Individual Bidders.

The total offer aggregated to ₹ 12,364 Million and constituted 10.3% of your Company's post-offer paid-up equity share capital. Your Company's equity shares were

listed on the National Stock Exchange of India Limited and the BSE Limited on July 21, 2016.

6. CAPITAL EXPENDITURE

On standalone basis, as at March 31, 2017, the gross fixed and intangible assets stood at ₹ 5,889 Million (previous year ₹ 5,480 Million) out of which assets amounting to ₹ 796 Million (previous year ₹ 1,015 Million) were added during the year and the net fixed and intangible assets stood at ₹ 2,871 Million (previous year ₹ 3,393 Million).

On consolidated basis, as at March 31, 2017, the gross fixed and intangible assets stood at ₹ 11,407 Million (previous year ₹ 11,082 Million) out of which assets amounting to ₹ 976 Million (previous year ₹ 1,346 Million) were added during the year and the net fixed and intangible assets stood at ₹ 5,432 Million (previous year ₹ 6,521 Million).

7. DIVIDEND

The Directors recommend payment of final dividend of ₹ 9.70 per equity share. During the year, your Company paid an interim dividend of ₹ 6.85 per equity share. The total dividend including the final dividend would amount to ₹ 16.55 per equity share.

The final dividend, if approved by the shareholders, would be paid/payable to those shareholders whose names appear in the Register of Members as on the Book Closure Dates mentioned in the notice of Annual General Meeting ('AGM') forming part of this report.

8. BRANDING

Digital disruption is challenging enterprises the world over to transform to newer business models by leveraging emerging technologies. In line with the pioneering role which LTI plays in bridging the convergence of the physical and digital world, your Company has also undergone a brand re-boot based on the brand idea 'Pioneering solutions in a converging world'. The tagline - 'Let's Solve' encapsulates the ability and willingness to solve complex challenges for the clients through your Company's real-world expertise and technological prowess. The new brand is truly a brand for the converging world.

9. PEOPLE

The IT Industry is going through a digital transformation and employees are on a continuous learning trajectory to stay relevant and add value to the organization. This is being successfully catered to by using the new digital learning delivery platform - 'Mosaic Academy'.

Your Company's social collaborative platform 'Workplace' has transformed the way employees interact socially as well as professionally. Special Interest Groups made

on 'Workplace' has enhanced employee collaboration, helped resolve issues quickly and bring in a continuous learning culture.

'Policy Guru' – This is an initiative that was launched on 'Workplace' to co-create and engage employees in making policy changes and review them for continued relevance to employee's needs and current practices across the organization.

'Shadow the Leader' – This initiative was launched to engage and groom high potential talent. This helped employees connect with leaders personally and spend an entire day with them.

'Candid' – A team feedback to managers enabled through a mobile app was launched this year giving people an opportunity to share their experience with the manager.

'Leadership Talent Review' – Two dimensional reviews for leadership were done as a step to build the leadership pipeline. Actions have been taken on the basis of employee's performance, potential and aspirations to do different kinds of roles.

10. INFRASTRUCTURE

Your Company has the best infrastructure throughout offices in India and abroad. Your Company has been expanding its facilities to keep pace with revenue growth. Emphasis has been on adding capacity in SEZ locations for new & incremental business. The new units at Mindspace SEZ – Airoli, Hinjewadi-Pune, Gopalan SEZ Bengaluru and DLF SEZ Chennai were made operational during the year 2016-17.

Your Company added infrastructure space of 45,000 sq.ft., during the financial year 2016-17 taking the total area to 2,189,840 sq.ft. with 22,264 Seats in India.

11. QUALITY INITIATIVES

Your Company continues all-pervasive commitment to Quality with focus on client centricity and continuous improvements. Your Company has revamped the Quality policy to reflect the same this year. The new Quality policy states:

We strive to be the most client-centric partner by:

- Delivering rich and meaningful experiences to our clients and their customers.
- Continuously improving our services and solutions, with focus on agility and creativity.
- Nurturing an environment that promotes learning and growth.

Client centricity is driven from top transferring to at all levels of your Company and reflected in Company's initiatives.

Your Company continues to adhere to international certifications viz. ISO 9001, ISO 20000, ISO 27001 and ISO 14001 through combined external audit conducted by Bureau Veritas. During the year, your Company has transitioned the ISO 9001 certification to ISO 9001:2015 version and ISO 14001 certification to ISO 14001:2015 version. By transitioning to ISO 9001:2015 version, your Company has strengthened areas such as leadership commitment, risk based thinking and risk management, organization knowledge identification and retention.

Your Company has been successfully re-appraised on CMMI for Development V1.3 at Level 5, in 2016 for Development, Maintenance, Testing and ERP projects. Your Company continues to sustain the CMMI for Services V1.3 Level 5 certification, for which your Company was appraised in 2015. Your Company has also sustained the compliance to ISAE 3402 requirements for the projects in the Insurance domain across Business Units and also for client specific engagements in the Banking domain.

Your Company renewed the focus to deliver value to our clients through initiatives such as Beyond, Extreme Automation and Design Driven Delivery. Beyond initiative has brought in focus on innovation to deliver value to our clients. Extreme Automation has helped optimize our delivery execution and improve productivity. Design Driven Delivery suitably supported by Agile and DevOps methodologies, helps your Company to design and deliver client focused services and solutions.

Your Company has aligned and strengthened the management processes with focus on client centricity and delivery excellence. We continue to measure project level and leadership level client satisfaction. Various initiatives implemented during the year have helped to improve client satisfaction levels. Leadership level client experience has also significantly improved for our key accounts.

12. TRANSFER TO RESERVES

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

13. DEPOSITS

During the year ended March 31, 2017, your Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2017 and of the profit of the Company for the year ended March 31, 2017;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) 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; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL

A. Appointment/Re-appointment:

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

- a. Ms. Shubhalakshmi Panse as an Independent Director of the Company with effect from October 25, 2016 till October 24, 2021, subject to the approval of the shareholders. Ms. Panse, appointed as an Additional Director, will hold office till the ensuing Annual General Meeting ('AGM').
- b. Mr. Sanjeev Aga as an Independent Director of the Company with effect from November 9, 2016 till November 8, 2021, subject to the approval of the shareholders. Mr. Aga, appointed as an Additional Director, will hold office till the ensuing AGM.
- c. Mr. Aftab Zaid Ullah as the Whole-time Director of the Company with effect from November 9, 2016 till November 8, 2021, subject to the approval of the shareholders. Mr. Ullah, appointed as an Additional Director, will hold office till the ensuing AGM.
- d. Mr. Sudhir Chaturvedi as the Whole-time Director of the Company with effect from November 9, 2016 till November 8, 2021, subject to the approval of the shareholders. Mr. Chaturvedi, appointed as an Additional Director, will hold office till the ensuing AGM.
- e. Mr. M. M. Chitale as an Independent Director of the Company with effect from April 1, 2017 till March 31, 2022, subject to the approval of the shareholders by passing special resolution.
- f. Mr. Samir Desai as an Independent Director of the Company with effect from April 1, 2017 till March 31, 2021, subject to the approval of the shareholders by passing special resolution.

Further, Mr. S. N. Subrahmanyam was appointed as a Non-Executive Vice Chairman by the Board with effect from May 4, 2017.

Mr. S. N. Subrahmanyam & Mr. A. M. Naik, Non-Executive Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing AGM of the Company. The details of Directors proposed to be appointed/re-appointed is given in the notice convening the AGM forming part of this Annual Report.

The draft appointment letter issued to the Independent Directors is available on the Company's website, www.Lntinfotech.com/Investors.

B. Cessation:

During the year, none of the Directors ceased/resigned from the Company.

C. Changes in Key Managerial Personnel & Compliance Officer:

During the year, following were the changes in the Key Managerial Personnel & Compliance Officer:

- a. Mr. Subramanya Bhatt ceased to be the Company Secretary and Compliance Officer with effect from closure of business hours of November 9, 2016.
- b. Mr. Rajesh S. Narang was appointed as the Company Secretary and Compliance Officer with effect from November 10, 2016 and ceased to be the Company Secretary and Compliance Officer with effect from closure of business hours of March 30, 2017.
- c. Ms. Angna Arora was appointed as Compliance Officer with effect from March 31, 2017.

16. CORPORATE GOVERNANCE REPORT

A report on Corporate Governance is annexed as **Annexure G** to this Report.

17. CORPORATE SOCIAL RESPONSIBILITY ('CSR')

The Board has constituted a CSR Committee in terms of the requirements of the Companies Act, 2013. The details relating to the same is given in **Annexure G** to this Report.

The Annual Report on CSR is annexed as **Annexure A** to this Report. CSR Policy of your Company is available on the Company's website, www.Lntinfotech.com/social-responsibility.

18. CORPORATE SUSTAINABILITY

During the year, all development centers of your Company, in India, have cleared surveillance audit of BS OHSAS 18001:2007 certification for occupational health and safety. Your Company has undertaken Sustainability initiatives for example - office lighting, PC hibernation, Green Week, waste and e-waste management, recycling and Energy Star power procurement policy to reduce energy consumption.

19. GREEN INITIATIVE

Electronic copy of the Annual Report for the financial year 2016-17 and the Notice of the ensuing AGM is being sent to all shareholders whose email addresses are registered with the Company/Depository Participant(s). For shareholders who have not registered their email addresses, physical copies are sent in the permitted mode.

20. STATUTORY AUDITOR

The Auditors' Report to the shareholders does not contain any qualification and therefore does not call for any comments from Directors. Further the Auditors of the Company have not reported any fraud as specified under section 143(12) of the Companies Act, 2013.

The Statutory Auditor, M/s. Sharp & Tannan [ICAI Registration No. 109982W], have already completed more than ten years as Statutory Auditors of the Company.

Accordingly, as per section 139 of the Companies Act, 2013, M/s. Sharp & Tannan will cease to be the Statutory Auditors of the Company from the conclusion of the ensuing AGM. Hence, the Board, based on the recommendation of the Audit Committee, proposes the appointment of M/s. B. K. Khare & Co. [ICAI Registration No. 105102W] as the Statutory Auditors for a continuous period of 5 years from the conclusion of 21st AGM till the conclusion of 26th AGM of the Company, subject to approval of shareholders.

The Auditors, M/s. B. K. Khare & Co., have informed the Company that their appointment, if made, would be in line with the requirement laid under section 141 of the Companies Act, 2013. Further, the Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India ('ICAI') and hold a valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company and declared that they

have not taken up any prohibited non-audit assignments for the Company.

21. SECRETARIAL AUDITOR

The Secretarial Audit Report issued by Ms. Naina Desai, Practicing Company Secretary, does not contain any qualification and is annexed as **Annexure B** to this Report.

22. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements pursuant to section 129(3) of the Companies Act, 2013, prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, forms part of this Annual Report. The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

23. CHANGES IN SHARE CAPITAL

During the financial year 2016-17, the Company allotted 754,925 equity shares of ₹ 1 each on exercise of the vested options by the eligible employees under the Employee Stock Option Schemes of the Company. Accordingly, the paid-up equity share capital of the Company increased from ₹ 169.82 Million to ₹ 170.57 Million.

Subsequent to March 31, 2017, the Company has further allotted 38,093 equity shares of ₹ 1 each on May 4, 2017, on exercise of vested options by the eligible employees under the Employee Stock Option Schemes of the Company. Consequent to the same, there has been an increase in the paid-up equity share capital of the Company to ₹ 170.61 Million.

24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to section 134(5) (e) of the Companies Act, 2013. For the year ended March 31, 2017, the Board is of the opinion that your Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. Your Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on your Company's operations.

25. EXTRACT OF ANNUAL RETURN

The extract of annual return is annexed as **Annexure C** to this Report.

26. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 4 (four) times during the financial year. The details of the Board meetings and the attendance of Directors is provided in the **Annexure G** to this Report.

27. AUDIT COMMITTEE

The Board has constituted the Audit Committee in terms of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in **Annexure G** to this Report.

28. VIGIL MECHANISM

The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Companies Act, 2013 ('Act'). The Audit Committee of the Company oversees the functioning of the Whistle Blower Policy.

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 Company has a Whistle Blower Policy in place since 2014 to encourage and facilitate employees to report concerns about unethical behavior, actual/suspected frauds and violation of the Company's Code of Conduct. The policy provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the Chairperson of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle Blower Policy.

Information about the establishment of the Whistle Blower Policy is available on the Company's website, www.Lntinfotech.com/Investors. During the year, no personnel has been declined access to the Audit Committee, whenever desired.

29. RELATED PARTY TRANSACTIONS

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy and the same is available on the Company's website i.e www.Lntinfotech.com/Investors. The Company has a process in place to periodically review and monitor related party transactions.

During the year, all the related party transactions were in the ordinary course of business and at arm's length and were approved by the Audit Committee. There were no material transactions with related parties during the year that may have conflict with the interest of the Company.

30. SUBSIDIARY/ ASSOCIATE/JOINT VENTURE COMPANIES

As at March 31, 2017, the Company has 10 Subsidiaries including a Joint Venture. There has been no material change in the nature of the business of Subsidiaries.

- During the year, the Company acquired/formed following Subsidiary Companies:

Name of the Company	Type of equity shares	No. of equity shares
AugmentIQ Data Sciences Private Limited	Equity	1,102,419 ¹
L&T Infotech S.de. RL. C.V	Equity	N. A. ²

Notes:

1. The Company acquired 1,102,419 equity shares of ₹ 10 each of AugmentIQ Data Sciences Private Limited on November 30, 2016. Out of 1,102,419 equity shares of ₹ 10 each fully paid-up, 1,102,418 equity shares are held by the Company and 1 equity share is held by 1 individual jointly and on behalf of the Company.
2. L&T Infotech S.de. RL. C.V was incorporated as a Subsidiary on March 1, 2017, in Mexico with a registered minimum fixed capital of 3,000 Mexican Pesos. However, no investment has been made by the Company in L&T Infotech S.de. RL. C.V.

The Company has formulated a policy on the identification of material subsidiaries in line with Regulation 16(c) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the same is available on the Company's website, www.Lntinfotech.com/Investors.

- **Performance and financial position of each Subsidiary/Associate and Joint Venture Companies:**

A statement containing the salient features of the financial statement of subsidiaries/associate/joint venture companies as per form AOC-1 is annexed as **Annexure D** to this Report.

- **Update on Amalgamation of GDA Technologies Limited ('GDA') with the Company:**

Pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Bombay vide its order dated April 1, 2016 and by the Hon'ble High Court of Madras vide its order dated August 3, 2016, GDA was amalgamated with the Company with effect from September 2, 2016, with the appointed date being April 1, 2016. Consequently, the entire business, assets, liabilities, duties and obligations of GDA have been transferred to and vested in the Company with effect from April 1, 2016.

- **Amalgamation of AugmentIQ Data Sciences Private Limited ('AugmentIQ') with the Company:**

The Board of your Company and AugmentIQ in their meetings held on May 4, 2017 and May 3, 2017 respectively, approved the Scheme of Amalgamation ('Scheme') of AugmentIQ with the Company under section 230-232 of the Companies Act, 2013. The appointed date for the proposed Scheme is April 1, 2017.

31. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED

Your Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided in the notes forming part of the financial statements provided in this Annual Report.

32. EMPLOYEE STOCK OPTION SCHEMES

There has been no material change in the Employee Stock Option Schemes ('ESOP Schemes') during the financial year under review. The Employee Stock Ownership Scheme 2000 and the Employee Stock Ownership Scheme 2006 U.S. Stock Option Sub-Plan are in compliance with the then applicable Act and Regulations, if any. Further, the Employee Stock Option Scheme 2015 is in compliance with the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and the disclosures relating to the ESOP Schemes of the Company as required is available on the Company's website, www.Ltinfotech.com/Investors.

A Certificate obtained from the Statutory Auditors, confirming compliance with the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 is given in **Annexure H** to this Report.

33. COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

The Company has constituted the Nomination and Remuneration Committee in terms of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in **Annexure G** to this Report.

The Committee has formulated a policy on Director's appointment and remuneration including recommendation of remuneration of Key Managerial Personnel and the criteria for determining qualifications, positive attributes and independence of a Director.

34. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

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

It includes circulation of questionnaires to all Directors for evaluation of the Board and its Committees, Board composition and its structure, its culture, Board effectiveness, Board functioning, information availability,

etc. These questionnaires' also cover specific criteria and the grounds on which all Directors in their individual capacity have been evaluated.

The inputs given by all the Directors were discussed in the meeting of the Independent Directors held on May 4, 2017, in accordance with Schedule IV of the Companies Act, 2013. The performance evaluation of the Board, its Committees, Chairman and Directors was also reviewed by the Nomination and Remuneration Committee and the Board of Directors.

35. DISCLOSURE OF REMUNERATION

The details of remuneration as required under section 197(12) of the Companies Act, 2013 ('Act') and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, is provided in **Annexure E** to this Report.

The details of employees receiving remuneration as mentioned in Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is provided in **Annexure I** to this Report. In terms of section 136(1) of the Act and the rules made thereunder, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary/Compliance Officer. None of the employees listed in the said Annexure is related to any Director of the Company.

36. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted the Stakeholders' Relationship Committee in terms of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in **Annexure G** to this Report.

37. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received Declaration of Independence from its Independent Directors as stipulated under section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence. The same is available on the Company's website, www.Ltinfotech.com/Investors.

38. INDEPENDENT DIRECTORS MEETING

As per Schedule IV of the Companies Act, 2013, Secretarial Standards-1 ('SS-1') read with the Guidance Note on SS-1 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of the Independent Directors was held on May 4, 2017.

39. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

40. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in **Annexure F** to this Report.

41. RISK MANAGEMENT POLICY

The Company has constituted a Risk Management Committee comprising of Mr. S. N. Subrahmanyam, Mr. Sanjay Jalona, Mr. Aftab Zaid Ullah and Mr. Ashok Kumar Sonthalia as members. Mr. S. N. Subrahmanyam is the Chairperson of the Committee.

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members

about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

A detailed note on risk management is given in and under separate section of this Annual Report.

42. 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.

43. ACKNOWLEDGEMENTS

The Directors thank the Company's customers, vendors, banks, financial and academic institutions, employees, regulatory authorities, stock exchanges & all other stakeholders for their continued co-operation & support to the Company. The Directors also acknowledge the support and co-operation from the Government of India and overseas, its agencies and other regulatory authorities.

For and on behalf of the Board

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

Aftab Zaid Ullah
Chief Operating Officer &
Whole-time Director
(DIN: 05165334)

Place: Mumbai
Date: May 4, 2017

Annexure A

Annual Report on Corporate Social Responsibility ('CSR') activities for financial year 2016-17

1. A Brief outline of the Company's CSR policy, including overview of projects undertaken and a reference to web link to the CSR policy and projects or programs:

The CSR policy and CSR policy framework is available on the Company's website, www.Lntinfotech.com/social-responsibility. The CSR policy framework states the thrust areas as IT Skills, Education including support for educational institutions, Women Empowerment and Environment in which the Company does CSR Projects. We have continued the commitment of empowering youth through our IT skills program.

a. IT skills for employment

The IT Skills program imparts computer training to youth through the community computer centers. Your Company has added programs for ERP skills such as Tally, and hardware and networking courses in Mumbai and Chennai in collaboration with various NGOs. The Digital Sakshar program and the Rural BPO project are two key IT Skills projects. The Digital Sakshar project in Mumbai helps youth learn computer skills based on market requirements. The Rural BPO project in Sonari, UP and Budhni, MP has generated employment for youth in rural areas.

70 computer centers have been established in the financial year 2016-17, to teach IT & Soft Skills programs. In all 17,500 youth have successfully completed the course.

b. IT skills for employment of differently abled

Your Company has continued its support to the differently abled through the CSR programs. In addition to the volunteers supporting the Talking Books project; your Company has also set up special computer training centers for the differently abled in data entry in association with NGO's in Mumbai and Chennai which has resulted in generating employment for them.

c. Support Education in schools

Your Company has provided computers to the schools to help the school children learn basic computer skills. Using technology, your Company has set up virtual classrooms in schools and connected them to the Company's office premises from where employees of the Company teach children remotely. The volunteers enthusiastically supported these projects in Bengaluru and Chennai. The volunteers enjoy teaching science and mathematics to the children using innovative methods.

The Junior Aryabhata program in Pune helps develop computer skills in children from 20 Government schools, using mini laptops.

The Introduction to Basic Technology project helps rural youth in drought prone Pune area learn vocational skills by experimentation and encourages rural entrepreneurship. Vocational skills in electronics, engineering, agriculture and food processing are taught through the program to make learning enjoyable for children. We run a similar program in Mangaon in Maharashtra.

This year your Company has collaborated with academia to support the Industrial Internet of Things ('IIoT') project in association with VJTI in Mumbai. The project addresses issues like condition monitoring, predictive maintenance, energy forecasting and remote asset management which will help make renewable sources more affordable.

Your Company has supported the Akshayapatra project in Bengaluru where wholesome meals are provided to 17,500 school children from marginalized areas. This has helped reduce the drop-out rate in schools.

Through the education initiatives your Company has supported 221 schools which has impacted the lives of 47,500 school children.

d. Women Empowerment

Your Company encourages women entrepreneurs from marginalized communities, by providing space at the Company's campus for exhibitions. Your Company has supported the project developed by an NGO, for setting up of Papad making and Packaging unit, Tailoring and Beautician courses for women in rural areas of Satara, Maharashtra. This project has helped women use their talent and create local employment. At Navi Mumbai, your Company has set up community centers to impart livelihood skills such as tailoring. Women empowerment initiatives have impacted 4,100 women.

e. Environment

Environment conservation activities like tree plantation, energy & water saving, paper recycling, e-waste collection drives have been organized. Your Company has introduced the tree plantation certificates instead of giving bouquets. This year your Company has planted hundreds of trees in the forests of Rajasthan and Karnataka through this initiative.

f. Chennai Cyclone Relief

This year Chennai witnessed a natural disaster in form of cyclone which caused heavy damage. An NGO at Kasuva, with whom your Company has been working with, suffered heavy property damage to their community center. Your Company has helped them reconstruct their premises by installing new solar panels and constructing new compound wall.

g. Employee Volunteering

Our 1Step employee engagement initiative actively supports the CSR programs. In financial year 2016-17, 4,627 1Step volunteers [(4,576 volunteers in financial year 2015-16)] helped teach underprivileged youth and children, donated blood during our blood donation drives, shopped for a cause and helped conserve the environment. The total beneficiaries covered by your Company were 71,124 doubling from the previous year.

2. The Composition of the CSR Committee:
 - i. Mr. S. N. Subrahmanyam - Chairman
 - ii. Mr. Sanjay Jalona - Member
 - iii. Mr. M. M. Chitale¹ - Member
 - iv. Mr. Arjun Gupta¹ - Member

Note: 1. Mr. Arjun Gupta was inducted as a member in place of Mr. M. M. Chitale w.e.f. November 9, 2016.
3. Average net profit for the last three years: 8,674.82 Million
4. Prescribed CSR expenditure (Two percent of the amount as in item 3 above): 173.49 Million
5. Details of CSR spent during the financial year:
 - i. Total amount spent for the financial year 2016-17: 64.90 Million
 - ii. Amount unspent, if any: 108.59 Million
 - iii. Manner in which the amount was spent during the financial year 2016-17: attached
6. In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide reasons for not spending the amount in its Directors' Report:

Your Company's CSR projects are multi-year projects. Your Company believes in creating sustainable programs that empowers communities. This year, our focus was to meet the project goals and create standards for reporting and monitoring. Due diligence process has been followed during the entire project cycle. We are evaluating communities to expand our projects.

7. A responsibility statement of the CSR Committee that the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy & its framework.

The CSR Committee hereby affirms that:

- The Company has duly formulated a CSR Policy Framework which includes formulation of CSR Theme, CSR budget and roles and responsibilities of the Committee, CSR team formed for implementation of the CSR programs; and
- The Company has constituted a mechanism to monitor and report on the progress of the CSR programs;

The activities undertaken by the Company as well as the implementation and monitoring mechanisms are in compliance with its CSR objectives and CSR policy and its framework.

S. N. Subrahmanyam
Director &
Chairman – CSR Committee
(DIN: 02255382)

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

5 (iii). Manner in which the amount spent during the financial year 2016-17 is detailed below:

(₹ Million)

S. N.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the State and District where project was undertaken	Amount Outlay (Budget) Project or programs wise	Direct expense	Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Computer Skills	IT Skills	Mumbai, Navi Mumbai, Pune, Maharashtra, Bengaluru, Chennai, Karnataka, Madhya Pradesh, Uttar Pradesh and Tamil Nadu	52.2	36.95	1.91	38.86	Direct and through Implementing agency.
2	Educational	Education	Mumbai, Navi Mumbai, Pune, Maharashtra, Bengaluru, Chennai, Karnataka, and Tamil Nadu	14.56	22.82	1.14	23.96	Direct and through Implementing agency.
3	Women Empowerment	Women Empowerment	Maharashtra and Tamil Nadu	3.02	1.82	0.04	1.86	Direct and through Implementing agency.
4	Environment projects	Environment projects	Karnataka, Rajasthan	0.22	0.22	-	0.22	Direct and through Implementing agency
TOTAL				70.00	61.81	3.09	64.90	

Annexure B

Form No. MR-3 Secretarial Audit Report for the financial year ended March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

LARSEN & TOUBRO INFOTECH LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LARSEN & TOUBRO INFOTECH LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as applicable:-**
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **presently, (Prohibition of Insider Trading) Regulations, 2015;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **presently (Share Based Employee Benefits) Regulations, 2014;**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other specific business/industry related laws that are applicable to the Company, viz. -
 - The Information Technology Act, 2000
 - The Special Economic Zone Act, 2005
 - Policy relating to Software Technology Parks of India and its regulations
 - The Indian Copyright Act, 1957
 - The Patents Act, 1970
 - 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)

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchange(s), applicable as follows:
 - Equity Shares listed on BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors 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 meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, in my opinion there are adequate systems and processes in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the following events/ actions have taken place which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., like -

- (i) Public/Right/Preferential issue of Equity Shares/ Debentures/Sweat Equity, etc. -
 - Completion of initial public offering of the Company, wherein the Promoter 'Larsen & Toubro Limited' ('Holding Company') diluted its Shareholding by Offering 17,500,000 equity shares of ₹ 1/- each of the Company. Accordingly, the Company got its equity shares listed on July 21, 2016 on National Stock Exchange of India Limited and BSE Limited.
 - Allotment of 737,275 equity shares of ₹ 1/- each, under the Employees Stock Ownership Scheme-2000; and

- Allotment of 17,650 equity shares of ₹ 1/- each under Employees Stock Ownership Scheme-2006 U.S. Stock Option Sub-plan.
- (ii) Redemption/buy-back of securities - NIL.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013 - NIL.
- (iv) Merger/amalgamation/reconstruction, etc. -
 - Pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Bombay vide its order dated April 01, 2016 and by the Hon'ble High Court of Madras vide its order dated August 3, 2016, GDA Technologies Limited ('GDA'), wholly-owned subsidiary of the Company was amalgamated with the Company with effect from September 2, 2016 with appointed date being April 01, 2016. Consequently, the entire business, assets, liabilities, duties and obligations of GDA have been transferred to and vested in the Company with effect from April 1, 2016.
- (v) Foreign technical collaborations - NIL.
- (vi) Other Event -
 - The Company in its meeting held on July 28, 2016, gave their in principle approval for the acquisition of an Analytics Startup and constituted a specific committee to undertake the acquisition. The Company signed a definitive agreement on October 25, 2016 to acquire AugmentIQ Data Sciences Private Limited ('AugmentIQ'), Pune. The acquisition of AugmentIQ was completed by the Company on November 30, 2016.

Naina R Desai

Practising Company Secretary

Membership No. 1351

Place: Mumbai
Date: April 17, 2017

Certificate of Practice No.13365

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,

LARSEN & TOUBRO INFOTECH LIMITED

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- 4) Where ever required, we have obtained the Management

representation about the compliance of laws, rules and regulations and happening of events etc.

- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Naina R Desai

Practising Company Secretary

Membership No. 1351

Place: Mumbai
Date: April 17, 2017

Certificate of Practice No.13365

Annexure C

Form No. MGT-9 Extract of Annual Return

as on the financial year ended on March 31, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I) REGISTRATION AND OTHER DETAILS:

S. N.	Particulars	
1	CIN	U72900MH1996PLC104693
2	Registration Date	23rd December 1996
3	Name of the Company	Larsen & Toubro Infotech Limited
4	Category/Sub-Category of the Company	Company limited by shares Indian Non-Government Company
5	Address of the Registered office and contact details	L&T House, Ballard Estate, Mumbai - 400 001 Tel: +91 22 6776 6138 Email: Angna.Arora@Lntinfotech.com
6	Whether Listed Company	Yes
7	Name, Address and contact details of the Registrar and Transfer Agent, if any	Link Intime India Private Limited Address: C - 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083 Tel: +91 22 4918 6000, Fax: +91 22 4918 6060 Email: rnt.helpdesk@linkintime.co.in

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. N.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Computer programming, consultancy and related activities	620	100.00

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Larsen & Toubro Limited Add: L&T House, N. M. Marg, Ballard Estate, Mumbai-400001	L99999MH1946PLC004768	Holding Company	84.28	2(46)
2	Larsen & Toubro Infotech GmbH Add: Euro-Asia Business Center, Messe-Allee 2, D-04356, Leipzig, Germany	-	Subsidiary	100.00	2(87)
3	Larsen & Toubro Infotech Canada Limited Add: 2810, Matheson Blvd East, Suite 500, Mississauga, ON L4W 4X7, Canada	-	Subsidiary	100.00	2(87)
4	Larsen & Toubro Infotech LLC Add: 1220, N. Market St., Suite 806, Wilmington, DE 19801, Country of New Castle, United States of America	-	Subsidiary	100.00	2(87)
5	L&T Infotech Financial Services Technologies Inc. Add: 2810, Matheson Blvd East, Suite 500, Mississauga, ON L4W 4X7, Canada	-	Subsidiary	100.00	2(87)

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
6	Larsen And Toubro Infotech South Africa (Pty) Limited Add: 6th Floor, 119 Hertzog Boulevard, Foreshore 8001, South Africa	-	Subsidiary	74.90	2(87)
7	L&T Information Technology Services (Shanghai) Co., Ltd. Add: Room 1100m Building 2, No.1388, Xingxian Road, Jaiding District, Shanghai, China	-	Subsidiary	100.00	2(87)
8	Larsen & Toubro Infotech Austria GmbH Add: c/o Oberhammer Rechtsanwälte GmbH, Karlsplatz 3/1, 1010 Vienna, Austria	-	Subsidiary	100.00	2(87)
9	L&T Information Technology Spain SL Add: C/JOSÉ ABASCAL 56 2nd Floor, Madrid, Spain	-	Subsidiary	100.00	2(87)
10	AugmentIQ Data Sciences Private Limited Add: Godrej Eternia A, 5th Floor, Mumbai - Pune Road, Shivajinagar, Pune 411005	U72200PN2012PTC145539	Subsidiary	100.00	2(87)
11	L&T Infotech S.de. RL. C.V Add: Bosque de Ciruelos 180, Suite PP 101 Col. Bosques de las Lomas, 11700 Mexico city, Mexico	-	Subsidiary	100.00	2(87)

IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

a) Category-wise Share Holding

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals/Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Bodies Corporate	161,250,000	0	161,250,000	94.96	143,750,000	0	143,750,000	84.28	10.68
(f)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A1)	161,250,000	0	161,250,000	94.96	143,750,000	0	143,750,000	84.28	10.68
(2)	Foreign									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A) = (A1 + A2)	161,250,000	0	161,250,000	94.96	143,750,000	0	143,750,000	84.28	10.68
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	0	0	0	0.00	2,038,938	0	2,038,938	1.20	(1.20)
(b)	Banks/Financial Institutions	0	0	0	0.00	189,413	0	189,413	0.11	(0.11)
(c)	Central Government/	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	1,326,417	0	1,326,417	0.78	(0.78)
(g)	Foreign Portfolio Investors	0	0	0	0.00	8,121,094	0	8,121,094	4.76	(4.76)
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B1)	0	0	0	0.00	11,675,862	0	11,675,862	6.85	(6.85)
(2)	Non - Institutions									
(a)	Individuals									
(i)	Individual Shareholders holding nominal Equity Share Capital up to ₹ 1 Lakh	4,938,210	443,944	5,382,154	3.17	9,870,849	98,449	9,969,298	5.84	(2.67)
(ii)	Individual Shareholders holding nominal Equity Share Capital in excess of ₹ 1 Lakh	1,573,125	0	1,573,125	0.92	2,145,500	111,250	2,256,750	1.32	(0.40)
(b)	Bodies Corporate	11,049	0	11,049	0.01	409,288	0	409,288	0.24	(0.23)
(c)	Any Other (Specify)									
(i)	Foreign Nationals	0	324,890	324,890	0.19	100	243,671	243,771	0.14	0.05
(ii)	Hindu Undivided Family	0	0	0	0.00	283,580	0	283,580	0.17	(0.17)
(iii)	Non Resident Indians (Repat)	634,824	377,670	1,012,494	0.60	979,197	428,428	1,407,625	0.82	(0.22)
(iv)	Non Resident Indians (Non-Repat)	104,310	158,166	262,476	0.15	194,638	141,685	336,323	0.20	(0.05)

Category Code	Category of Shareholder(s)	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Dematerialised Form	Physical Form	Total	% of Total Shares	Dematerialised Form	Physical Form	Total	% of Total Shares	
(v)	Clearing Member	0	0	0	0.00	238,616	0	238,616	0.14	(0.14)
	Sub-total (B2)	7,261,518	1,304,670	8,566,188	5.04	14,121,768	1,023,483	15,145,251	8.87	(3.83)
	Total Public Shareholding (B) = (B1 + B2)	7,261,518	1,304,670	8,566,188	5.04	25,797,630	1,023,483	26,821,113	15.72	(10.68)
	TOTAL (A+B)	168,511,518	1,304,670	169,816,188	100.00	169,547,630	1,023,483	170,571,113	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	168,511,518	1,304,670	169,816,188	100.00	169,547,630	1,023,483	170,571,113	100.00	0.00

b) Shareholding of Promoters

S.N.	Shareholder's Name	Shareholding at the beginning of the year			% change in shareholding during the year			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	% change in shareholding during the year
1	Larsen & Toubro Limited	161,250,000	94.96	0.00	143,750,000	84.28	0.00	10.68
	TOTAL	161,250,000	94.96	0.00	143,750,000	84.28	0.00	10.68

c) Change in Promoters' Shareholding:

S.N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	161,250,000	94.96	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	(17,500,000) ¹	(10.30)	143,750,000	84.64
	At the end of the year	-	-	143,750,000	84.28 ²

Notes:

- The change in the Promoters' shareholding is pursuant to Offer for Sale of 17,500,000 equity shares by the Promoter in the Initial Public Offer of the Company.
- Further change in the percentage of shareholding at the end of the year is due to periodic allotment of equity shares under the Employee Stock Option Schemes of the Company during the financial year 2016-17.

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.N.	For Each of the Top 10 Shareholders	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
1	AUBURN LIMITED		-	0.00			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)	19 Jul 2016			2,289,493	2,289,493	1.35
		29 Jul 2016			70,800	2,360,293	1.39
		26 Aug 2016			41,436	2,401,729	1.41
		02 Sep 2016			118,190	2,519,919	1.48
		09 Sep 2016			78,402	2,598,321	1.53
		16 Sep 2016			87,366	2,685,687	1.58
		23 Sep 2016			60,180	2,745,867	1.62
		30 Sep 2016			66,482	2,812,349	1.66
		07 Oct 2016			85,197	2,897,546	1.71
		14 Oct 2016			26,987	2,924,533	1.72
		21 Oct 2016			66,778	2,991,311	1.76
		28 Oct 2016			47,180	3,038,491	1.79
		04 Nov 2016			150	3,038,641	1.79
		24 Mar 2017			1,724,854	4,763,495	2.79
	At the end of the year				4,763,495	2.79	
2	NTASIAN EMERGING LEADERS MASTER FUND		-	0.00			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)	19 Jul 2016			108,840	108,840	0.06
		05 Aug 2016			326,855	435,695	0.26
		12 Aug 2016			332,627	768,322	0.45
		28 Oct 2016			47,432	815,754	0.48
		04 Nov 2016			80,662	896,416	0.53
		11 Nov 2016			61,894	958,310	0.56
		18 Nov 2016			3,605	961,915	0.56
		27 Jan 2017			50,000	1,011,915	0.59
		03 Feb 2017			57,000	1,068,915	0.63
		10 Feb 2017			46,200	1,115,115	0.65
		17 Feb 2017			31,200	1,146,315	0.67
		24 Feb 2017			65,680	1,211,995	0.71
		03 Mar 2017			112,520	1,324,515	0.78
		10 Mar 2017			33,700	1,358,215	0.80
	17 Mar 2017			27,700	1,385,915	0.81	
	24 Mar 2017			60,484	1,446,399	0.85	
	At the end of the year				1,446,399	0.85	

S.N.	For Each of the Top 10 Shareholders	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
3	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND		-	0.00			
	Date wise Increase/Decrease in share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)	19 Jul 2016			639,125	639,125	0.38
		At the end of the year				639,125	0.37
4	FIL INVESTMENTS(MAURITIUS)LTD		-	0.00			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)	19 Jul 2016			299,965	299,965	0.18
		21 Oct 2016			19,469	319,434	0.19
		28 Oct 2016			16,437	335,871	0.20
		16 Dec 2016			10,999	346,870	0.20
		03 Mar 2017			5,604	352,474	0.21
		10 Mar 2017			23,572	376,046	0.22
		17 Mar 2017			68,173	444,219	0.26
		31 Mar 2017			188,013	632,232	0.37
		At the end of the year				632,232	0.37
5	KUWAIT INVESTMENT AUTHORITY FUND 225		-	0.00			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)	27 Jan 2017			20,031	20,031	0.01
		03 Feb 2017			26,744	46,775	0.03
		10 Feb 2017			57,160	103,935	0.06
		17 Feb 2017			56,160	160,095	0.09
		24 Feb 2017			50,393	210,488	0.12
		03 Mar 2017			25	210,513	0.12
		17 Mar 2017			134,770	345,283	0.20
		24 Mar 2017			73,778	419,061	0.25
		At the end of the year				419,061	0.25
6	SCHRODER INTERNATIONAL SELECTION FUND INDIAN EQUITY		-	0.00			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)	16 Dec 2016			20,781	20,781	0.01
		23 Dec 2016			68,044	88,825	0.05
		30 Dec 2016			7,979	96,804	0.06
		06 Jan 2017			27,216	124,020	0.07
		13 Jan 2017			8,896	132,916	0.08
		20 Jan 2017			10,147	143,063	0.08
		27 Jan 2017			34,847	177,910	0.10
		24 Feb 2017			56,541	234,451	0.14
		03 Mar 2017			104,086	338,537	0.20
		10 Mar 2017			34,391	372,928	0.22
		17 Mar 2017			19,952	392,880	0.23
		At the end of the year				392,880	0.23

S.N.	For Each of the Top 10 Shareholders	Date of Transaction	Shareholding at the beginning of the year		Increase/decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
7	ICICI PRUDENTIAL TECHNOLOGY FUND		-	0.00			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/bonus/sweat equity, etc.)	19 Jul 2016			211,280	211,280	0.12
		18 Nov 2016			1,456	212,736	0.12
		25 Nov 2016			64,601	277,337	0.16
		02 Dec 2016			17,987	295,324	0.17
		09 Dec 2016			9,732	305,056	0.18
		16 Dec 2016			3,732	308,788	0.18
		23 Dec 2016			1	308,789	0.18
		30 Dec 2016			3,289	312,078	0.18
		06 Jan 2017			2,678	314,756	0.18
		13 Jan 2017			556	315,312	0.18
		20 Jan 2017			3	315,315	0.18
		27 Jan 2017			16,671	331,986	0.19
		03 Feb 2017			1,907	333,893	0.20
		17 Feb 2017			1,766	335,659	0.20
		24 Feb 2017			3,835	339,494	0.20
	At the end of the year					339,494	0.20
8	THE NEW INDIA ASSURANCE COMPANY LIMITED		-	0.00			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/bonus/sweat equity, etc.)	19 Jul 2016			281,680	281,680	0.17
	At the end of the year					281,680	0.17
9	YESHWANT MORESHWAR DEOSTHALEE		281,250	0.17			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/bonus/sweat equity, etc.)						
	At the end of the year					281,250	0.16
10	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND		-	0.00			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/bonus/sweat equity, etc.)	19 Jul 2016			180,830	180,830	0.11
		21 Oct 2016			9,250	190,080	0.11
		02 Dec 2016			18,643	208,723	0.12
		09 Dec 2016			37,971	246,694	0.14
		16 Dec 2016			26,738	273,432	0.16
		23 Dec 2016			11	273,443	0.16
	At the end of the year					273,443	0.16
11	VIJAY KUMAR MAGAPU		210,001	0.12			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/bonus/sweat equity, etc.)						
	At the end of the year					210,001	0.12

S.N.	For Each of the Top 10 Shareholders	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
12	VIJAY KUMAR MAGAPU		209,999	0.12			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)						
		At the end of the year				209,999	0.12
13	VINA BADAMI		140,000	0.08			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)						
		At the end of the year				140,000	0.08
14	VIVEK SHANTARAM SHIROOR		138,000	0.08			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)						
		At the end of the year				138,000	0.08
15	MAKARAND DEOLALKAR		128,937	0.08		-	
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)	05 Aug 2016			(100,000)	28,937	0.02
		09 Nov 2016 (ESOP Exercise)			9,687	38,624	0.02
		At the end of the year				38,624	0.02
16	SHRINIVASAN VENKATARAMAN		125,000	0.07			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)						
		At the end of the year				125,000	0.07
17	KAVINDRA SHARMA		114,687	0.07		-	
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)	15 Apr 2016			(4,000)	110,687	0.07
		19 Jul 2016			20	110,707	0.07
		09 Sep 2016			(50,000)	60,707	0.04
		16 Sep 2016			(3,400)	57,307	0.03
		09 Nov 2016 (ESOP Exercise)			8,437	65,744	0.04
		03 Feb 2017			(2,000)	63,744	0.04
		At the end of the year				63,744	0.04
18	HAE RYONG JEONG		111,250	0.07			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)						
		At the end of the year				111,250	0.07

S.N.	For Each of the Top 10 Shareholders	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
19	K S RAO		110,500	0.07			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)						
		At the end of the year				110,500	0.06
20	GOPA KUMAR PERIYADAN		100,000	0.06			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)						
		At the end of the year				100,000	0.06
21	RAVIKUMAR R THUMMARUKUDY		100,000	0.06			
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for Increase/Decrease (eg. Allotment/transfer/ bonus/sweat equity, etc.)						
		At the end of the year				100,000	0.06

V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
1	A. M. NAIK		871,875	0.51			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	09 Nov 2016 (ESOP Exercise)			309,375	1,181,250	0.69
		At the end of the year				1,181,250	0.69
2	M. M. Chitale		0	0.00			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	19 Jul 2016			38	38	0.00
		At the end of the year				38	0.00

S.N.	For Each of the Directors and KMP	Date of Transaction	Shareholding at the beginning of the year		Increase/ decrease in shareholding	Cumulative Shareholding during the year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
3	SUDHIR CHATURVEDI		0	0.00		-	-
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	29 July 2016			2,000	2,000	0.00
	At the end of the year					2000	0.00
4	ASHOK KUMAR SONTHALIA		0	0.00			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	07 Oct 2016			800	800	0.00
	At the end of the year					800	0.00

VI) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ Million)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	279.74	265.02	-	544.76
ii) Interest due but not paid	0.14	-	-	0.14
iii) Interest accrued but not due	0.86	0.07	-	0.93
Total (i+ii+iii)	280.74	265.09	-	545.83
Change in Indebtedness during the financial year:				
• Addition	2.45	4.77	-	7.22
• Reduction	(283.19)	(269.86)	-	553.06
Net Change	(280.74)	(265.09)	-	(545.83)
Indebtedness at the end of the financial year:				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (DURING THE FINANCIAL YEAR 2016-17)
A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager:

(₹ Million)

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Sanjay Jalona (CEO & MD) ¹	Mr. Aftab Zaid Ullah (COO & WTD) ²	Mr. Sudhir Chaturvedi (President - Sales & WTD) ³	
1	Gross salary:				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51.15	38.92	26.84	116.91
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.02	-	-	0.02
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	No. of Stock Options granted	339,200	126,000	155,800	-
3	Sweat Equity	-	-	-	-
4	Commission: - as % of profit - others,	18.75 -	- -	- -	18.75 -
5	Others (please specify):				
	1. Variable Compensation	6.90	8.40	6.76	22.06
	2. Contribution to Provident Fund & Superannuation Fund	3.64	0.64	5.45	9.73
	Total (A)	80.46	47.96	39.05	167.47
	Ceiling as per the Act	(1,203.42 Million) 10% of Net Profits of the Company			

Notes:

- Mr. Sanjay Jalona has been paid remuneration in USD, for the part of the year. Accordingly, the figure mentioned above is INR equivalent of USD.
- Mr. Aftab Zaid Ullah, Chief Operating Officer was appointed as the Whole-time Director w.e.f. November 9, 2016. The remuneration above includes part of the remuneration of financial year 2015-16.
- Mr. Sudhir Chaturvedi, President - Sales was appointed as the Whole-time Director w.e.f. November 9, 2016. The remuneration above is for the period September 12, 2016 to March 31, 2017. Mr. Sudhir Chaturvedi has been paid remuneration in GBP and accordingly, the figure mentioned above is INR equivalent of GBP.

B. Remuneration to other Directors:

(₹ Million)

S. N.	Particulars of Remuneration	Fee for attending Board/ Committee Meetings	Commission	Others, please specify (No. of Stock Options Granted)	Total Amount
1	Independent Directors				
	Mr. Samir Desai ¹	0.28	3.11	-	3.39
	Mr. M. M. Chitale	0.43	2.00	-	2.43
	Ms. Vedika Bhandarkar	0.33	1.40	-	1.73
	Mr. Arjun Gupta ¹	0.20	2.06	-	2.26
	Ms. Shubhalakshmi Panse ²	0.10	0.45	-	0.55
	Mr. Sanjeev Aga ³	0.05	0.23	-	0.28
	Total (1)	1.39	9.25	-	10.64

(₹ Million)

S. N.	Particulars of Remuneration	Fee for attending Board/ Committee Meetings	Commission	Others, please specify (No. of Stock Options Granted)	Total Amount
2	Other Non-Executive Directors				
	Mr. A. M. Naik	-	-	300,000	-
	Mr. S. N. Subrahmanyam	-	-	200,000	-
	Mr. R. Shankar Raman	-	-	100,000	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1.39	9.25	-	10.64
	Total Managerial Remuneration	-	176.72	-	-
	Overall Ceiling as per the Act	(1323.76 Million) 11% of Net Profits of the Company			

Notes:

- The Board has approved Commission of USD 47,500 to Mr. Samir Desai and USD 31,500 to Mr. Arjun Gupta for financial year 2016-17. The figure mentioned above is INR equivalent of USD.
- Ms. Shubhalakshmi Panse was appointed as an Independent Director w.e.f. October 25, 2016.
- Mr. Sanjeev Aga was appointed as an Independent Director w.e.f. November 9, 2016.

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager:

(₹ Million)

S. N.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Ashok Kumar Sonthalia (CFO)	Mr. Subramanya Bhatt (Company Secretary) ¹	Mr. Rajesh S. Narang (Company Secretary) ²	
1	Gross salary:				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.31	1.89	2.80	11.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2.35	-	-	2.35
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	No. of Stock Options granted	50,000	-	7,300	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	- - -	- - -	- - -	- - -
5	Others (please specify):				
	Variable Compensation	2.68	-	-	2.68
	Contribution to Provident Fund & Superannuation Fund	0.20	-	0.09	0.29
	TOTAL	11.54	1.89	2.89	16.32

Notes:

- Mr. Subramanya Bhatt ceased to be the Company Secretary & Compliance Officer from closure of the business hours of November 9, 2016.
- Mr. Rajesh S. Narang was appointed as the Company Secretary & Compliance Officer from November 10, 2016. He ceased to be the Company Secretary and Compliance Officer from closure of the business hours of March 30, 2017.

VIII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

Annexure D

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiary Companies

(₹ Million)

1	Sl. No.	1	2	3	4	5	6	7	8	9
2	Name of Subsidiary	Larsen & Toubro Infotech GmbH	Larsen & Toubro Infotech Canada Limited ²	Larsen & Toubro Infotech LLC	L&T Infotech Financial Services Technologies Inc. ³	Larsen And Toubro South Africa (Pty) Limited ⁴	L&T Information Technology Services (Shanghai) Co. Ltd.	Larsen & Toubro Infotech Austria GmbH	L&T Information Technology Spain SL	AugmentIQ Data Sciences Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-17	31-03-17	31-03-17	31-03-17	31-03-17	31-12-16	31-03-17	31-03-17	31-03-17
4	Reporting currency	EUR	CAD	USD	CAD	ZAR	CNY	EUR	EUR	INR
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	69.29	48.59	64.85	48.59	4.85	9.77	69.29	69.29	1.00
5	Share capital	1	0	-	2,800	3	11	3	4	11
6	Reserves & surplus	278	73	115	594	25	(13)	2	14	(0)
7	Total assets	453	149	120	3,920	112	18	9	247	50
8	Total Liabilities	174	76	6	526	84	20	4	230	39
9	Investments	-	-	-	-	-	-	-	-	-
10	Turnover	909	891	91	2,595	309	18	61	660	49
11	Profit before taxation	37	36	4	549	11	(4)	4	21	(3)
12	Provision for taxation	16	9	-	155	3	-	1	5	(1)
13	Profit after taxation	22	27	4	395	8	(4)	3	15	(2)
14	Proposed Dividend	-	-	-	-	-	-	-	-	-
15	% of shareholding	100.00	100.00	100.00	100.00	74.90	100.00	100.00	100.00	100.00

Notes:

1. The Subsidiary in Mexico named 'L&T Infotech S.de. RL. C.V' is yet to commence business.
2. Larsen & Toubro Infotech Canada Limited has paid interim dividends amounting to INR 51.11 Million.
3. L&T Infotech Financial Services Technologies Inc. has paid interim dividends amounting to INR 88.17 Million.
4. Larsen And Toubro South Africa (Pty) Limited has paid interim dividends amounting to INR 19.91 Million.

Annexure E

**Statement of disclosure of remuneration under section 197 of the Companies Act, 2013
and rule 5(1) of Companies (Appointment and Remuneration of
Managerial Personnel) Rules, 2014**

A Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-2017, the percentage increase in remuneration of each Director & Key Managerial Personnel ("KMP") during the financial year 2016-17:

Name of the Director/ KMP	Designation	Total Remuneration (INR Mn)	Ratio of remuneration of Director to the median remuneration ⁽¹⁾
Mr. A. M. Naik	Non-Executive Chairman	-	-
Mr. S. N. Subrahmanyam	Non-Executive Vice Chairman	-	-
Mr. Sanjay Jalona ⁽²⁾	Chief Executive Officer & Managing Director	80.46	117.12
Mr. R. Shankar Raman	Non-Executive Director	-	-
Mr. Aftab Zaid Ullah ⁽³⁾	Chief Operating Officer & Whole-time Director	47.96	69.81
Mr. Sudhir Chaturvedi ⁽⁴⁾	President-Sales & Whole-time Director	39.05	103.23
Mr. Samir Desai ⁽⁵⁾	Independent Director	3.39	4.93
Mr. M. M. Chitale ⁽⁶⁾	Independent Director	2.43	3.54
Ms. Vedika Bhandarkar	Independent Director	1.73	2.52
Mr. Arjun Gupta ⁽⁵⁾	Independent Director	2.26	3.29
Ms. Subhalakshmi Panse	Independent Director	0.55	1.85
Mr. Sanjeev Aga	Independent Director	0.28	1.04
Mr. Ashok Kumar Sonthalia	Chief Financial Officer	11.54	NA
Mr. Subramanya Bhatt	Company Secretary	1.89	NA
Mr. Rajesh S. Narang	Company Secretary	2.89	NA

Notes:

- Ratio of remuneration of director to the median remuneration is calculated on pro-rata basis for those directors who served for only part of the financial year 2016-17.
- Mr. Sanjay Jalona has been paid remuneration in USD, for the part of the year. Accordingly, the figure mentioned above is INR equivalent of USD.
- Mr. Aftab Zaid Ullah, Chief Operating Officer was appointed as the Whole-time Director w.e.f. November 9, 2016. The remuneration above includes part of the remuneration of financial year 2015-16.
- Mr. Sudhir Chaturvedi, President - Sales was appointed as the Whole-time Director w.e.f. November 9, 2016. The remuneration above is for the period September 12, 2016 to March 31, 2017. Mr. Sudhir Charurvedi has been paid remuneration in GBP and accordingly, the figure mentioned above is in INR equivalent of GBP.
- The Board has approved Commission of USD 47,500 to Mr. Samir Desai and USD 31,500 to Mr. Arjun Gupta for financial year 2016-17. The figure mentioned above is INR equivalent of USD.
- The percentage increase in remuneration of Mr. M. M. Chitale is not comparable as no commission was paid for financial year 2015-16.
- The percentage increase in remuneration of Mr. Samir Desai and Ms. Vedika Bhandarkar was (17.32)% and 60.19%, respectively. The percentage increase in remuneration of other Directors and KMP is not comparable as they were with the Company only for part of the financial year 2015-16 or 2016-17.

B Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 9% in India and around 3% outside India. Increase in the managerial remuneration for the financial year 2016-17 is not comparable due to the changes in the Directors being appointed/ resigned during the financial year 2015-16 and 2016-17 and the same has been explained above.

C The percentage increase in the median remuneration of employees in the financial year 2016-17: 3.40%

D Number of permanent employees on the rolls of company as on March 31, 2017: 19,834 excluding employees of Subsidiary Companies

E Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

Annexure F

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

A. CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy:

Your Company realize the importance of sustainable habitat and energy conservation. Our strategies and actions reflect our commitment towards reduction of the carbon footprint by reducing energy consumption. We have adopted a multi-pronged strategy to integrate energy efficiency into overall operations across all centers. Some of the key initiatives are:

1. Increasing focus on procurement of energy efficient equipment.
2. Improved monitoring of energy consumption through smart metering and integration with building management system.
3. Following projects have been implemented which resulted in a saving of 27.23 Lakh units across all centers, equivalent to 8.8% of the current year energy consumption.
 - a. Replacement of CFL by Energy Efficient LED Lamps.
 - b. Installation of Lighting transformers - Electromisers
 - c. Installation electrically operated Solenoid Dampers to isolate Central AC from unoccupied areas or intermittently occupied areas like conference/ discussion rooms, office areas eventually decreasing load on the AHU's.
 - d. Optimal usage of AC plants, Chiller's secondary pump provided with variable frequency drives to regulate the power consumption as per occupancy.
 - e. Motion sensors have been affixed at locations where energy usage is not continuous.

(ii) **Steps taken by the Company for utilising alternate sources of energy:** The Company's operations being not energy-intensive, no steps have been taken by the Company for utilising alternate source of energy.

(iii) **Capital investment on energy conservation equipments:** ₹ 16 Million

B. TECHNOLOGY ABSORPTION & RESEARCH AND DEVELOPMENT

In a rapidly changing global landscape where disruption is the new normal, your Company is leveraging technology to create sustainable advantage not only for itself but more importantly, for its clients. As Industry 4.0, slowly but surely assumes shape, exponential technologies are turning business models upside-down. Enterprises, the world over are looking towards partners who not only understand domain but also have the technology expertise in helping them navigate through these challenging times. While your Company has the real-world expertise in diverse domains, it has also invested consciously towards building expertise in exponential technologies namely in the areas of Analytics, Internet-of-Things ('IoT'), Artificial Intelligence ('AI'), Automation and so on. These are further enumerated below.

Analytics

Your Company is focused on creating possibilities and delivering business outcomes through its mature offerings for Advanced Analytics, Data Science, Data Visualization, Big Data, EPM and Information Management. It offers a wide range of services with respect to Analytics-as-a-Service, Data-as-a-Service, Big Data and Advanced Analytics solutions across various verticals, addressing their business requirements.

Enterprises today have access to unprecedented volumes of data, originating from social media, connected devices, as well as transactional data and enterprise data sets. With smart strategies and the right Big Data solutions, they can convert this huge treasure-trove of data into a core strategic asset. Data Monetization is the new untapped uncovered market to focus upon. The Company focusses on AoT (Analytics of Things) solutions, delivering Analytics use cases through convergence of Physical (IoT and IIoT) and Digital data. We also provide Geospatial-based Analytics for managing catastrophe impact to supply chain, workforce and insurance.

L&T's heritage instils an engineering mindset, which has helped your Company create a complex platform (Mosaic Decisions) with entire Data Fabric, Analytics, Machine Learning and Visualization capabilities stitched together to deliver a seamless experience. A strategic investment in this direction was AugmentIQ Data Sciences Private Limited, an innovative start-up offering IP-based, big data and analytics solutions. MaxIQ platform from AugmentIQ integrates with Mosaic Decisions as a pivotal base. Mosaic Decisions, powered by MaxIQ, is a Cloud-based, infra-to-insights analytics platform, designed to simplify analytics and deliver real-time, secure and actionable insights to business for competitive advantage. It helps in crowdsourcing of information & democratized data science for rapid prototyping, data discovery to derive hidden insights. Distributed computing/ storage, streaming analytics, time-series analytics, machine learning and advanced visualization are areas of prime focus. This also largely compliments the prior investments made by the Company to build a strong Advanced Analytics & Big Data practice. Your company extensively leverages an ecosystem of start-ups, academia and industry consortiums to drive innovation in Data and Analytics economy.

Benefits derived:

- Analytics-as-a-Service and Data-as-a-Service offerings, driving transformational business outcomes at speed and scale
- Accelerated Data-to-Insight-to-Action cycle by leveraging pre-built solutions and accelerators
- Faster data ingestion and orchestration due to abstraction of complexity in the data layer
- Cloud-native usage, deployment and monitoring, ensuring lower capex and pay-per-use service delivery

Cognitive/ AI

Driving enterprise-wide digital transformation initiatives to harness organizational efficiency and enhance customer experience requires strategic investments in solutions that leverage AI and cognitive computing. Your Company is working with dedicated efforts & investments to devise 'AI bots' that intelligently automate repetitive workflows for straight-through processing, boosts productivity and optimizes operational costs. Your Company's Mosaic AI platform is a comprehensive AI-based solution suite which helps businesses accelerate operational digitization. Your Company is working on Deep Learning and Cognitive Computing to extract value from Natural Language Processing, with audio-visual integration, thus catalysing Intuitive User Engagement.

IoT

Your Company has a dedicated IoT practice, which enables clients to become more competitive in the new age economy by connecting the physical world with digital possibilities. Encompassing everything, right from more smart sensors to connected machinery, communication to real-time analytics & visualizations, the service offerings are oriented towards enhancing operations & production. The I2D Framework of Imagine, Innovate & Disrupt, helps to expand the sphere of innovation beyond enhanced performance & cost efficiency, to a paradigm of a connected and smarter organization. Your Company's top service offerings include: Asset Performance Management, Smart Manufacturing, Intelligent Supply Chain, Remote Operations Center and Industrial Cyber Security. The company is involved in crucial solution integration and value added reselling partnerships with industry-leading IoT platforms such as GE Predix, etc. These investments are already starting to yield results in client engagements and analyst interactions.

Automation

The concept of automation has evolved from deterministic automation where repetitive processes were automated to smart automation that employs artificial cognition and heuristics. Clients are moving beyond mere process automation and implementing cutting-edge tools such as artificial neural networks, distributed control systems, human machine interfaces and robotics. Your Company aims to firstly integrate automation tools in existing business workflows by leveraging process consulting capabilities, proven technical expertise and develop strategies based on DevOps and lean methodologies.

The strategic investment in this area includes a Mosaic automation platform which covers all aspects of automation, including robotic process automation, machine learning, software-defined everything, design thinking and includes a reusable asset library that fast-tracks implementation. Using comprehensive automation framework and process re-engineering toolkit, companies can effectively drive strategic initiatives across business transformation, cost reduction and service experience enhancement.

Your Company undertook an enterprise-wide automation initiative to improve Service Delivery efficiency using the Mosaic Framework. The initiative yielded tangible service cost reduction benefits in 200+ chosen engagements. Your Company has launched 5 Mosaic automation solutions, targeting IT service delivery automation that enabled multi-year AMS/ IMS deal wins throughout the year.

Block Chain

Your Company has a mature Blockchain practice and is working with global clients in BFS, Insurance, Energy & Utilities, Media and Entertainment and Manufacturing to build industry solutions to deliver exponential operational efficiencies. Your Company has built 12 solutions on Blockchain technology in various areas like Trade Finance, Travel Insurance and Supply Chain on various platforms like Ethereum, Hyperledger and Corda.

Total Expenditure on R&D

		(₹ Million)
S. N.	Expenditure on R&D	Amount
A	Capital	14
B	Recurring	256
	Total R&D expenditure (A+B)	270

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company exports IT professional services mainly to North America, Europe, South Africa, Middle East, Japan, Australia and Singapore.

		(₹ Million)
Particulars	2016-17	2015-16
Foreign Exchange Earned	57,498	52,786
Foreign Exchange Used	27,708	26,471

Annexure G

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company derives its values from the rich legacy of fair and transparent governance and disclosure practices followed by the L&T group. In line with the group philosophy, the Company constantly endeavors to benchmark itself with the best practices in the IT industry. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a true global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the L&T group.

The Company has established systems and procedures to ensure that its Board of Directors are well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value.

A report on compliance with the requirements stipulated under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with regard to corporate governance is given below.

2. BOARD OF DIRECTORS

As on March 31, 2017, the Board comprises of 12 Directors, of which, 3 Directors are Executive, 3 are Non-Executive and 6 are Independent Directors. Mr. A. M. Naik is the Non-Executive Chairman of the Company.

The composition of the Board, as on March 31, 2017, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations.

The Board meets at least four times during the financial year and gap between 2 consecutive meetings is not more than 120 days. Additional meetings are held, if deemed necessary to conduct the business.

During the year ended March 31, 2017, the Board met 4 (four) times on April 26, 2016, July 28, 2016, November 9, 2016 and January 23, 2017. The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

The composition of the Board and Directors' attendance at the Board Meetings held during the year is as follows:

Name of the Director	Category	DIN	Meetings held during the year	Attendance at Board Meetings	Attendance at Last AGM
Mr. A. M. Naik	Non-Executive Chairman	00001514	4	4	Yes
Mr. S. N. Subrahmanyam ¹	Non-Executive Vice Chairman	02255382	4	4	Yes
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director	07256786	4	4	Yes
Mr. R. Shankar Raman	Non-Executive Director	00019798	4	4	No
Mr. Aftab Zaid Ullah ²	Chief Operating Officer & Whole-time Director	05165334	2	2	N.A.
Mr. Sudhir Chaturvedi ²	President-Sales & Whole-time Director	07180115	2	2	N.A.
Mr. Samir Desai	Independent Director	01182256	4	3	No
Mr. M. M. Chitale	Independent Director	00101004	4	4	Yes
Ms. Vedika Bhandarkar	Independent Director	00033808	4	4	Yes
Mr. Arjun Gupta	Independent Director	07320919	4	4	No
Ms. Shubhalakshmi Panse ³	Independent Director	02599310	2	2	N.A.
Mr. Sanjeev Aga ²	Independent Director	00022065	2	1	N.A.

Notes:

- Mr. S.N. Subrahmanyam was appointed as Non-Executive Vice Chairman w.e.f. May 4, 2017.
- Mr. Aftab Zaid Ullah and Mr. Sudhir Chaturvedi were appointed as Whole-time Directors while Mr. Sanjeev Aga was appointed as an Independent Director w.e.f. November 9, 2016.
- Ms. Shubhalakshmi Panse was appointed as an Independent Director w.e.f. October 25, 2016.

As on March 31, 2017, the number of other Directorships & Memberships/Chairmanships of Committees¹ of the Board of Directors are as follows:

Name of the Director	No of other Public company Directorships	No. of Committee Membership	No. of Committee Chairmanship
Mr. A. M. Naik	3	0	0
Mr. S. N. Subrahmanyam	3	3	1
Mr. Sanjay Jalona	0	1	0
Mr. R. Shankar Raman	8	7	0
Mr. Aftab Zaid Ullah	1	0	0
Mr. Sudhir Chaturvedi	0	0	0
Mr. Samir Desai	1	2	0
Mr. M. M. Chitale	7	7	4
Ms. Vedika Bhandarkar	5	8	2
Mr. Arjun Gupta	1	0	0
Ms. Shubhalakshmi Panse	7	4	0
Mr. Sanjeev Aga	7	6	1

Notes:

1. Committee Memberships/Chairmanships include memberships of Audit Committee and Stakeholders' Relationship Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and section 8 companies and are within the limits laid down in Regulation 26 of the SEBI Listing Regulations.
2. None of the Directors are related inter-se.

3. BOARD COMMITTEES

The Board currently has 7 Committees: a) Audit Committee, b) Nomination and Remuneration Committee, c) Corporate Social Responsibility Committee, d) Stakeholders' Relationship Committee, e) Strategic Investment Committee, f) Risk Management Committee and g) IPO Committee.

The terms of reference and composition of the Committees and the number of meetings held during the financial year and attendance are provided below.

a) AUDIT COMMITTEE

During the year, the Audit Committee was re-constituted and as on March 31, 2017, it comprised of 3 Independent Directors and 1 Non-Executive Director as its members. The Chairperson of the Committee is an Independent Director.

During the year ended March 31, 2017, the Committee met 4 (four) times on April 25, 2016, July 28, 2016, November 9, 2016 and January 23, 2017.

The attendance of the members at the meetings is as follows:

Name	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. M. M. Chitale	Chairperson	4	4
Mr. Samir Desai	Member	4	3
Mr. S. N. Subrahmanyam	Member	4	3
Ms. Vedika Bhandarkar ¹	Member	4	4

Note:

- (1) Ms. Vedika Bhandarkar was inducted as a member w.e.f. April 18, 2016.

Terms of reference:

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company;

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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;
 - g) Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- To establish and review the functioning of the Whistle Blower mechanism;
- Approval of appointment of the 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; and
- 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 by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

b) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee as on March 31, 2017, comprised of 2 Independent Directors, 1 Non-Executive Director and the Non-Executive Chairman as its members. The Chairperson of the Committee is an Independent Director.

During the year ended March 31, 2017, the Committee met 3 (three) times on April 26, 2016, November 9, 2016 and January 23, 2017. The attendance of the members at the meetings is as follows:

Name	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. Samir Desai	Chairperson	3	2
Mr. A. M. Naik	Member	3	3
Mr. S. N. Subrahmanyam	Member	3	3
Mr. M. M. Chitale ¹	Member	3	3

Note:

- (1) After March 31, 2017, Mr. Arjun Gupta was appointed as a member of the Committee w.e.f. May 4, 2017, in place of Mr. M.M. Chitale who ceased to be its member.

Terms of Reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- To consider and approve Employee Stock Option Schemes and to administer and supervise the same;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- To consider 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;
- Performing such other activities as may be delegated by the Board or specified/provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

Remuneration Policy

The remuneration of the Directors is decided by the Board on the recommendation of Nomination and Remuneration Committee which takes into account the Company's size, global presence, its economic and financial position, compensation paid by peer companies, the qualification of the appointee(s), his/their experience, past performance and other relevant factors.

The sitting fees paid to the Independent Directors at present is ₹ 50,000/- for each Board Meeting and ₹ 25,000/- for each Committee Meetings.

In accordance with the approval granted by the shareholders of the Company in the Annual General Meeting held on May 31, 2016, the eligible Non-Executive Directors are paid commission upto a maximum of 1% of the net profits of the Company for each financial year.

As required by the provisions of Regulation 46 of the SEBI Listing Regulations, the criteria for payment to Independent Directors/Non-Independent Directors is made available on the investor page of the Company's website, www.Lntinfotech.com/Investors.

Performance Evaluation Criteria for Independent Directors:

Details of methodology adopted for Board evaluation have been provided on page no. 48 of the Annual Report.

Details of Remuneration paid/payable to Directors for the year ended March 31, 2017:

(A) Executive Directors ('Whole-time Directors')

The details of remuneration paid/payable to the Whole-time Directors is as follows:

(₹ In Million)				
Name of Director	Salary	Perquisites	Contribution to Provident Fund & Superannuation Fund	Commission
Mr. Sanjay Jalona ¹	58.05	0.02	3.64	18.75
Mr. Aftab Zaid Ullah ²	47.32	-	0.64	-
Mr. Sudhir Chaturvedi ³	33.60	-	5.45	-

Notes:

1. Mr. Sanjay Jalona has been paid remuneration in USD, for the part of the year. Accordingly, the figure mentioned above is INR equivalent of USD.
2. Mr. Aftab Zaid Ullah, Chief Operating Officer was appointed as the Whole-time Director w.e.f. November 9, 2016. The remuneration above includes part of the remuneration of financial year 2015-16.
3. Mr. Sudhir Chaturvedi, President - Sales was appointed as the Whole-time Director w.e.f. November 9, 2016. The remuneration above is for the period September 12, 2016 to March 31, 2017. Mr. Sudhir Charurvedi has been paid remuneration in GBP and accordingly, the figure mentioned above is in INR equivalent of GBP.

- Services of the Whole-time Director except Chief Executive Officer & Managing Director as given below may be terminated by either party, giving the other party three months' notice or the Company paying three months' basic salary in lieu thereof.
- Services of the Chief Executive Officer & Managing Director may be terminated by either party, giving the other party three months' notice in writing to the other party. However, incase the Company wishes to terminate the contract, the Company will provide severance pay as mentioned below:
 - a. If contract is terminated within first year of service, 12 months base pay.
 - b. If the contract is terminated after first year of service, 6 months' base pay or 3 months' full base pay plus 3 months' half base pay, in case of non-performance/low performance.
- Details of Stock Options granted under Employee Stock Option Schemes are provided on the Company's website, www.Lntinfotech.com/Investors.

(B) Non-Executive Directors:

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

Name of Director	Sitting Fees	Commission	Total Amount
			(₹ In Million)
Mr. Samir Desai ¹	0.28	3.11	3.39
Mr. M.M. Chitale	0.43	2.00	2.43
Ms. Vedika Bhandarkar	0.33	1.40	1.73
Mr. Arjun Gupta ¹	0.20	2.06	2.26
Ms. Shubhalakshmi Panse ²	0.10	0.45	0.55
Mr. Sanjeev Aga ³	0.05	0.23	0.28

Notes:

1. The Board has approved Commission of USD 47,500 to Mr. Samir Desai and USD 31,500 to Mr. Arjun Gupta for financial year 2016-17. The figure mentioned above is INR equivalent of USD.
2. Ms. Subhalakshmi Panse was appointed as an Independent Director w.e.f. October 25, 2016.
3. Mr. Sanjeev Aga was appointed as an Independent Director w.e.f. November 9, 2016.
4. Mr. A.M. Naik, Mr. S.N. Subrahmanyam and Mr. R. Shankar Raman were neither paid Sitting Fees nor Commission during the financial year 2016-17.

During the year, there was no pecuniary relationship or transactions between the Company and any of its Non-Executive/Independent Directors apart from Commission, Sitting Fees & reimbursement of expenses.

Details of equity shares held by the Independent Directors/ Non-Executive Directors as on March 31, 2017, are as follows:

Name of the Director	Number of shares held
Mr. A.M. Naik ¹	1,181,250
Mr. M.M. Chitale	38

Note: The details of stock options granted during the year to the Non-Executive Directors are as follows:

1. Mr. A. M. Naik was granted 3,00,000 Stock Options.
2. Mr. S. N. Subrahmanyam was granted 2,00,000 Stock Options while Mr. R Shankar Raman was granted 1,00,000 Stock Options.

Board membership Criteria

The Nomination and Remuneration Committee recommends to the Board suitable candidates based on the attributes/criteria such as adequate qualification & experience and diversity in areas of expertise amongst other factors.

All Independent Directors comply with the criteria of Independence as given in the Companies Act, 2013 and the SEBI Listing Regulations and give a certificate on the meeting of the Independence Criteria as mentioned in the aforementioned Legislations.

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

c) CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

During the year, the CSR Committee was re-constituted and as on March 31, 2017, it comprised of 1 Independent Director, 1 Non-Executive Director and the Chief Executive Officer & Managing Director as its members.

During the year ended March 31, 2017, the Committee met 2 (two) times on June 27, 2016 and November 9, 2016.

The attendance of the members at the meetings is as follows:

Name	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. S. N. Subrahmanyam ¹	Chairperson	2	1
Mr. Sanjay Jalona ¹	Member	2	2
Mr. M.M. Chitale ²	Member	2	2
Mr. Arjun Gupta ²	Member	-	-

Notes:

- (1) After March 31, 2017, Mr. Sanjay Jalona was appointed as the Chairperson of the Committee w.e.f. May 4, 2017 in place of Mr. S.N. Subrahmanyam who ceased to be the Chairperson and member while Mr. Aftab Zaid Ullah was inducted as a member of the Committee.
- (2) Mr. Arjun Gupta was inducted as a member in place of Mr. M.M. Chitale w.e.f. November 9, 2016.

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 including any amendments thereto;
- To recommend the amount of expenditure to be incurred on the CSR activities referred to in the clause above; 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.

d) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee as on March 31, 2017, comprised of 1 Non-Executive Director, 1 Independent Director and the Chief Executive Officer & Managing Director as its members. The Chairperson of the Committee is a Non-Executive Director. The Committee met once during the year on November 9, 2016.

The attendance of the members at the meetings is as follows:

Name	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. S. N. Subrahmanyam	Chairperson	1	1
Ms. Vedika Bhandarkar ¹	Member	1	1
Mr. Sanjay Jalona	Member	1	1

Note:

- (1) After March 31, 2017, Mr. Aftab Zaid Ullah was inducted as a member w.e.f. May 4, 2017, while Ms. Vedika Bhandarkar was appointed as Chairperson in place of Mr. S. N. Subrahmanyam who ceased to be Chairperson and member of the Committee.

Ms. Angna Arora is the Compliance Officer who deals with shareholders' grievance matters.

Terms of reference:

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

- To redress grievances of shareholders, debenture holders and other security holders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- 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; and

- 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.

Number of Complaints

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

Particulars	Opening Balance	Received	Resolved	Pending
SEBI/Stock Exchange/Depositories	0	24*	24*	0

*Includes 3 complaints lodged on SEBI SCORES but which did not pertain to the Company.

e) STRATEGIC INVESTMENT COMMITTEE

During the year, the Board on November 9, 2016, constituted the Strategic Investment Committee and as on March 31, 2017, it comprised of the Non-Executive Chairman as the Chairperson of the Committee, 2 Non-Executive Directors and the Chief Executive Officer and Managing Director as its members. The Committee met once during the year on January 20, 2017.

The attendance of the members at the meetings is as follows:

Name	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. A.M. Naik	Chairperson	1	1
Mr. S. N. Subrahmanyam	Member	1	1
Mr. R. Shankar Raman	Member	1	1
Mr. Sanjay Jalona	Member	1	0

Terms of reference:

The terms of reference of the Strategic Investment Committee include the following:

- Identification, Due Diligence, Reviewing and Approving proposals for acquisitions and investments in terms of broad business objectives within the limits and parameters in principally approved by the Board;
- Consideration, Review and Approval of investment proposals in Subsidiaries within the limits delegated by the Board of Directors;
- Periodically reviewing the status of the acquisition and investments in terms of business objectives, status of integration of acquired companies & financial returns and other key strategic activities; and
- Any other matter as may be delegated by the Board.

f) RISK MANAGEMENT COMMITTEE

The Risk Management Committee as on March 31, 2017, comprised of Mr. S. N. Subrahmanyam, Non-Executive Director as the Chairperson and Mr. Sanjay Jalona, Chief Executive Officer & Managing Director and Mr. Ashok Kumar Sonthalia, Chief Financial Officer as its members. The Committee met once during the year on June 27, 2016.

The attendance of the members at the meetings is as follows:

Name	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. S. N. Subrahmanyam	Chairperson	1	0
Mr. Sanjay Jalona	Member	1	1
Mr. Ashok Kumar Sonthalia	Member	1	1

Note:

(1) After March 31, 2017, Mr. Aftab Zaid Ullah was inducted as a member w.e.f. May 4, 2017

Terms of reference:

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

- Framing, implementing, reviewing and monitoring the risk management plan for the Company;
- Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- Oversight of the risk management policy/enterprise risk management framework (identification, impact assessment, monitoring, mitigation & reporting);
- Review key strategic risks at domestic/international, macro-economic & sectoral level (including market, competition, political & reputational issues);
- Review significant operational risks; and
- Performing such other activities as may be delegated by the Board 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.

g) INITIAL PUBLIC OFFERING ('IPO') COMMITTEE

The IPO Committee of the Company was constituted by the Board to approve and decide upon all activities in connection with the Initial Public Offering of the Company. The Committee met once during the year on July 8, 2016.

The attendance of the members at the meetings is as follows:

Name	Position in the Committee	No. of Meetings held during the year	No. of Meetings Attended
Mr. A. M. Naik	Chairperson	1	1
Mr. S. N. Subrahmanyam	Member	1	1
Mr. Sanjay Jalona	Member	1	1

Terms of reference:

The terms of reference of the IPO Committee inter alia includes the following:

The IPO Committee of the Company was constituted to handle matters related to the IPO of the Company such as the appointment of various intermediaries including book running lead managers, registrar to the offer, underwriters, legal counsels and bankers to the Offer, to negotiate, finalise and to execute various agreements such as offer agreement, share and cash escrow agreements and syndicate agreement, to make applications to statutory and other authorities from time to time, determination of the price band and the offer price and other aspects related thereto such as settlement of all questions, difficulties or doubts in regard to the Offer and any such matters incidental to the same.

4. DISCLOSURES

- **Disclosure of Materially Significant Related Party Transactions & Policy on dealing with Related Party Transactions**
During the year, there were no materially significant related party transactions which have been entered into by the Company with the Directors or the Management or their relatives or the related parties that had potential conflict with interests of the Company. The Board has approved a policy for related party transactions which is available on the Company's website, www.Lntinfotech.com/Investors.
- **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**
The Company has complied with the requirements of the Stock Exchanges or SEBI on matters related to Capital Markets, as applicable, during the last three years.
- **Adherence to Accounting Standards**
The Company has followed all relevant Accounting Standards prescribed under section 133 of the Companies Act, 2013 and laid down by the Institute of Chartered Accountants of India while preparing the Financial Statements.
- **Whistle Blower Policy**
Details of whistle blower policy is mentioned on page no. 47 of the Annual Report.
- **Policy for determining 'material' subsidiaries**
The Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the SEBI Listing Regulations. This Policy has also been posted on the Company's website, www.Lntinfotech.com/Investors. The Company does not have any material non-listed Indian subsidiary.

- **Disclosure of commodity price risks or foreign exchange risk and hedging activities**

The details of foreign exchange risk, commodity price risk and hedging activities form a part of the Management Discussion & Analysis. Please refer to pages 100 to 102 of the Annual Report.

- **Code of Conduct**

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The same is available on the Company's website, www.Lntinfotech.com/Investors. All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2017.

A declaration signed by the Chief Executive Officer and Managing Director (CEO & MD) to this effect is annexed to the Corporate Governance Report in the Annual Report.

5. DISCRETIONARY REQUIREMENTS AS PRESCRIBED IN SCHEDULE II PART E OF THE SEBI LISTING REGULATIONS

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

- **Auditors report**

The auditors' of the Company have issued an un-modified opinion on the financial statements of the Company.

- **Separate posts of Chairperson and Chief Executive Officer**

Mr. A.M. Naik is the Chairman of the Company and Mr. Sanjay Jalona is the Chief Executive Officer and Managing Director of the Company.

- **Reporting of Internal Auditor**

The Head of Internal Audit of the Company makes presentations to the Audit Committee on his reports.

6. OTHER INFORMATION

a) GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are as under:

For the financial year ended	Venue of AGM	Date and Time
2015-16	Orchid Hotel, Nehru Road, Adjacent to Domestic Airport, Vile Parle East, Mumbai 400 099.	May 31, 2016 at 5:00 p.m.
2014-15	L&T House, Ballard Estate, Mumbai – 400 001.	June 12, 2015 at 10.00 a.m.
2013-14	L&T House, Ballard Estate, Mumbai – 400 001.	September 10, 2014 at 10.00 a.m.

No special resolutions were passed by the shareholders during the past 3 Annual General Meetings

b) APPROVAL OF MEMBERS THROUGH POSTAL BALLOT

During the year, the Company approached the shareholders once through postal ballot in August 2016. The business under consideration was to ratify the Larsen & Toubro Infotech Limited Employee Stock Option Scheme 2015.

Particulars	Number of votes cast			% of total votes cast
	Physical	E-Voting	Total	
In favour of the resolution	13,67,944	145,713,091	147,081,035	99.93
Against the resolution	1,482	96,201	97,683	0.07
TOTAL	1,369,426	145,809,292	147,178,718	100.00

Number of Invalid/Abstain Ballots was 79.

Mr. Alwyn D' Souza, Practicing Company Secretary, was appointed as the Scrutinizer for conducting the postal ballot process.

- **Procedure for Postal Ballot**

The Board of Directors of the Company approved the notice of postal ballot which was dispatched along with postal ballot form as mentioned below to the shareholders to enable them to consider and vote for and against the proposal.

- a. Through e-mail (to those shareholders who had registered their e-mail address with the depositories and the Company);
- b. Through self-addressed postage envelopes to shareholders whose e-mail addresses were not registered/updated with the depositories and the Company.

E-voting facility was made available to all the shareholders and instructions for the same were specified under instructions for voting in the Postal Ballot Notice.

Mr. Alwyn D' Souza, Practicing Company Secretary, was appointed as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner and in accordance with the Companies (Management and Administration) Rules, 2014.

The Scrutinizer submitted his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot (i.e e-voting and physical ballots) were then declared. The results were displayed on the website of the Company and submitted to the Stock Exchanges.

- **Details of special resolution proposed to be conducted through postal ballot**

At present there is no special resolution proposed to be conducted through postal ballot.

- c) **MEANS OF COMMUNICATION**

- **Financial Results**

The quarterly, half-yearly and annual results of the Company are published in prominent national newspapers which include The Financial Express, The Business Standard and the local daily Loksatta. The results are also available on the Company's website, www.Lntinfotech.com/Investors.

- **News Releases**

Official news releases are filed electronically on BSE's online portal – BSE Corporate Compliance & Listing Center (Listing Center) and on NSE Electronic Application Processing System (NEAPS), the online portal of National Stock Exchange of India Limited. The same are also available on the Company's website, www.Lntinfotech.com/Investors.

- **Website**

The Company's website contains a separate dedicated section 'Investors' where shareholder related information is available.

The Annual Report of the Company, earnings, presentations, press releases and quarterly reports of the Company, apart from the Board of Directors, etc. are available on the Company's website, www.Lntinfotech.com/Investors.

- **Annual Report**

Annual Report of which the Management Discussion & Analysis forms a part is circulated to shareholders entitled thereto and others such as Statutory Auditors, Secretarial Auditor etc.

- **Presentation made to Institutional Investors and Analysts**

The schedule of analyst/institutional meetings and presentations made at investor conferences and to analysts are displayed on the Company's website, www.Lntinfotech.com/Investors. The same are also filed with the Stock Exchanges viz The National Stock Exchange of India Ltd. and BSE Ltd.

7. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting

Date: August 24, 2017	Venue: St. Andrew's Auditorium, Inside Andrew's College Premises, St. Dominic Road, St. Sebastian Colony, Bandra (West), Mumbai – 400 050
Day: Thursday	
Time: 3:00 p.m.	

b) Financial Year of the Company

The financial year covers the period from April 1 to March 31.

c) Date of Book Closure and Dividend Payment Date

The dates of Book closure are from Friday, August 18, 2017, to Thursday, August 24, 2017, (both days inclusive) and the Dividend would be paid/credited on or before August 31, 2017.

d) Listing of equity shares on Stock Exchanges

The equity shares of the Company have been listed on the following stock exchanges on July 21, 2016:

Name and Address of Stock Exchanges	Stock Code/ Symbol
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	LTI
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001	540005

The Company has paid Listing Fees for the year 2017-2018 to the above stock exchanges.

The Company's ISIN is INE214T01019. The share transfers of dematerialized shares can be made through your Depository Participant.

e) Registered Office & Corporate Identity Number:

L&T House, Ballard Estate, Mumbai 400 001, India.

CIN: U72900MH1996PLC104693.

f) Stock Market Data for the year 2016-2017

The Company's equity shares were listed on National Stock Exchange of India Limited and BSE Limited on July 21, 2016.

The monthly high and low share price as well as number of equity shares traded during each month of financial year 2016-17 is mentioned herein:

National Stock Exchange of India Limited

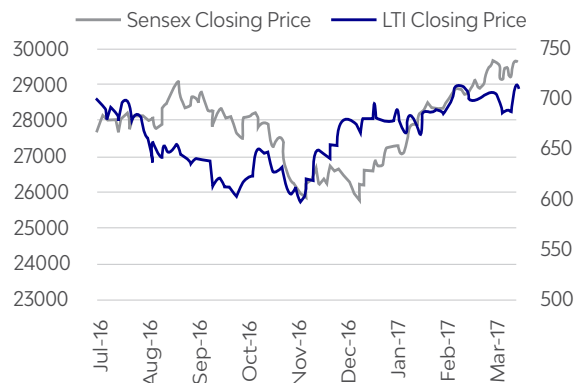
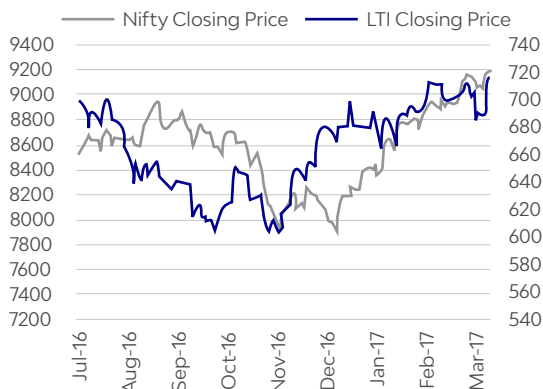
Month	High (₹)	Low (₹)	Total number of equity shares traded
2016			
July	710.00	666.00	14,488,277
August	715.00	638.35	4,240,720
September	664.00	613.00	2,010,294
October	656.00	604.00	1,214,477
November	649.90	598.00	758,220
December	686.65	635.00	1,092,385
2017			
January	705.50	661.30	1,101,427
February	717.95	656.30	1,239,804
March	725.00	680.05	3,419,059

BSE Limited

Month	High (₹)	Low (₹)	Total number of equity shares traded
2016			
July	710.00	666.00	3,030,020
August	715.90	638.50	1,174,545
September	663.70	614.00	519,292
October	654.75	602.50	310,072
November	649.95	595.00	225,047
December	686.30	638.90	210,999
2017			
January	705.00	660.00	186,054
February	718.70	653.35	220,332
March	723.80	682.00	198,788

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

Stock Performance



g) Registrar and Share Transfer Agents ('RTA')

Name: Link Intime India Private Limited

Address: C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India

Telephone: +91 22 4918 6270, Fax: +91 22 4918 6060

E-mail: rnt.helpdesk@linkintime.co.in, Website: www.linkintime.co.in

h) Share Transfer System

The Company's investor services are handled by Link Intime India Private Limited who are the Company's Registrar and Share Transfer Agents. 99.4% of the equity shares of the Company are in electronic form. As regards transfer of shares held in physical form the transfer documents can be lodged with the RTA.

The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Share Transfer Committee which comprises of the Chief Executive Officer and Managing Director, the Chief Financial Officer and the Company Secretary.

i) Distribution of Shareholding as on March 31, 2017

No. of Shares	shareholders		shareholding	
	Number	%	Number	%
Upto 500	164,499	99.11	4,655,388	2.73
501-1000	552	0.33	434,651	0.25
1001-2000	275	0.17	404,744	0.24
2001-3000	135	0.08	345,310	0.20
3001-4000	70	0.04	252,744	0.15
4001-5000	51	0.03	239,221	0.14
5001-10000	140	0.08	1,040,314	0.61
10001 & above	257	0.16	163,198,741	95.68
TOTAL	165,979	100.00	170,571,113	100.00

j) Categories of shareholders as on March 31, 2017

Sr. No.	Category	No. of shares	%
1.	Clearing Members	238,616	0.14
2	Corporate Bodies (Promoter Co)	143,750,000	84.28
3	Directors	1,183,288	0.69
4	Financial Institutions	17,024	0.01
5	Foreign Institutional Investor	448,474	0.26
6	Foreign Nationals	243,771	0.14
7	Foreign Portfolio Investors (Corporate)	7,672,620	4.50
8	Hindu Undivided Family	283,580	0.17
9	Insurance Companies	1,326,417	0.78
10	Mutual Funds	2,038,938	1.20
11	Nationalised Banks	159,512	0.09
12	Non Nationalised Banks	12,877	0.01
13	Non Resident (Non Repatriable)	336,323	0.20
14	Non Resident Indians	1,407,625	0.82
15	Other Bodies Corporate	409,288	0.24
16	Public	11,042,760	6.47
	TOTAL	170,571,113	100.00

k) Dematerialisation of shares & Liquidity

The Company has dematerialized its equity shares with NSDL and CDSL and the Company's ISIN is INE214T01019.

The share transfers of dematerialized shares can be made through your Depository Participant.

As on March 31, 2017, 99.4 % of the Company's total paid-up capital was held in the dematerialized form with NSDL and CDSL. The number of shares held in dematerialized and physical mode is as under:

Particulars	Number of shares	% of total capital issued
Held in Dematerialized form in NSDL	166,555,500	97.65
Held in Dematerialized form in CDSL	2,992,130	1.75
Physical	1,023,483	0.60
TOTAL	170,571,113	100.00

Shareholders are requested to convert their physical holdings into electronic holdings which will negate risks associated with physical certificates.

Shareholders holding shares in dematerialized form are requested to intimate all changes viz. pertaining to change of address, change in e-mail id, bank details etc. to their Depository Participants whilst those holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent.

l) Outstanding GDRs/ ADRs/ Warrants or any such Convertible Instruments, conversion date and likely impact on equity

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

m) Plant Locations

The Company does not require manufacturing plants in the Business it is in. However, it has development centers/offices in India and overseas. The addresses of overseas development centers/offices of the Company are available on the Global Footprint section of the Company's website, www.Ltinfotech.com.

n) Address for Correspondence

Address of the Registrar and Share Transfer Agent	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083, Maharashtra, India. Tel: +91 22 4918 6270, Fax: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in , Website: www.linkintime.co.in
Address of the Compliance Officer	Ms. Angna Arora, Head-Secretarial & Compliance Officer Larsen & Toubro Infotech Limited Technology Tower 1, Gate No.5, Saki Vihar Road, Powai, Mumbai-400 072, Maharashtra, India. Tel: +91 22 6776 6776, Fax: +91 22 2858 1130; E-mail: investor@Lntinfotech.com

The Company has designated an e-mail id viz. investor@Lntinfotech.com to enable shareholders to contact incase of any queries/complaints.

8. DIRECTORS FAMILIARISATION PROGRAMME

The Board of Directors undertakes periodic review of various matters such as business strategies, treasury policy, review of Internal Audit, risk management framework, new initiatives of the Company, changes in domestic/overseas legislation including their effect on the Company and the IT Industry. Independent Directors are informed of the various developments in the Company from time to time including showcasing new technologies of Company. The Information is also available on the Company's website, www.Lntinfotech.com/Investors.

9. INFORMATION TO DIRECTORS

Systems, procedures and resources are in place to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable/discharge his/her duties. The Directors are given time to study the data and contribute effectively to the Board discussions. The Non-Executive Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees.

10. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act'). Internal Complaints Committee 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 financial year 2016-17, the Company has received one complaint on sexual harassment, which has been resolved with appropriate action taken by the Internal Complaints Committee.

11. COMPLIANCE MONITORING SYSTEM

The Company believes that statutory compliance has become a catalyst for Corporate Governance and that a good statutory compliance system has become vital for effective conduct of business operations. Organization operations are spread across the globe, hence it becomes imperative and an obligation for the Organization to comply with legal and regulatory laws of various countries.

Keeping this in mind, a comprehensive enterprise compliance management process, has been deployed across the Company. The Company ensures compliance of all applicable laws globally. Under this system, identified key stakeholders, across business units, corporate functions and geography heads, ensure and confirm compliance with the provisions of all applicable laws on a continuous basis and a certificate is presented to the Board every quarter, confirming the status of compliances along with remediation plan for non-compliances, if any. Any changes in the applicable regulations are also updated and monitored by respective functions. Compliance confirmation process is managed centrally at Corporate level. Compliance issues, if any are remediated by taking timely action.

12. SECURITIES DEALING CODE

The Board of Directors of the Company have approved the Securities Dealing Code ('the Code') as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of the Code is to prevent dealing in the shares of the Company by an Insider while in possession of information known only to them, and not yet made publicly available by the Company, which, when made publicly available, can materially impact the price of the Company's securities. The Code is applicable to all Directors, employees, their immediate relatives and connected persons. For Directors and specified employees designated under the Code, to deal in the Company's shares beyond threshold limit, permission of Compliance Officer is required.

Ms. Angna Arora, Head-Secretarial is designated as the Compliance Officer while Mr. Ashok Kumar Sonthalia is appointed as the Chief Investor Relation Officer.

The Company's Code of practices and procedures for fair disclosure of unpublished price sensitive information is made available on the Company's website, www.Lntinfotech.com/Investors

For and on behalf of the Board

Sanjay Jalona

Chief Executive Officer &
Managing Director
(DIN: 07256786)

Aftab Zaid Ullah

Chief Operating Officer &
Whole-time Director
(DIN: 05165334)

Place: Mumbai
Date: May 4, 2017

Declaration Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Date: May 4, 2017
Place: Mumbai

Sanjay Jalona
Chief Executive Officer
& Managing Director

To the Board of Directors of Larsen & Toubro Infotech Limited

Dear Sirs/ Madam,

Sub: CEO/ CFO Certificate

[Issued in accordance with the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have reviewed the financial statements, read with the cash flow statement of Larsen & Toubro Infotech Limited for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:

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

Yours sincerely,

Place: Mumbai
Date: May 4, 2017

Ashok Kumar Sonthalia
Chief Financial Officer

Sanjay Jalona
Chief Executive Officer & Managing Director

Independent Auditors' Certificate on Corporate Governance

To the Members of Larsen & Toubro Infotech Limited

1. We have examined the compliance of conditions of corporate governance by Larsen & Toubro Infotech Limited ('the Company'), for the year ended on 31 March 2017, as stipulated in regulation 17 to 27 and clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

MANAGEMENT'S RESPONSIBILITY

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

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither audit nor expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('the ICAI'), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanation provided to us and representations provided by management, we certify that the Company has complied with the conditions of corporate governance as specified in regulation 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable during the year ended 31 March 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

9. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

SHARP AND TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

FIRDOSH D. BUCHIA
Partner
Membership No. 38332

Mumbai, 4 May 2017

Annexure H

Independent Auditors' certificate on Employee Stock Option Schemes

1. We have examined Employee Stock Ownership Scheme, 2000, Employee Stock Ownership Scheme, 2006 U. S. Stock Option Sub-Plan and Employee Stock Option Scheme, 2015 ('the Schemes') of Larsen & Toubro Infotech Limited ('the Company'), books of accounts and other relevant records to determine whether the Schemes are in accordance with the rules specified under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended) ('the Regulations') and in accordance with the resolutions passed in the general meetings held on 13 March 2000, 16 December 2005, 7 December 2006, 14 September 2015 ('the General Meetings') and as per postal ballot dated 8 September 2016.

MANAGEMENT'S RESPONSIBILITY

2. Management is responsible for maintaining the information and documents, which are required to be kept and maintained under the relevant laws and regulations and implementing the Schemes in accordance with the Regulations and the resolutions passed at the General Meetings.

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring implementation of the Schemes in accordance with the applicable Regulations and in compliance with Companies Act, 2013/ 1956 and Rules made thereunder and the resolutions passed at the General Meetings. It is neither audit nor expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the implementation of the Schemes by the Company in accordance with the Regulations and in compliance with Companies Act, 2013/ 1956 and Rules made thereunder and the resolutions passed at the General Meetings.
5. We have carried out an examination of the schemes, books of accounts and other relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the Institute of Chartered Accountants of India ('the ICAI'), which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and related services engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanation provided to us and representations provided by management, we certify that the Company has implemented the Schemes in accordance with the applicable Regulations and in compliance with Companies Act, 2013/ 1956 and Rules made thereunder and as per the shareholders resolutions of the Company in general meetings held on 13 March 2000, 16 December 2005, 7 December 2006, 14 September 2015 and as per postal ballot dated 8 September 2016.

RESTRICTION ON USE

8. The certificate is issued solely for the purpose of complying with the applicable Regulations and may not be suitable for any other purpose.

SHARP AND TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

FIRDOSH D. BUCHIA

Partner
Membership No. 38332

Mumbai, 4 May 2017



Management Discussion & Analysis

I. GLOBAL ECONOMIC SCENARIO

In CY16, global economic activity remained flat compared to CY15 with the world output growing at 3.1%. Fear of a recession in the USA turned out to be exaggerated, defaults in commodity sector, were very limited and did not have contagion effect and the commodity prices have stabilized.

Advanced economies are key markets for Information Technology (IT) services. For the next year, US GDP growth is expected to accelerate to 2.3% from 1.6% last year and growth for Euro area is expected to remain unchanged at 1.7%. Emerging markets and developing economies grew at 4.1% in CY16 and are projected to grow at 4.5% in CY17. Overall, this should lead World growth to rise to 3.5% in CY17.

Source: International Monetary Fund, 2017. World Economic Outlook: Gaining Momentum? Washington, April.

II. OVERVIEW OF THE INDUSTRY

Global IT-BPM industry grew by 3.9% and the IT-BPM market excluding hardware stood at USD 1.2 trillion in CY16. Indian IT-BPM industry revenues including hardware stood at USD 154 billion in FY17. The industry added USD 11 billion in incremental revenues last year, representing year-on-year growth of 7.6% in USD terms (8.6% in constant currency). IT-BPM export revenues for the industry for FY17 were USD 116 billion, growth of ~7.4% over the past year. Domestic IT-BPM revenues were USD 24 billion, a growth of ~9% from USD 22 billion in FY16. IT-BPM export revenues are expected to grow by 7-8% in FY18 and the domestic market is likely to grow by 10-11% next year.

The impact of digital technologies-Analytics, Internet of Things (IoT), Cloud, Artificial Intelligence/Machine Learning, Cognitive Sciences and Mobility continues to be felt, with the growth in these segments higher than the rest. These technologies are expected to be the major growth segments in global IT spends going forward.

It is imperative for the IT firms to focus on disruptive technologies by re-skilling the manpower and partner with niche players and platforms to add digital capabilities. Market evolution and the service provider responses are likely to lead the way to a new face of the IT-BPM industry.

Increasing internet and smartphone penetration, GST implementation, digital payments, is expected to catalyze faster growth of domestic IT-BPM market.

Source: NASSCOM IT-BPM Strategic Review 2017

III. OUR BUSINESS

Larsen & Toubro Infotech Limited (LTI) (NSE: LTI) is a global technology consulting and digital solutions Company helping more than 250 clients succeed in a converging world. With operations in 27 countries, we go the extra mile for our clients and accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. LTI is one of India's global IT services and solutions companies. In 2016, NASSCOM ranked the Company as the sixth largest Indian IT services Company in terms of export revenues. The Company was amongst the top 20 IT service providers globally in 2016 according to

the Everest Group's PEAK Matrix for IT service providers. LTI has been named as top-15 sourcing provider by ISG for the America's region. Its clients comprise some of the world's largest and well-known organizations, including 52 of the Fortune Global 500 companies. LTI offers an extensive range of IT services to its clients in diverse industries such as banking and financial services, insurance, energy and process, consumer packaged goods, retail and pharmaceuticals, media and entertainment, hi-tech and consumer electronics and automotive and aerospace. Its range of services include application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions and platform-based solutions. The Company serves its clients across these industries, leveraging its domain expertise, diverse technological capabilities, wide geographical reach, an efficient global delivery model, thought partnership and 'new age' digital offerings.

LTI was incorporated in 1996 and is headquartered in Mumbai, India. It leverages the strengths and heritage of its promoter. The L&T Group provides access to professionals with deep industry knowledge in the sectors in which the Company does business. LTI has also inherited from L&T Group its corporate and business culture and corporate governance practices, which places the Company in good stead in relation to its business. In addition, it benefits from the commonality of business verticals with its promoter.

LTI's focus on client-centricity, scale, domain expertise, digital transformation and its array of intellectual property coupled with convergence of physical and digital world have been recognized by customers, giving the Company exponential traction in various markets it operates in, and clients now look at us as their partners for digital transformation initiatives. For FY17, revenue stood at USD 969.9 million, growing 10% in constant currency and 9.3% in USD terms.

1. Strategy

The Company's strategy for long-term growth has the following key elements:

- a) Strengthen existing client relationship through client-centricity, provide superior execution services to clients with significantly improved client satisfaction index
- b) Be the partner of choice for client's digital transformation journey
- c) Invest heavily in new technologies to build differentiated service offerings and competencies to address client demand
- d) Focus on new large transformation deals
- e) Partnerships and acquisitions
- f) Expand in new geographies
- g) Add must have client logos to our already marquee client base
- h) Continuously mine existing clients
- i) Focus on organization transformation

Client-centricity is core to LTI's way of operations and provides unparalleled execution of services to our existing clients. This is evident from significantly improved client satisfaction index and more clients are now looking at us as their partners for digital transformation initiatives. LTI's strong long-term business relationships with its clients (96% revenue from repeat business) have helped increase scope of engagements. The Company has also partnered with clients in various industries to identify priority solutions focused on efficiencies, decisions and inferences for their respective businesses, helping clients achieve growth in a dynamic environment.

The core focus of the Company is to solve complex problems at the convergence of digital and physical world for its clients. LTI's proprietary digital platform Mosaic™ is an exhaustive representation of how LTI brings together the power of exponential technologies to deliver real-world business outcomes. Intellectual Property and Offerings developed by the Company are housed in the following elements of the Mosaic™ platform for IoT, Analytics, User Experience, Automation, AI and various other Digital technologies. More than 100 clients are now using our digital and analytics offering, with our Analytics Information Management, Enterprise Integration and Mobility service line posting a strong 35% year-on-year growth in FY17.

The Company is particularly targeting clients, both existing and new, who have the potential to offer opportunities towards transforming their business in the wake of the digital revolution. It plans to achieve a higher value client portfolio by focusing on new-age Application Management Services, Platform as a Service (PaaS) and infrastructure management service deals, which tend to be long-term in nature.

LTI acquired AugmentIQ Data Sciences Private Limited (AugmentIQ), an innovative startup offering IP-based Big Data Analytics Solution that helps enterprises derive business benefits from Big Data in FY17. In addition to acquisitions, the Company is also investing in partnering with startups to help enhance its digital offerings and in turn, give startups a platform and opportunity to scale-up. The Company is actively partnering with academic institutions such as Massachusetts Institute of Technology (MIT), Indian Institute of Management Ahmedabad (IIMA), Veermata Jijabai Technological Institute (VJTI) in order to provide thought-leadership to its clients for future digital solutions.

With a focus on transforming the experiences of its clients, people and systems, LTI has launched a rigorous transformation program which focuses on changing the way it works, interacts and collaborates both within and

outside the organization. The Company is working towards transforming the way it works by incorporating Design Thinking in various capacities in the organization across all levels. The Company is also looking to transform the way it delivers the traditional Application Development and Application Maintenance projects by automating services and introducing a DevOps method of working with continuous, progressive changes which complement the client business landscape replacing the traditional delivery model that has rigid support cycles. Flexibility and agility are two key objectives for the Company. This will help in a non-linear growth in the Company with faster and more efficient delivery of projects.

Our new quality policy reaffirms our client commitment and focus on delivering rich and meaningful experiences to customers. LTI is amongst the few IT Services firm to have such a differentiated policy, with the idea that in order to rise in the experience economy in the digital age, there needs to be a fundamental shift from the services mindset to the experience mindset.

2. Opportunities

We believe our strengths and L&T Group parentage gives us the unique competitive advantage to position ourselves as the leading global solutions and services Company. We have embarked upon a journey to build next generation IT services Company, focused on solving complex challenges at the convergence of physical and digital.

Industry Focus

- a) Banking and Financial Services (BFS):** LTI has achieved 8.4% year-on-year revenue growth in BFS in FY17. For FY18, the overall spend is moving in the positive direction as well. In the US, we are seeing increased spend in the capital market area as there is a belief that deregulation will result in newer products and opportunities in this space. On the other hand, in Europe and APAC markets, we continue to see momentum in regulatory spend as well. In the US markets, banks are starting to leverage massive data that they have collected over the years to generate meaningful insights. They are investing in building analytics platforms that can help them understand their customer base, assess risk differently and reduce costs. Overall, banks are moving quickly to leverage digital technologies to transform traditional operating models using things like Blockchain in trade finance, and KYC and Artificial Intelligence in areas like anti-money laundering and financial crime. LTI is well prepared to take advantage of these trends, which is further strengthened by LTI being positioned as a leader by Nelson Hall for Robotic Process Automation (RPA) and artificial intelligence in banking segment.
- b) Insurance:** LTI has achieved 12.4% year-on-year revenue growth in this vertical. The average spending levels are consistent with prior years, large Property and Casualty (P&C) customers are spending the most on core policy systems replacements followed by billing and customer communication management systems. Increased skew of the tech spend towards digital, for example, portal, mobile and customer experiences is evident in this vertical as well. According to Novarica, one of the analyst companies which tracks insurance vertical, almost a third of the overall budget in insurance vertical is getting spent on digital technologies. With deep expertise in leading insurance products like Duck Creek, Insurity, Guidewire, etc., LTI is uniquely positioned to help its customers co-innovate.
- c) Energy and Process:** The de-growth which we saw in this vertical in the past is behind us. LTI has achieved 0.9% year-on-year revenue growth in this vertical. The stress on IT spends due to low crude prices seems to have plateaued although the recovery is slow and oil companies are very watchful before committing to new investments. Operating philosophy is to use this time to create a leaner operating model for them.
- d) Hi-tech, Media, and Entertainment:** With year-on-year revenue growth of 6.3% in FY17, there was a steady growth momentum in this sector. The cord-cutting phenomenon continues to drive investments into building a digital supply chain backbone and customer analytics. Incumbent telecom companies are pursuing M&A to get into original content space even as Netflix and Amazon continue to invest in creating content. There is a clear trend of adoption of new age technologies across the board in this sector.
- e) Consumer Packaged Goods (CPG), Retail and Pharma:** Powered by technological advancements, consumers are driving an incredible transformation in these industry, business models are getting disintermediated forcing our clients to drive greater efficiencies in their business operations. Our 'digital for 10X outcomes' theme is resonating well with clients in this vertical. LTI has achieved 5.8% year-on-year revenue growth in this vertical.
- f) Auto, Aero and Others:** This vertical includes engineering and construction, plant and equipment, defence and government businesses. LTI has achieved 15.6% year-on-year revenue growth in this vertical. We think automotive sector has already been capturing digital transformation for many years and the trend continues to accelerate. This is truly an industry at an inflection point, simultaneously getting impacted by digital technologies as well as autonomous vehicles are creating major disruption in bringing into the question the very business model

of the industry. For industrial manufacturers – IoT-led digitization examples which include Product as a Service and field service transformation are driving renaissance in the industry. Companies are seeing opportunities both in internal operations as well as new revenue stream through smart connected products like smart elevators. In times like these, clients are looking for IT partners who they can trust to be their innovation partner and LTI with its extensive manufacturing experience due to its parentage is in a sweet spot.

Digital Business

LTI's unique approach to provide differentiation at the convergence of physical and digital helps clients to embark on digital transformation journey. It is projected that Digital business will be the primary source of revenue by 2025 and will contribute more than 38% of the business, as per reports from NASSCOM (2017).

Digital revenue made up 26% of our revenues in FY17 and it continues to see an acceleration every quarter with the same being at 28% of our revenue mix as of Q4FY17. We firmly believe Digital business will be the driver for future growth.

We are building our digital capabilities with Mosaic™ platform for exponential growth in digital business. Mosaic™ platform is enabled by underlying accelerators spanning –

- Mosaic™ Things – for intelligent devices
- Mosaic™ Automation – for smarter execution
- Mosaic™ Decisions – for impactful decision-making
- Mosaic™ Experience – for unmatched customer experience
- Mosaic™ AI – to re-invent problem-solving

These platforms are complemented by Mosaic™ Academy to train and up-skill our resources, working on various digital engagements, to deliver superior IT services and make a meaningful impact on our clients business.

We inaugurated our Mosaic™ Experience center at Mumbai headquarters. The Experience center showcases our Mosaic™ solution that accelerates digital transformation for our clients.

We have launched an initiative ADEA, which is Analytics and Digital in Every Account, and it is proving to be very effective.

Partnerships and Alliances

We forged multiple partnerships throughout the year, some of the key ones being Microsoft, Nutanix, Duck Creek, GE Digital, Pega, Coupa and others.

3. Human Capital

The most crucial element of an organization is its people. LTI has transformed various aspects of work life for its people.

The transformation begins with articulating five key beliefs:

- Be agile
- Go the extra mile
- Push frontiers of innovation
- Keep learning
- Solve for society

These five guiding principles aim for the organization to be nimble towards changes, work over and beyond the call of duty to serve its clients, innovate on a day-to-day basis to transform the approach to work, continuously enhance their way of working and keep its focus on welfare for the society.

As on March 31, 2017, our headcount was 21,023. During FY17, we added 951 net new hires.

Hiring, Engaging and Retaining talent continues to be the major focus areas for LTI with an increase in hiring premium college graduates as well. New programs were launched with focus on use of technology in learning. A performance-linked compensation design has been a catalyst in being industry competitive, in remuneration & benefits.

Full year FY17 utilization including trainees stood at 78.1% and excluding trainees at 79.6%. This is up 430 basis points and 390 basis points, respectively, compared to FY16. Compared to FY16, we improved on attrition by 150 basis points. In FY16, the full-year attrition was 18.4% compared to 16.9% in FY17. With these improvements, the trend in overall manpower revenue productivity has shown consistent increase quarter after quarter and stands at USD 48,092 for FY17, up 12% year-on-year compared to FY16.

Collaboration is key to the growth of an organization. LTI not only provides digital solutions and offerings to its clients, it has also adopted digital solutions for enhancing its own approach to work. LTI was the first Company to implement Workplace (the collaborative platform of Facebook for organizations) in the IT services industry. The 20,000+ employees use this platform for collaborative discussions and sharing of directives within the firm across all geographies, levels and business units. LTI is also a global service partner for Facebook to help organizations rollout the Workplace platform.

LTI has also framed a talent strategy for adopting newer ways of hiring such as hackathons, online social media and improving learning and development by offering custom courses, conducting leadership programs and revamping fresher hiring models. To support all these initiatives, the Company has upgraded its in-house IT systems to be more digital-focused. The Company is also recruiting global talent in local markets particularly for high-end digital competencies.

IV. SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

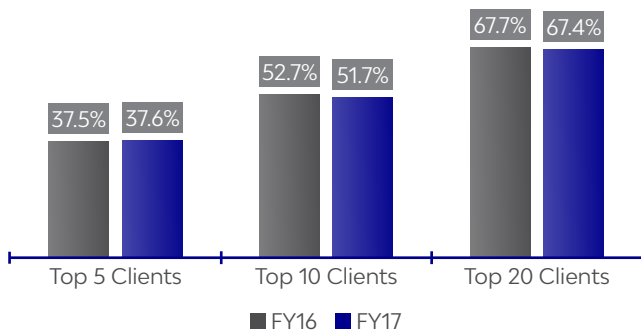
Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. This section sets out certain key factors that our management believes have historically affected our results of operations, or which could affect our results of operations in the future.

Client relationships

Client relationships are at the core of our business. We have a history of high client retention and derive a significant proportion of our revenue from repeat business built on our successful execution of prior engagements. In the year ended March 31, 2017, we generated 95.5% of our revenue from existing clients as compared to 96.9% in the year ended March 31, 2016.

As a client relationship matures and deepens, we seek to maximize our revenues and profitability by expanding the scope of IT services offered to that client with the objective of winning more business from our clients, particularly in relation to our more substantive and value-added IT service offerings.

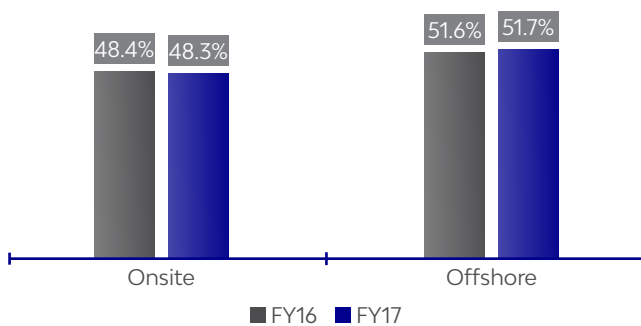
Client Contribution



Composition of revenue portfolio

Our export service revenues consist of revenues from IT services both onsite and offshore. The mix of IT services performed onsite and offshore has an impact on our ability to achieve higher profit margins. The following graph shows the proportionate contribution from our onsite and offshore service revenue on consolidated basis for the periods indicated:

Revenue Mix



Employees and employee costs

A principal component of our ability to compete effectively is our ability to attract and retain qualified employees. Our total headcount increased to 21,023 as of March 31, 2017 from 20,072 as of March 31, 2016.

Our LTM attrition rate for FY17 was 16.9% which has improved from 18.4% in FY16.

Employee benefits expenses constituted 56.5% and 58.4% of our total income in the year ended March 31, 2017 and March 31, 2016. Wage costs in India, including in the IT services industry, have historically been more competitive than wage costs in the United States, Europe and other developed economies.

In addition, we continue to invest in the recruitment and retention of sales and administration staff in line with our growth and expand our markets.

Foreign currency fluctuations

Since our key clients are foreign corporate and the majority of our revenues are generated outside of India, we are exposed to translation and transaction foreign exchange risks. Although we partly benefit from a natural hedge for our foreign currency revenues against our foreign currency expenses, we also have an exposure to foreign exchange rate risk in respect of revenues or expenses entered into in a currency where corresponding expenses or revenues are denominated in different currencies. Such transactions are denominated in currencies such as USD, Euro, Canadian Dollars, British Pound Sterling and South African Rand. LTI has an active foreign exchange hedging policy in place to mitigate the risks arising out of foreign exchange fluctuations.

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

Tax benefits for Indian IT companies

We have historically benefited from the direct and indirect tax benefits given by the Government for the export of IT services from SEZs, including for our business. As a result, a substantial portion of our profits is exempt from income tax leading to a lower overall effective tax rate than what we would have otherwise been subjected to if we were doing business outside SEZs, and we will continue to enjoy these benefits in the near future. Our effective tax rate has increased to 21.4% and 19.2%, respectively in the year ended March 31, 2017 and March 31, 2016 due to lower proportion of exemptions.

Until March 31, 2011, direct and indirect tax benefits were also available for the export of IT services from software development centers registered under the STPI Scheme, including for our business. From April 1, 2011 onwards, only indirect tax benefit are available for our business through software development centers registered under the STPI Scheme.

On July 1, 2017, India ushered in a big tax reform – Goods and Services Tax (GST). LTI is fully prepared to comply with this new tax regulation.

V. FINANCIAL CONDITIONS CONSOLIDATED

Assets

1. Tangible and Intangible Assets

(₹ Million)

	As at March 31, 2017	As at March 31, 2016
Property, plant and equipment	2,578	2,792
Capital work-in-progress	9	7
Goodwill	993	978
Other intangible assets	1,848	2,606
Intangible assets under development	4	188
TOTAL	5,432	6,571

Property, plant and equipment:

The Company continued to invest in infrastructure facilities on account of computers, office equipment, expansion of development centers and overseas offices, in order to meet the growing business needs. Property, plant and equipment has reduced to ₹ 2,578 Million as at March 31, 2017 from ₹ 2,792 Million as at March 31, 2016 due to depreciation being higher than net additions during the year.

Goodwill and other Intangible assets:

The net increase in the goodwill is on account of goodwill related to acquisition of AugmentIQ. The net decrease in Other Intangible assets during the year is mainly on account of amortization. The reduction in the Intangible assets under development is on account of capitalization of assets during the year.

2. Other Non-current and Current Assets

(₹ Million)

	As at March 31, 2017			As at March 31, 2016		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current Loans & Advances						
Other Financial Assets	2,177	-	2,177	426	-	426
Other Non-current Advances						
Tax Assets	722	-	722	886	-	886
Other Assets	1,292	-	1,292	1,323	-	1,323
	4,191	-	4,191	2,635	-	2,635
Current Assets						
Other Financial Assets	-	2,677	2,677	-	1,407	1,407
Other Assets	-	988	988	-	883	883
TOTAL	4,191	3,665	7,856	2,635	2,290	4,925

The increase in current financial assets is primarily attributable to increase in mark-to-market gains of outstanding forward contracts.

3. Trade Receivables

Trade receivables amounted to ₹ 11,697 Million (net of provision for doubtful debts amounting to ₹ 230 Million) as at March 31, 2017, compared to ₹ 11,661 Million (net of provision for doubtful debts amounting to ₹ 223 Million) as at March 31, 2016.

Days of Sales outstanding (without accruals) of 66 days as on March 31, 2017 has improved from 73 days as on March 31, 2016.

4. Unbilled Revenue

Unbilled revenues primarily comprise costs and earnings in excess of billings to the clients on fixed-price, fixed-time frame, and time-and-material contracts. Unbilled revenue stood at ₹ 4,724 Million as at March 31, 2017 as against ₹ 3,788 Million at March 31, 2016 since the composition of fixed price and system integration contracts increased during the year.

Days of Sales outstanding (with accruals) of 92 days as on March 31, 2017 has improved from 96 days as on March 31, 2016.

5. Funds Invested

	(₹ Million)	
	As at March 31, 2017	As at March 31, 2016
Investment in Mutual Funds	9,406	429
Cash and Cash equivalents	3,761	2,008
Other Bank Balances	34	27
FUND INVESTED	13,201	2,464

The investments in Mutual Funds are in Debt Mutual Funds with investment in sound-rated instruments and in schemes with large assets under management, thus mitigating counterparty risk. The same stood at ₹ 9,406 Million as at March 31, 2017 as against ₹ 429 Million as at March 31, 2016.

Deposits with Banks represent surplus money deployed in the form of deposits.

Cash and cash equivalents include both rupee accounts and foreign currency accounts and deposits with banks. The bank balances in overseas accounts are maintained to meet the expenditure of the overseas operations.

Other Bank Balances are earmarked funds and Cash & Bank balance not available for immediate use.

8. Current and Non-Current Borrowings

	As at March 31, 2017			As at March 31, 2016		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current Borrowings	-	-	-	-	-	-
Current Borrowings						
Borrowings	-	-	-	-	399	399
Current Maturities of Long-Term Borrowing	-	-	-	-	147	147
TOTAL	-	-	-	-	546	546

The Company's borrowings of ₹ 546 Million as at March 31, 2016 have been repaid during the year ended March 31, 2017.

6. Share Capital

	(₹ Million)	
	As at March 31, 2017	As at March 31, 2016
Authorized: 240,000,000 equity shares of ₹ 1 each (Previous year 240,000,000 of ₹ 1 each)	240	240
Issued, paid-up and subscribed 170,571,113 equity shares for ₹ 1 each (Previous year 169,816,188 of ₹ 1 each)	171	170
Equity Share Capital	171	170

The Issued, paid-up and subscribed share capital increased on account of shares issued on exercise of employee stock options during the year ended March 31, 2017.

7. Other Equity

	(₹ Million)	
	As at March 31, 2017	As at March 31, 2016
Other Reserves	9,910	7,397
Retained Earnings	21,362	13,678
Share Application Money Pending Allotment	0	-
Non-Controlling Interest	8	5
Other Equity	31,280	21,080

Other equity at the end of March 31, 2017 stood at ₹ 31,280 Million as against ₹ 21,080 Million at the end of March 31, 2016. The increase in Other reserves is primarily due to increase in hedging reserve on account of higher mark-to-market gains on outstanding forward contracts due to rupee appreciation and also due to increase in quantum of outstanding contracts.

9. Deferred Tax Assets/ Liabilities

(₹ Million)

	As at March 31, 2017	As at March 31, 2016
Deferred tax assets	1,434	2,213
Deferred tax liabilities	171	248

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

During the year, the decrease in Deferred tax asset is mainly due to creation of Deferred tax liability on mark-to-market gains on outstanding forward contracts. Deferred tax asset in the form of Minimum Alternate Tax (MAT) for year ended March 31, 2017 is offset by adjustment to MAT for year ended March 31, 2016 due to deferment of Income Computation and Disclosure Standards (ICDS). Hence, Deferred tax assets have reduced to ₹ 1,434 Million as at March 31, 2017 from ₹ 2,213 Million as at March 31, 2016.

10. Other Non-Current/ Current Liabilities

(₹ Million)

	As at March 31, 2017			As at March 31, 2016		
	Non-current	Current	Total	Non-current	Current	Total
Non-Current Liabilities						
Provisions	285	-	285	235	-	235
Current Liabilities						
Trade Payables	-	3,366	3,366	-	3,405	3,405
Other Financial Liabilities	-	5,841	5,841	-	3,349	3,349
Other Liabilities	-	1,158	1,158	-	1,124	1,124
Provisions	-	1,771	1,771	-	1,457	1,457
Current Income Tax Liabilities (Net)	-	301	301	-	8	8
TOTAL	285	12,437	12,722	235	9,343	9,578

Other Non-Current/ Current liabilities stood at ₹ 12,722 Million as of March 31, 2017 from ₹ 9,578 Million as of March 31, 2016.

Other current liabilities comprise of statutory dues including employee-related statutory dues. The increase in Other Financial Liabilities is primarily due to amount received under Credit Support Agreement entered into with banks due to increase in mark-to-market gains on outstanding forward contracts. Provisions comprise of provisions for employee benefits on account of gratuity, compensated absences and post-retirement medical benefits.

VI. RESULTS OF OUR CONSOLIDATED OPERATIONS

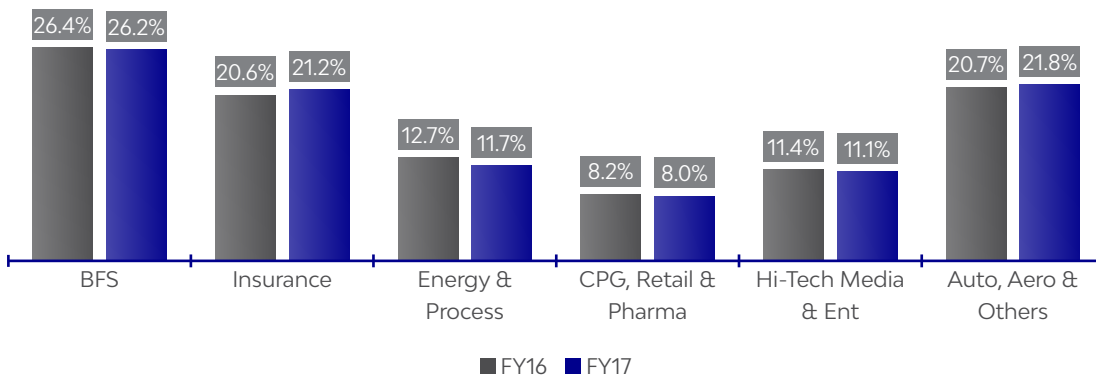
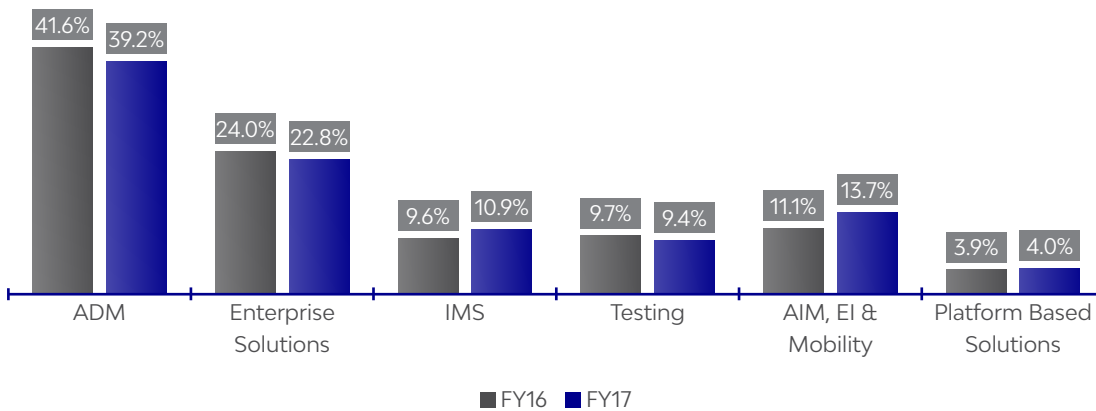
(₹ Million)

	2016-17		2015-16	
	(₹ Million)	% of Total Income	(₹ Million)	% of Total Income
Income				
Revenue from operations	65,009	97.2%	58,464	96.9%
Other income	1,867	2.8%	1,897	3.1%
Total Income	66,876	100.0%	60,361	100%
Expenses				
Employee benefit expenses	37,758	56.5%	35,266	58.4%
Operating expenses	8,248	12.3%	6,710	11.1%
Sales, administration and other expenses	6,701	10.0%	6,240	10.3%
Finance costs	32	0.1%	58	0.1%
Depreciation on tangible assets	714	1.1%	737	1.2%
Amortization of intangible assets	1,065	1.6%	1,003	1.7%
Total Expenses	54,518	81.5%	50,014	82.9%
Profit before Tax	12,358	18.5%	10,347	17.1%
Tax Expenses				
- Current tax	3,181	4.8%	3,039	5.0%
- Deferred tax (net)	(532)	-0.8%	(1,057)	-1.8%
	2,649	4.0%	1,982	3.2%
Net Profit for the period	9,709	14.5%	8,365	13.9%
Other Comprehensive income	1,945	2.9%	(266)	-0.4%
Total Comprehensive income for the period	11,654	17.4%	8,099	13.4%
Profit attributable to:				
Owners of the Company	9,707		8,363	
Non-controlling Interests	2		2	
	9,709		8,365	
Total Comprehensive income attributable to:				
Owners of the Company	11,652		8,098	
Minority Interest	2		1	
	11,654		8,099	
Earnings Per Share				
Basic	₹ 57.08		₹ 51.02	
Diluted	₹ 55.80		₹ 49.31	

Financial Year 2016-17 compared to Financial Year 2015-16
1. Income

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

Our total income increased by 10.8% to ₹ 66,876 Million for the year ended March 31, 2017 from ₹ 60,361 Million for the year ended March 31, 2016.

Revenue from Operations
Revenue Mix by Verticals

Revenue Mix by Services


Our revenue increased by 11.2% to ₹ 65,009 Million for the year ended March 31, 2017 from ₹ 58,464 Million for the year ended March 31, 2016, primarily as a result of growth in our revenues in our Banking and Financial services (growth of 10.4% to current year revenue of ₹ 17,016 Million), Insurance (growth of 14.7% to the current year revenue of ₹ 13,795 Million) and Automotive and Aerospace (growth of 16.8% to the current year revenue of ₹ 14,155 Million) which was partially offset by lower growth in revenues in our Retail & Pharma and Energy & Process business vertical.

Our service growth was higher mainly in IMS, AIM, EIM & Mobility and Platform based solutions which had growths of 25.9%, 37.1% and 13.0% respectively which was offset partially by lower growth in other services.

2. Other income

Our other income primarily consists of income from foreign exchange gains (or losses), investments in mutual funds, profit on sale of fixed assets, interest received and miscellaneous income. Our other income of ₹ 1,867 Million for the year ended March 31, 2017 decreased marginally from ₹ 1,897 Million for the year ended March 31, 2016.

Income from Investments in Mutual Funds

Income from investments in Mutual Funds was ₹ 194 Million in the year ended March 31, 2017 compared to ₹ 67 Million for the year ended March 31, 2016. Increase in investment income is primarily due to increase in surplus investible funds.

Foreign Exchange Gain/ Losses

In order to mitigate our foreign exchange risk, we have a long-term hedging policy. We hedge exposures in major currencies in which we transact business (for example, the US dollar and the Euro) by entering into forward contracts. Our forward contracts are run on a net exposure basis, typically for a period of up to three years. These forward contracts provide for payments by banks to us in the situations where the spot exchange rate on maturity is lower than the rate at which forward contracts were entered and payment by us to the banks in situations where the spot exchange rate on maturity is higher than the rate at which forward contracts were entered. Our foreign exchange gain was ₹ 1,539 Million in the year ended March 31, 2017 as against ₹ 1,650 Million in the year ended March 31, 2016.

3. Expenses

Our expenses include employee benefit expenses, operating expenses, sales, administration and other expenses, finance costs, depreciation and amortization. Our total expenses increased by 9.0% to ₹ 54,518 Million for the year ended March 31, 2017 from ₹ 50,014 Million for the year ended March 31, 2016, primarily as a result of an increase in employee benefit expenses, which was attributable to the growth of our operations.

4. Employee benefit expenses

Employee benefit expenses comprise salaries (including overseas staff expenses), staff welfare, contributions to provident and other funds, contributions to superannuation funds and contributions to gratuity funds.

Our employee benefit expenses increased by 7.1% to ₹ 37,758 Million for the year ended March 31, 2017 (which represented 56.5% of our total income for such year) from ₹ 35,266 Million for the year ended March 31, 2016 (which represented 58.4% of our total income for such year). The increase in the salaries was majorly due to increments and increase in employee count due to growth of our operations. This has also resulted in higher contribution to the Provident fund, Social security account and payroll taxes. ESOPs were granted to employees during the year under the ESOP Scheme, 2015.

5. Operating expenses

Operating expenses comprise of communication expenses, operating lease charges, consultancy charges, cost of software packages for own use, insurance and the cost of bought-out items for resale.

Our operating expenses increased by 22.9% to ₹ 8,248 Million for the year ended March 31, 2017 (which represented 12.3% of our total income for such year) from ₹ 6,710 Million for the year ended March 31, 2016 (which represented 11.1% of our total income for such year). This was primarily due to increase in cost of hardware and software packages of ₹ 3,363 Million for the year ended March 31, 2017 from ₹ 2,432 Million for the year ended March 31, 2016. Increase of 15.3% in consultancy charges to ₹ 4,647 Million for the year ended March 31, 2017 from ₹ 4,032 Million for the year ended March 31, 2016 is primarily due to higher deployment of local contractors in overseas locations.

6. Sales, administration and other expenses

Sales, administration and other expenses primarily comprise rent and establishment expenses, travelling and conveyance, legal and professional charges, advertisement recruitment expenses, telephone charges and postage, rates and taxes, power and fuel and other miscellaneous expenses.

Our sales, administration and other expenses increased by 7.4% to ₹ 6,701 Million for the year ended March 31, 2017 (which represented 10.0% of our total income for such year) from ₹ 6,240 Million for the year ended March 31, 2016 (which represented 10.3% of our total income for such year), primarily as a result of increase in travel cost and transit houses in overseas location for deputed employees, recruitment cost and professional fees and general repairs and maintenance expenses.

7. Finance costs

Finance costs comprise interest paid on fixed loans, external commercial borrowings and interest paid on money received under Credit Support Agreement. Exchange losses on borrowings are also accounted for as part of finance costs.

Our finance costs decreased by 44.6% to ₹ 32 Million for the year ended March 31, 2017 from ₹ 58 Million for the year ended March 31, 2016, primarily due to repayment loans during the year.

8. Depreciation and amortization

Tangible and intangible assets are amortized over periods corresponding to their estimated useful lives.

Our depreciation on tangible assets decreased by 3.1% to ₹ 714 Million for the year ended March 31, 2017 from ₹ 737 Million for the year ended March 31, 2016 and our amortization of intangible assets increased by 6.2% to ₹ 1,065 Million for the year ended March 31, 2017 from ₹ 1,003 Million for the year ended March 31, 2016 primarily as a result of amortization of certain software.

9. Profit before tax

Our profit before tax increased by 19.4% to ₹ 12,358 Million for the year ended March 31, 2017 (which represented 18.5% of our total income for such year) from ₹ 10,347 Million for the year ended March 31, 2016 (which represented 17.1% of our total income for such year).

10. 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 assets and liabilities reflect the impact of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Our total tax expense has increased by 33.6% to ₹ 2,649 Million for the year ended March 31, 2017 from ₹ 1,982 Million for the year ended March 31, 2016 primarily due to increase in profit before tax by 19.4% to ₹ 12,358 Million for the year ended March 31, 2017 from ₹ 10,347 Million for the year ended March 31, 2016 and lower proportion of income exempt from taxation.

Business segmentation

Breakdown of our segmental revenue by our business clusters, with each item represented as a percentage of revenue from operations for the periods indicated:

	2016-17		2015-16	
	(₹ Million)	% of revenue	(₹ Million)	% of revenue
Revenue from Operations				
Services Cluster	36,380	56.0%	31,530	53.9%
Industrials Cluster	28,629	44.0%	26,934	46.1%
Total revenue from Operations	65,009	100.0%	58,464	100.0%

The following table shows a breakdown of our segmental results:

	2016-17		2015-16	
	(₹ Million)	% of total profit	(₹ Million)	% of total profit
Segmental Results				
Services Cluster	10,197	62.1%	8,075	53.9%
Industrials Cluster	6,211	37.9%	6,896	46.1%
Total Segment Results	16,408	100.0%	14,971	100.0%

Our revenues are generated from three main geographic markets: North America, Europe and India.

11. Net profit after tax

As a result of the foregoing factors, our net profit was ₹ 9,709 Million for the year ended March 31, 2017 and ₹ 8,365 Million for the year ended March 31, 2016.

12. Earnings per share (EPS)

Our Basic EPS has increased by 11.9% to ₹ 57.08 per share for the year ended March 31, 2017 from ₹ 51.02 per share for the year ended March 31, 2016. Our Diluted EPS has increased by 13.2% to ₹ 55.80 per share for the year ended March 31, 2017 from ₹ 49.31 per share in the year ended March 31, 2016. The weighted average number of potential equity shares on account of employee options has reduced from 5,665,080 shares in the year ended March 31, 2016 to 3,879,583 shares in the year ended March 31, 2017 due to exercise of stock options.

Investments in Subsidiaries & Associates**AugmentIQ Data Sciences Private Limited**

On November 30, 2016, LTI acquired 100% stake in AugmentIQ for a consideration of ₹ 71 Million. AugmentIQ is a Pune-based Company offering IP-based big data and analytics solutions. The Company owns a big data platform, MAXIQ, together with LTI Mosaic™ Decision Science Platform.

The following tables show a breakdown of our revenue on the basis of the geographic location of our clients, with each item represented as a percentage of revenue as applicable, for the periods indicated:

	2016-17		2015-16	
	(₹ Million)	% of revenue	(₹ Million)	% of revenue
North America	44,760	68.9%	40,369	69.0%
Europe	11,861	18.2%	10,126	17.3%
India	4,356	6.7%	3,394	5.8%
Asia Pacific	1,560	2.4%	1,654	2.8%
Rest of the world	2,472	3.8%	2,921	5.0%
Total Revenue	65,009	100.0%	58,464	100.0%

Revenue in Europe has increased by 17.1% to ₹ 11,861 Million for the year ended March 31, 2017 from ₹ 10,126 Million for the year ended March 31, 2016, primarily as a result of growth in our revenues from new and existing clients from Banking and Financial services, Automotive and Aerospace business and Retail and Pharma business verticals. Revenue in India has increased by 28.3% to ₹ 4,356 Million for the year ended March 31, 2017 from ₹ 3,394 Million for the year ended March 31, 2016, primarily as a result of increased in revenue from new and existing clients.

VII. LIQUIDITY

We have historically met our working capital and other capital expenditure requirements primarily from cash generated by operating activities, short-term and long-term bank borrowings.

Cash flows

The table below summarizes our consolidated cash flows for the periods indicated:

Cash Flow Data	(₹ Million)	
	2016-17	2015-16
Net cash generated from operating activities	13,717	8,585
Net cash (used) in investing activities	(9,510)	(442)
Net cash (used) in financing activities	(2,353)	(8,169)
Net increase / (decrease) in cash and cash equivalents	1,854	(26)
Cash and cash equivalents at the beginning of the period	2,035	2,016
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(94)	45
Cash and cash equivalents at the end of the period	3,795	2,035

Net cash generated by operating activities

Net cash generated from our operating activities was ₹ 13,717 Million for the year ended March 31, 2017. Our net profit after tax was ₹ 9,709 Million for the year ended March 31, 2017, which was adjusted mainly for depreciation and amortization of ₹ 1,780 Million and Income tax expense of ₹ 2,649 Million. As a result, our operating profit before working capital changes was ₹ 14,570 Million for the year ended March 31, 2017. This was further adjusted primarily for a decrease in our working capital of ₹ 1,606 Million. Cash generated from our operations was ₹ 16,176 Million in the year ended March 31, 2017, adjusted for income tax paid of ₹ 2,459 Million. As a result, our net cash generated from operating activities was ₹ 13,717 Million for the year ended March 31, 2017.

Net cash used in investing activities

Net cash used for investing activities was ₹ 9,510 Million for the year ended March 31, 2017, which was primarily attributable to our net purchase of fixed assets amounting to ₹ 754 Million and purchase of current investments amounting to ₹ 8,977 Million. This was partially offset by income from current investments and interest received of ₹ 221 Million in the year ended March 31, 2017.

Net cash used in financing activities

Net cash used in financing activities was ₹ 2,353 Million for the year ended March 31, 2017, mainly consisting of the payment of dividend of ₹ 1,610 Million, payment of dividend tax of ₹ 278 Million and repayment of borrowings of ₹ 437 Million.

VIII. INTERNAL CONTROLS

LTI has established a framework for Internal Controls, commensurate with the size and nature of its operations. Process has been set up for periodically apprising the senior management and the Audit Committee of the Board about Internal audit observations of the Company with respect to Internal Controls and status of statutory compliances. Business Heads and Support functions are responsible for establishing effective internal controls within their respective functions. Standard operating procedures and internal control manuals are defined and continuously updated.

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

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

Some of the Internal and External Risks are given below:

IX. OUTLOOK, RISKS AND CONCERNS

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

Enterprises today are facing an expanding base of demanding born-digital consumers, disruptive new entrants and intensified competition from digital-savvy competitors. As a result, Enterprises are looking for client-centric and nimble IT service providers who can deliver outcomes quickly. With our rich, real-world expertise, engineering mindset, an enviable client list and deep desire to be relevant, LTI is uniquely positioned to win in this new world order. We are committed to, and have made good progress, in our journey to become a next generation IT services and solutions Company, focused on solving the challenges of physical and digital convergence.

In FY17, we delivered an industry leading revenue growth of 10% in constant currency terms and 9.3% in USD terms. With intense focus on client success and comprehensive transformation capabilities across digital, analytics, IoT, automation and cloud, we are optimistic about our future.

Category	Risk	Narration	Mitigation Approach
Internal – Portfolio Risk	Technology Obsolescence & Digital Disruption Risks	Failure to align our services portfolio with the newer and in-demand technologies, may lead to lower operating revenue	Significant investments in creating Digital capabilities across the organization including: <ul style="list-style-type: none"> - Mosaic Academy for developing expertise in latest technologies, processes and domain capabilities - New Digital Solutions practice with focused digital service offerings - New practices focusing on Artificial Intelligence (AI), Internet of Things (IoT), Cloudapps and Security - Investments in Mosaic™ platforms to strengthen IP-based solution - Creation and institutionalization of Mosaic™ Service Framework consisting of methodologies based on Design Thinking, Agile and DevOps.

Category	Risk	Narration	Mitigation Approach
	Business Concentration Risks	Exposure to a limited number of clients creates risk of a major revenue loss in the event of a major client exit	<p>Concerted efforts to grow business with a broader set of existing key accounts as well as opening new key accounts.</p> <ul style="list-style-type: none"> - Strategies and focused initiatives on winning new clients with large IT spends - Strategies on mining key accounts to drive profitable growth through developing strong account relationship, governance and trust - Improving our services and solutions based on independent customer experience feedback - Focus on delivering value adds and innovations to our client base to become their trusted partners - Grow business in other geographies such as Europe, Middle East, Australia and increase focus on South Africa <p>During FY17, these measures have already resulted in addition of clients in the high revenue categories.</p>
Internal – Operational Risks	Execution Risks	Failure to provide end-to-end business solutions for our clients could cause them to move work to competition. Any loss of customer trust and confidence due to execution failures or other deficiencies could damage our business and reputation	<p>Creation of Mosaic Service Assurance framework for continuous identification and mitigation of execution related risks:</p> <ul style="list-style-type: none"> - Focused programmes to develop strengths in programme management, architecture and business domain and ensure availability of relevant certified experts to all projects - Strengthen processes to guide project execution and implementation - Focused audits and quality control through various stages of project execution ensuring quality deliverables
External – Economic Risks	Country Risks	Prevailing economic, political and other social conditions in the world and countries where we have operations could have a significant impact on our results	<p>Implementing a concerted global diversification strategy:</p> <ul style="list-style-type: none"> - Establish global presence across geographies - Target varied sections of business and market
	Forex Risks	Currency market movements would impact the realization of our revenue in INR and thus impacting profitability	<ul style="list-style-type: none"> - Financial Risk management policy has been approved by the Board - Treasury Committee takes hedging decisions to mitigate forex risk as per the policy. The hedge positions are reviewed by the Audit Committee and the Board periodically

Category	Risk	Narration	Mitigation Approach
External – Legal & Regulatory Risks	International Mobility Risks	Immigration policies of countries where we do business may affect our ability to position our consultants at client locations hindering operations. The Company also faces the risk of being penalized for violations of visa regulations	<ul style="list-style-type: none"> - Dedicated leadership team for implementing a comprehensive solution - Reduce dependence on work visas through project and staffing model changes - Set up delivery center in Poland - Grow business in other geographies
	Compliance Risks	Organization operations are spread across the globe, hence it becomes imperative and an obligation for the Organization to comply with legal and regulatory laws of various countries. Failing to comply with the specific country's laws and regulation may expose us to legal and financial penalties. It will also impact the Brand image	<ul style="list-style-type: none"> - A comprehensive enterprise compliance management process, based on an online platform, has been deployed across the Company. The Company ensures compliance of all applicable laws globally - Identified key stakeholders across sales & business units and corporate functions ensure and confirm compliance with the provisions of all applicable laws on a continuous basis. Any changes in the applicable regulations are also updated and monitored by respective functions - Compliance confirmation process is managed centrally at corporate level. Compliance issues, if any, are remediated by taking timely action
	Disaster Risks	Threat to business operations from natural hazards like earthquakes, floods, tsunamis, storms and other natural and manmade disasters	<p>Develop and implement robust Disaster Recovery and Business Continuity Plan</p> <ul style="list-style-type: none"> - Business Continuity and Availability plan prepared for each Client Account and Organization as a whole - Business Continuity Plan tested at defined frequency to confirm its operations. This ensures its implementation in case actual force majeure event occurs - Backup site identified for each operating location, which shall act as its Disaster recovery site in the force majeure event - Migration of key application services to Cloud
	Cyber Attacks and Crime	In an era where the world is getting transformed into 'Digital world', being affected by 'Stay Connected syndrome', cyber vulnerability as well is amplified exponentially. This makes the organization exposed to cyber-attacks and crimes	<ul style="list-style-type: none"> - Deployment of stringent security policy across the organization - Advance security and monitoring through various automations and controls - Thorough security checks through application security assessment and penetration testing by external vendors

Risk Management Framework

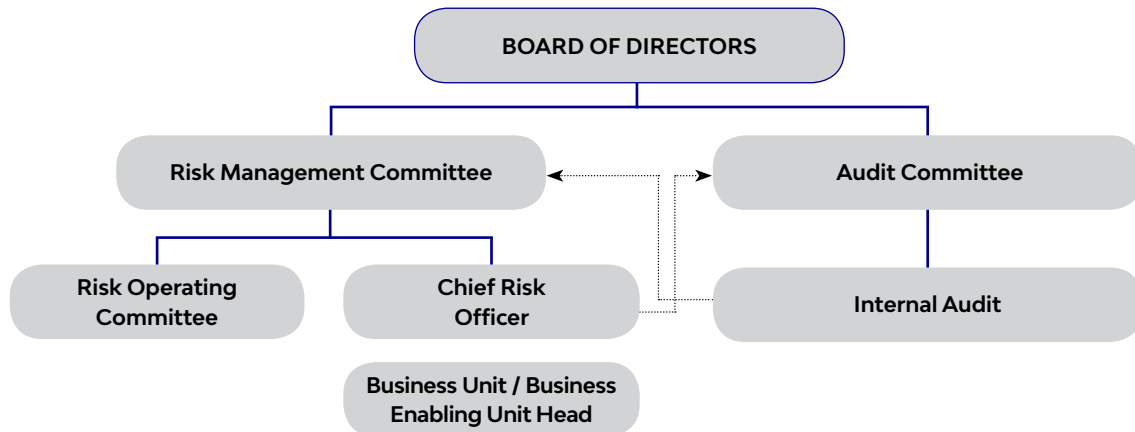
The following section outlines various dimensions of our Risk Management framework and its implementation during the financial year.

A. OVERVIEW:

Our objective of Risk Management framework is to address risks in a proactive manner to sustain business growth. The Risk Management framework is established to ensure that risks that would impact key business objectives are identified, assessed, quantified and appropriately mitigated on a continuous basis across the organization.

B. RISK GOVERNANCE:

Following are the Key Roles and Responsibilities that comprise risk governance for the organization:



Board:

- Ensuring systems for risk management are in place
- Monitoring the development and implementation of Risk Management plan

Risk Management Committee (RMC):

RMC comprises of members of board and senior executives of the company.

Key tasks of RMC are:

- Oversight of the Risk Policy and Enterprise Risk Management (ERM) framework
- Review key risks for the organization

Risk Operating Committee (ROC):

ROC comprises of organization leadership and is chaired by the Chief Operating Officer

Key tasks of ROC are:

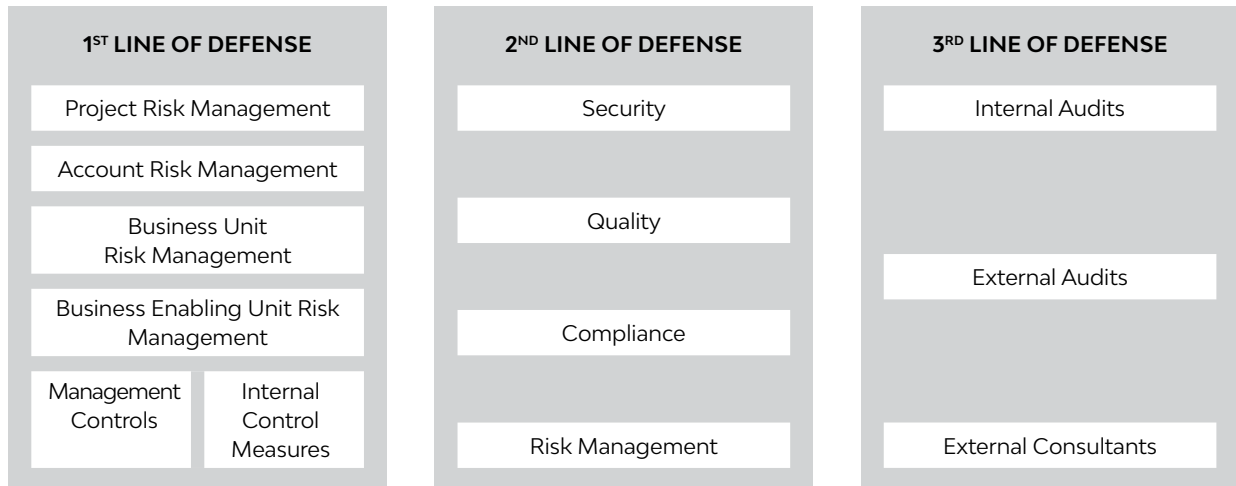
- Guide and mitigate issues related to respective business/ functions
- Develop proactive and sustainable Risk Management culture

Chief Risk Officer (CRO):

Key tasks of CRO are:

- Work with ROC to design and drive Risk Management activities
- Assist RMC in overseeing the policy and its implementation
- Update Audit Committee on Risk Management activities

Multiple Lines of Defense for Risk Management:



Risk Management at your Company is designed to have various lines of defense:

1. Self-Risk Assessment at Organization, Business Units (BU), and Business Enabling Units (BEU) levels:
The relevant units proactively identify risks for their business and functions, and go through the Risk Management cycle. Risk assessment in a Business Unit is done at project, account and Business Units level.
2. Compliance and controls checks by various internal teams:
Internal teams like IT Security, Delivery Excellence, Risk Management and Internal Audit conducts internal checks. These teams ensures that deployed internal controls are being complied to. Any noncompliance are raised and escalated to management as required.
3. External Checks: Various external agencies, consultants and auditors are leveraged to receive best practices and industry benchmarks. These best practices are implemented in the organization to improve the operations.

C. RISK MANAGEMENT PROCESS

Risk Management process at your Company comprises of Risk Identification, Analysis, Mitigation and Monitoring.

Risk Identification: Risk Identification includes study and analysis of technology trends, external market and

events, existing processes and systems, audit reports and client satisfaction survey. Identified Risks are classified into Strategic, Business and Operational categories.

Risk Analysis: The risks are analyzed for its magnitude of impact and probability of occurrence. 'Impact' and 'Probability' determines risk 'Severity', based on which the risks are prioritized for its mitigation.

Risk Mitigation: Mitigation strategy can be one of the following:

- Risk Avoidance: High severity risks which do not have solid mitigation plan can be avoided;
- Risk Reduction: Mitigate the risks which can be treated to reduce either their impact or probability;
- Risk Transfer: Transfer the total or partial risk to external third party;
- Risk Acceptance: Risks with low severity can be accepted where the cost of mitigation is higher than the exposure.

Risk Monitoring: The risks are revisited at defined frequency to verify the approved mitigation controls and identify any new risks. Risk perspective varies at various levels. Hence risks are reviewed at project, account, Business Unit and Organization level.

Independent Auditor's Report

To the Members of Larsen & Toubro Infotech Limited

REPORT ON THE STANDALONE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of Larsen & Toubro Infotech Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the central government in terms of section 143(11) of the Act, we give in Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B; and
- 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 does not have any pending litigations which would impact its financial position- refer note 35 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses - refer note 38 to the standalone Ind AS financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- refer note 50 to the standalone Ind AS financial statements; and
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and are in accordance with the books of accounts maintained by the Company- refer note 11(II) to the standalone Ind AS financial statements.

FOR SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W

FIRDOSH D. BUCHIA

Partner
Membership No. 38332

Mumbai, 4 May 2017

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets; and
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not hold any physical inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, sales tax, value added tax, cess and other material statutory dues as applicable with the appropriate authorities. As explained to us the Company did not have any dues on account of sales tax, duty of customs, duty of excise, employees' state insurance and value added tax. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax, service tax, duty of custom, duty of excise or value added tax as at 31 March 2017 which have not been deposited on account of a dispute pending are as under:

Name of the statute	Nature of the disputed dues	Amount ₹ million*	Period to which the amount relates	Forum where disputes are pending
Central Sales Tax and local sales tax Acts, Service tax	Software exports and service income revenue considered as domestic sales and other classification disputes	11.16	FY 2002-03	Maharashtra Sales Tax Tribunal, Mumbai
	Service tax demand under reverse charge mechanism on the Agency commission paid in foreign currency	1.68	FY 2008-09 to 2013-14	CESTAT
Income-tax Act, 1961	Disallowance of exemption under section 10A	84.26	FY 2008-09 AY 2009-10	ITAT
	Disallowance of exemption under section 10A	0.18	FY 2010-11 AY 2011-12	Commissioner (Appeals)

Name of the statute	Nature of the disputed dues	Amount ₹ million*	Period to which the amount relates	Forum where disputes are pending
	Penalty u/s 271 (1)(c)	131.38	FY 2006-07 AY 2007-08	
	Disputes regarding calculation of notional interest on transactions with related party and disallowance of FTC	1.21	FY 2010-11 AY 2011-12	
	Dispute regarding Disallowance of claim u/s 10A on the ground that it is allowable only for 10 consecutive Assessment years	2.35	FY 2010-11 AY 2011-12	
	Disputes regarding short fall in tax deducted at source	5.14	FY 2010-11 and 2011-12 AY 2011-12 and 2012-13	Assessing Officer (DCIT(TDS))
	Disputes regarding exclusion of interest income from section 10A calculation, addition of notional interest on transactions with related party and disallowance of FTC	2.08	FY 2008-09 AY 2009-10	Assessing Officer (Assistant Commissioner Of Income Tax)

*Net of pre-deposit paid in getting the stay/appeal admitted

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank, and government or debenture holders as at balance sheet date.

(ix) The Company has neither raised money by sale of initial public offer or further public offer (including debt instruments) nor by way of term loans and, accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, there were no material frauds by the Company or on the Company by its officers or employees that have been noticed or reported during the year.

(xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us and based on our examination of the records of the

Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation 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 partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W

FIRDOSH D. BUCHIA
Partner
Membership No. 38332

Mumbai, 4 May 2017

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Larsen & Toubro Infotech Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

FOR SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W

FIRDOSH D. BUCHIA

Partner
Membership No. 38332

Mumbai, 4 May 2017

Balance Sheet

as at March 31, 2017

(₹ in Mn)

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	2,477	2,650	2,641
(b) Capital work-in-progress	3	9	1	48
(c) Other intangible assets	3	382	554	759
(d) Intangible assets under development	3	3	188	195
(e) Financial assets				
(i) Investments	4	2,905	3,157	3,146
(ii) Other financial assets	5	2,177	426	718
(f) Deferred tax assets (net)	6	1,439	2,198	970
(g) Income tax assets (net)	7	717	861	954
(h) Other non current assets	8	1,273	1,292	1,057
Total non-current assets		11,382	11,327	10,488
Current assets				
(a) Financial assets				
(i) Investments	9	9,406	68	694
(ii) Trade receivable	10	11,226	11,011	10,404
(iii) Unbilled revenue		4,668	3,700	1,435
(iv) Cash and cash equivalents	11	1,872	1,195	1,233
(v) Other bank balances	12	34	27	127
(vi) Other financial assets	13	2,666	1,397	1,959
(b) Other current assets	14	875	824	1,191
Total current assets		30,747	18,222	17,043
TOTAL ASSETS		42,129	29,549	27,531
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	171	170	161
(b) Other equity				
(i) Other reserves	16	8,608	6,199	6,764
(ii) Retained earnings	16	20,990	13,272	11,203
(ii) Share application money pending allotment	16	-	-	-
Total Equity		29,769	19,641	18,128
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	-	-	139
(b) Provisions	18	285	235	215
Total non-current liabilities		285	235	354
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	-	399	1,900
(ii) Current maturities of long term borrowings	20	-	147	139
(iii) Trade payables	21	3,354	3,383	2,625
(iv) Other financial liabilities	22	5,768	3,285	2,272
(b) Other liabilities	23	1,102	1,039	894
(c) Provisions	24	1,733	1,420	1,219
(d) Current income tax liabilities (net)	25	118	-	-
Total Current liabilities		12,075	9,673	9,049
TOTAL EQUITY AND LIABILITIES		42,129	29,549	27,531
Significant accounting policies	2			
Other notes on accounts	35			

As per our report attached

SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Firdosh D. Buchia
Partner
Membership No: 38332

Ashok Kumar Sonthalia
Chief Financial Officer

Sanjay Jalona
Chief Executive Officer
& Managing Director
DIN : 07256786

Aftab Zaid Ullah
Chief Operating Officer
& Whole Time Director
DIN : 05165334

Mumbai
May 04, 2017

Statement of Profit and Loss

for the year ended March 31, 2017

(₹ in Mn)

Particulars	Note No.	April 16 - March 17	April 15 - March 16
INCOME:			
Revenue from operations	26	61,829	55,685
Other income	27	1,983	2,304
Total income		63,812	57,989
EXPENSES:			
Employee benefit expense	28	36,086	33,758
Operating expenses	29	8,272	6,671
Sales, administration and other expenses	30	6,491	6,025
Finance costs	31	32	58
Depreciation on tangible assets	3	648	654
Amortisation of intangible assets	3	441	380
Total expenses		51,970	47,546
Profit before tax		11,842	10,443
Tax expense			
Current tax	32	2,934	3,018
Deferred tax (net)	33	(468)	(1,137)
		2,466	1,881
NET PROFIT FOR THE PERIOD		9,376	8,562
OTHER COMPREHENSIVE INCOME	34	2,159	(460)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		11,535	8,102
Basic			
Basic earning per equity share		55.11	52.23
Diluted			
Diluted earning per equity share		53.89	50.49
Significant accounting policies	2		
Other notes on accounts	35		

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No: 38332

Ashok Kumar Sonthalia

Chief Financial Officer

Sanjay Jalona

Chief Executive Officer

& Managing Director

DIN : 07256786

Aftab Zaid Ullah

Chief Operating Officer

& Whole Time Director

DIN : 05165334

Mumbai
May 04, 2017

Standalone Cash Flow Statement

for the year ended March 31, 2017

(₹ in Mn)

Particulars	April 16 - March 17	April 15 - March 16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	9,376	8,562
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	1,089	1,034
Income tax expense	2,466	1,881
Expense recognised in respect of equity settled stock option	428	(142)
Income from current investment in mutual funds	(194)	(46)
Interest received	(16)	(18)
Interest Paid	32	66
Unrealised foreign exchange loss (gain)	262	64
Unrealised foreign exchange loss (gain) on hedges not designated as cash-flow hedges	(220)	-
Realised gain on Cash Flow hedges forming part of OCI	228	200
Dividend received	(141)	(472)
(Profit)/loss on sale of Fixed assets	12	27
Operating cash before working capital changes	13,322	11,156
Changes in working capital		
(Increase)/decrease in trade receivables and unbilled revenue	(1,375)	(2,936)
(Increase)/decrease in other receivables	107	(106)
Increase/(decrease) in trade & other payables	2,850	2,122
(Increase)/decrease in working capital	1,582	(920)
Cash generated from operations	14,904	10,236
Income taxes paid	(2,407)	(2,584)
Net cash from operating activities	12,497	7,652
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(619)	(960)
Sale of fixed assets	41	149
(Purchase)/sale of current investments	(8,978)	627
Investment in Subsidiaries	(71)	(10)
Dividend received from subsidiaries	141	472
Income from current investment in mutual funds	194	46
Interest received	16	18
Net cash used in investing activities	(9,276)	342

(₹ in Mn)

Particulars	April 16 - March 17	April 15 - March 16
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	4	69
Proceeds from/(repayment) of borrowings	(546)	(1,664)
Interest paid	(32)	(58)
Dividend paid	(1,610)	(5,467)
Tax on dividend paid	(278)	(1,049)
Net cash from financing activities	(2,462)	(8,169)
Net increase/(decrease) in cash and cash equivalents	759	(175)
Cash and cash equivalents at beginning of the year	1,222	1,360
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(75)	37
Increase in Cash and Cash Equivalents on Amalgamation	0	-
Cash and cash equivalents at end of the year	1,906	1,222

Notes:

There were no significant reconciliation items between cash flows prepared under iGAAP and those prepared under IndAS

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No: 38332

Ashok Kumar Sonthalia

Chief Financial Officer

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Chief Operating Officer

& Whole Time Director

DIN : 05165334

Mumbai

May 04, 2017

Statement of Changes in Equity

for the year ended March 31, 2017

(In ₹ Mn)

Particulars	Share Capital	Share capital pending allotment	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Deferred Employee Compensation Expense	Capital Reserve	Other Components of Equity		Total Equity
									Hedging Reserve		
Balance as on April 1, 2016	170	-	3,772	1,473	13,272	77	-	0	877		19,641
Changes in equity for the period ended on March 31, 2017	1										1
Employee Stock Compensation Expense			8			1,492	(1,492)				8
On account of amalgamation					365						365
Net Profit for the year			-		9,376						9,376
Other Comprehensive Income					(45)				2,204		2,159
Dividends (Including DDT)					(1,978)						(1,978)
Other changes/Trf to general reserve.		0	(317)	25		(58)	547				197
Balance as on March 31, 2017	171	0	3,463	1,498	20,990	1,511	(945)	0	3,081		29,769

for the year ended March 31, 2016

(In ₹ Mn)

Particulars	Share Capital	General Reserve	Share Premium	Retained Earnings	Employee Stock option outstanding	Capital Reserve	Other Components of Equity		Total Equity
							Hedging Reserve		
Balance as on April 1, 2015	161	3,771	1,181	11,203	452	0	1,360		18,128
Changes in equity for the year ended on March 31, 2016	9								9
Net Profit for the year				8,562					8,562
Other Comprehensive Income				23			(483)		(460)
Dividends (Including DDT)				(6,516)					(6,516)
Other changes		1	292		(375)				(82)
Balance as on March 31, 2016	170	3,772	1,473	13,272	77	0	877		19,641

As per our report attached

SHARP & TANNAN
Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia
Partner

Membership No: 38332

Ashok Kumar Sonthalia
Chief Financial Officer
Sanjay Jalona
Chief Executive Officer
& Managing Director

DIN : 07256786

Aftab Zaid Ullah
Chief Operating Officer
& Whole Time Director

DIN : 05165334

Mumbai

May 04, 2017

Notes forming part of accounts

1. COMPANY OVERVIEW

Larsen & Toubro Infotech Limited ('the Company') offers extensive range of IT services like application development, maintenance and outsourcing, enterprise solutions, infrastructure management services and testing and digital solutions to clients in diverse industries.

The Company is a public limited company incorporated and domiciled in India and has its registered office at L&T House, Ballard Estate, Mumbai, Maharashtra, India. The Company's equity shares are listed on the National Stock Exchange Limited and BSE Limited in India.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes or announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment) Rules 2016.

The Company has prepared its first Ind AS compliant financial statements as on 1 April 2015 (the date of transition). Refer note 48 'First-time adoption of Ind AS' for an explanation of impact of transition from Generally Accepted Accounting Principles in India (iGAAP) to Ind AS on the Company's financial statements.

b. Presentation of financial statements

The statement of financial position and the statement of profit and loss are prepared and presented in the format

prescribed in Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 'Cash Flow Statements'. The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

c. Revenue recognition

Revenue from contracts priced on time and material basis is recognized when services are rendered and related costs are incurred.

Revenue from services performed on fixed-price basis is recognized over the life of contract using the proportionate completion method.

Revenue from sale of products and licenses is recognized upon delivery when all risks and rewards are transferred.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

d. Other income

- I) Interest income is accrued at applicable interest rate.
- II) Dividend income is accounted in the period in which the right to receive the same is established.
- III) Other items of income are accounted as and when the right to receive arises.

e. 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

i) Defined contribution plan:

The Company's superannuation fund and state governed provident fund scheme are classified as defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

Notes forming part of accounts

ii) Defined benefit plans:

The provident fund scheme managed by trust, employees gratuity fund scheme managed by Life Insurance Corporation of India and post-retirement medical benefit scheme are the Company's defined benefit plans. Wherever applicable, the present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash-flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government bonds as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses through re-measurement of the defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognized in other comprehensive income. The effect of any plan amendments are recognized in statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost resulting from a plan amendment or curtailment are recognized immediately in the statement of profit and loss.

(iii) Long term employee benefits:

The obligation for long term employee benefits like long term compensation absences is recognized as determined by actuarial valuation performed by independent actuary at each balance sheet date using Projected Unit Credit Method on the additional amount expected to be paid or availed as a result of unused entitlement that has accumulated at balance sheet date. Actuarial gains and losses are recognized immediately in other comprehensive income.

(iv) Social security plans

Employer' contribution payable with respect to social security plans, which are defined contribution plans, is charged to the statement of profit and loss in the period in which employee renders the services.

f. Property, plant and equipment

Property plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost includes expenditure directly attributable to the acquisition of the asset and cost incurred for bringing the asset to its present location and condition.

g. Intangible assets

Assets like customer relationship, computer software, and internally developed software are stated at cost, less accumulated depreciation, amortisation and impairment.

h. Impairment

I) Impairment of trade receivable

The Company assesses at each date of statement of financial position whether a financial asset in form of trade receivable is impaired. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on available external and internal credit risk factors such as credit default, credit rating from credit rating agencies and Company's historically observed default rates over the expected life of trade receivable. Impairment loss allowance or reversal is recognised during the period as expense or income respectively in the statement of profit and loss.

II) Impairment of intangible assets

At the end of each reporting period, the Company reviews the carrying amount of its intangible assets to determine if there is any indication of loss suffered. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

i. Leases

I) Finance lease

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are

Notes forming part of accounts

classified as finance lease. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

II) Operating lease

Assets acquired under lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to the profit and loss account on accrual basis.

j. Depreciation

I) Tangible assets

Depreciation on assets have been provided as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortisation on additions and disposals are calculated on pro-rata basis from and to the month of additions and disposals.

Particulars	Useful life
• Computers and IT Peripherals	Up to 6 years
• Plant & Machinery	Up to 15 years
• Office Equipment	Over a period of 5 years
• Vehicles	Over a period of 8 years
• Furniture & Fixtures	Over a period of 10 years

II) Intangible assets and amortisation

The estimated useful life of an identifiable intangible asset is based on number of factors including the effects of obsolescence, demand, competition and other economic factors and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The basis of amortization of intangible assets is as follows:

Particulars	Useful life
• Software	Up to 5 years
• Business rights	Over a period 5 years

k. Employee stock ownership schemes

In respect of stock options granted pursuant to the Company's stock options scheme, the excess of fair value

of the share over the exercise price of the option is treated as discount and accounted as employee compensation cost over the vesting period. The amount recognised as expense each year is arrived based on the number of grants expected to vest. If options granted lapse after the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the general reserve.

l. Functional and presentation currency

The functional and presentation currency of the Company is the Indian Rupee as it is the currency of the primary economic environment in which the Company operates.

m. Foreign currency transactions and balances

Foreign currency transactions are initially recorded at the rates prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

n. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

I) Initial measurement

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

II) Subsequent measurement

i) Non-derivative financial assets

A) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

Notes forming part of accounts

- b) the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non current assets.
- B) Financial assets at fair value through other comprehensive income (FVTOCI)**
- Financial assets are subsequently measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both:
- a) Collecting contractual cash flows and selling financial assets and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- C) Financial assets at fair value through profit and loss (FVTPL)**
- Fair value through profit and loss is a residual category for financial assets. Any financial asset which does not meet the criteria for categorisation as at amortised cost or as financial asset at fair value through other comprehensive income is classified as financial assets fair valued through profit and loss.
- ii) Non-derivative financial liability**
- A) Financial liabilities at amortised cost**
- Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortised cost using the effective interest method.
- B) Financial liabilities at fair value through other comprehensive income or debt instrument (FVTOCI)**
- A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:
- a) the objective of the business model is achieved by collecting contractual cash flows and selling financial asset and
- b) the asset's contractual cash flow represent solely payments of principal and interest. The Company has not recognised any liabilities under this category.
- C) Financial liabilities at fair value through profit and loss (FVTPL)**
- Fair value through profit and loss is a residual category for financial liabilities. Any financial liability which does not meet the criteria for categorisation as at amortised cost or as fair value through other comprehensive income, is classified as fair value through profit and loss.
- iii) Derivative financial instrument**
- The Company holds derivative financial instrument such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.
- A) Cash flow hedges**
- Changes in the fair value of the derivative hedging instruments designated as cash flow hedges are recognised in other comprehensive income and presented within equity as hedging reserve. The cumulative gain and loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transactions. Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and ineffective portion of cash flow hedges are recognised in statement of profit and loss and reported in foreign exchange gains or losses.
- B) Fair value hedges**
- Changes in the fair value of the derivative instruments designated as fair value hedges are recognised in statement of profit and loss.
- (III) Derecognition**
- The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial

Notes forming part of accounts

asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the Company's balance sheet where the obligation specified in the contract is discharged or cancelled or expired.

o. Taxes on income

Income tax expense comprises current and deferred income tax. Tax on income for Indian companies for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Indian Income tax Act, 1961. Foreign branches recognize current tax and deferred tax liabilities and assets in accordance with the applicable local laws.

Income tax and deferred tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case income tax expense is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities (Refer note 7 for applicable tax rates in various jurisdiction).

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered

or settled. Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future.

p. Borrowing costs

Borrowing costs include interest, commitment charges and finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

q. 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

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of,

- I) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- II) a possible obligation unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

r. Segment accounting

Operating segments are defined as components of an enterprise for which discrete financial information is used regularly by the Company's Chief Operating Decision Maker in deciding how to allocate resources and assessing performance.

- I) Segment revenue is the revenue directly identifiable with or allocable to the segment.
- II) Expenses that are directly identifiable with or allocable

Notes forming part of accounts

to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not identifiable with or allocable to segments are included under 'unallocable expenses'.

III) Other income which relates to the Company as a whole and not identifiable with or allocable to segments is included in 'unallocable income'.

IV) Assets and liabilities used in the Company's business are not identified to any of the reportable segment as these are used interchangeably.

s. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ('Cash flow statements').

3. INTANGIBLE ASSETS

The balance useful life of intangible assets as on the respective balance sheet dates is as follows:-

(₹ in Mn)

Class of assets	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Balance useful life	Carrying amount	Balance useful life	Carrying amount	Balance useful life	Carrying amount
Software	1 to 3 years	382	1 to 3 years	554	1 to 3 years	759
TOTAL		382		554		759

Notes forming part of accounts

3. FIXED ASSETS - As of 31 March 2017

(₹ in Mn)

Fixed and intangible Assets	Gross block		As at 31-Mar-17	Depreciation/Amortisation			Net block	
	As at 01-Apr-16	Additions		Deductions	As at 01-Apr-16	For the year	On deductions	As at 31-Mar-17
Tangible assets - own								
Leasehold land	10	-	-	(0)	0	-	(0)	10
Buildings - own	126	-	-	8	8	-	16	110
Leasehold improvements	290	76	15	36	40	15	61	290
Plant and machinery	628	50	2	77	79	2	154	522
Owned computers	826	159	52	249	260	52	457	476
Office equipments	406	121	9	106	112	9	209	309
Furniture and fixtures	650	59	34	95	95	29	161	514
Vehicles	336	62	63	51	54	16	89	246
Capital work in progress								9
Total of tangible assets	3,272	527	175	622	648	123	1,147	2,486
Intangible assets								
Software	2,110	269	212	1,556	441	212	1,785	382
Business rights	98	-	-	98	-	-	98	-
Intangible assets under development	-	-	-	-	-	-	-	3
Total of intangible assets	2,208	269	212	1,654	441	212	1,883	385

1. Impairment upto 31-03-2017 - NIL

2. Additions during the year and capital work-in-progress include ₹ Nil (previous year ₹ Nil) being borrowing cost capitalised in accordance with Indian Accounting Standards (Ind AS 23) on 'Borrowing Costs' prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment) Rules 2016.

3. FIXED ASSETS - As at 31 March 2016

(₹ in Mn)

Fixed and intangible assets	Gross block		Depreciation/Amortisation			Net block	
	As at 01-Apr-15	Additions	Deductions	As at 31-Mar-16	For the year	On deductions	As at 31-Mar-16
Tangible assets							
Leasehold land	10	-	-	10	0	-	10
Buildings - own	126	-	-	126	8	-	118
Leasehold improvements	234	69	13	290	36	0	254
Plant and machinery	644	95	111	628	90	13	551
Computers	456	372	2	826	250	1	577
Office equipments	295	119	8	406	111	5	300
Furniture and fixtures	588	93	31	650	103	8	555
Vehicles	288	92	44	336	56	5	285
Capital work in progress					-	-	1
Capital Advances							-
Total of tangible assets	2,641	840	209	3,272	654	32	2,651
Intangible assets							
Software	1,941	175	6	2,110	380	6	554
Business rights	98	-	-	98	-	-	-
Intangible assets under development	-	-	-	-	-	-	188
Total of intangible assets	2,039	175	6	2,208	380	6	742

1. Impairment upto 31-03-2016 - NIL
2. Additions during the year and capital work-in-progress include ₹ Nil (previous year ₹ Nil) being borrowing cost capitalised in accordance with Indian Accounting Standards (Ind AS 23) on 'Borrowing Costs' prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment) Rules 2016.

Notes forming part of accounts

3. FIXED ASSETS - As at 1 April 2015

(₹ in Mn)

Fixed and intangible assets	Gross block	Depreciation /Amortisation	Net block
	As at 01/04/2015	As at 01/04/2015	As at 01/04/2015
Tangible assets			
Leasehold land	10	-	10
Buildings - own	126	-	126
Leasehold improvements	234	-	234
Plant and machinery	644	-	644
Computers	456	-	456
Office equipments	295	-	295
Furniture and fixtures	588	-	588
Vehicles	288	-	288
Capital work in progress			48
Total of tangible assets	2,641	-	2,689
Intangible assets			
Software	1,941	1,182	759
Business rights	98	98	-
Intangible assets under development		-	195
Total of intangible assets	2,039	1,280	954

1. Impairment upto 01-04-2015 - NIL

4. NON CURRENT INVESTMENTS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Long term investment in subsidiaries			
1 fully paid equity share of Euro 25,000 in Larsen & Toubro Infotech GmbH	1	1	1
100 fully paid equity shares of CAD 1 each in Larsen & Toubro Infotech Canada Limited	7	7	7
168,197 equity shares of ₹ 10 each in GDA Technologies Limited	-	323	323
1,000,000 equity shares at no par value in L&T Infotech Financial Services Technologies Inc.	2,806	2,806	2,806
332,350 equity shares at no par value in Larsen And Toubro Infotech South Africa (Proprietary) Ltd	2	2	2
Investment in L&T Information Technology Services (Shanghai) Co. Ltd	11	11	7
1,102,419 equity shares of ₹ 10 each in AugmentIQ Data Sciences Private Limited*	71	-	-
Investment in Larsen & Toubro Infotech Austria GmbH	3	3	-
50,000 equity shares of Euro 1 in L&T Information Technology Spain, Sociedad Limitada	4	4	-
	2,905	3,157	3,146

*The Company has acquired a new entity 'AugmenIQ Data Sciences Private Limited' in India on 30 November 2016 (refer note 43).

L & T Infotech S.de. RL. C.V has been formed in Mexico in March 2017. There are no operations and transactions till the balance sheet date.

Notes forming part of accounts

5. OTHER FINANCIAL ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Forward contract receivable	1,866	132	427
Security deposits	311	294	291
	2,177	426	718

6. DEFERRED TAX ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
MAT credit	2,576	2,574	1,508
Less: deferred tax liability	(1,137)	(376)	(538)
	1,439	2,198	970

6 (I) Deferred tax liabilities/assets as at 31 March 2017

(₹ in Mn)

	Deferred tax asset/ (liability) as at 31 March 2016	Current year (charge)/credit	(Charge)/credit to hedging reserve	Charge pursuant to amalgamation (Refer note 41)	Deferred tax asset/ (liability) as at 31 March 2017
Deferred tax liabilities					
Depreciation/amortisation	32	31	-	-	63
Gain on cash flow hedges	(172)	-	(748)	-	(920)
Branch profit tax	(427)	(115)	-	-	(542)
MTM on ineffective hedges	-	(46)	-	-	(46)
Others	(1)	-	-	-	(1)
	(568)	(130)	(748)		(1,446)
Deferred tax assets					
Provision for doubtful debts and advances	43	8	-	-	51
Provision for employee benefits	98	55	-	-	153
Realised gain on derivative transactions	41	95	(41)	-	95
Others	10	-	-	-	10
MAT credit	2,574	440	(440)	2	2,576
	2,766	598	(481)	2	2,885
Net deferred tax assets/ (liabilities)	2,198	468	(1,229)	2	1,439

Notes forming part of accounts

6 II) Net Schedule of Deferred tax assets as at 31 March 2017

(₹ in Mn)

	Deferred tax asset/ (liability) as at 31 March 2016	Current year (charge)/credit	(Charge)/credit to hedging reserve	Charge pursuant to amalgamation (Refer note 41)	Deferred tax asset/ (liability) as at 31 March 2017
Depreciation/amortisation	32	31	-		63
Gain on cash flow hedges	(172)		(748)		(920)
Branch profit tax	(427)	(115)			(542)
MTM on ineffective hedges	-	(46)			(46)
Others	9				9
MAT credit entitlement	2,574	440	(440)	2	2,576
Provision for doubtful debts and advances	43	8			51
Provision for employee benefits	98	55			153
Realised gain on derivative transactions	41	95	(41)	-	95
Net deferred tax assets/ (liabilities)	2,198	468	(1,229)	2	1,439

6 I) Deferred tax assets and liabilities as at 31 March 2016

(₹ in Mn)

	Deferred tax asset/ (liability) as at 1 April 2015	Current year (charge)/credit	(Charge)/credit to hedging reserve	Others	Deferred tax asset/ (liability) as at 31 March 2016
Deferred tax liabilities					
Depreciation/amortisation	(10)	42	-	-	32
Gain on cash flow hedges	-	-	(172)		(172)
Branch profit tax	(323)	(104)	-		(427)
Others	(283)	(1)	283		(1)
	(616)	(63)	111		(568)
Deferred tax assets					
Provision for doubtful debts and advances	16	27	-	-	43
Provision for employee benefits	62	36	-	-	98
Realised gain on derivative transactions	-	41	-	-	41
Others	-	10	-	-	10
MAT Credit	1508	1,086	-	(20)	2,574
	1586	1200	-	(20)	2,766
Net deferred tax assets/ (liabilities)	970	1,137	111	(20)	2,198

Notes forming part of accounts

6 II) Net schedule of Deferred Tax for the year ended 31 March 2016:-

(₹ in Mn)

	Deferred tax asset/ (liability) as at 1 April 2015	Current year (charge)/credit	(Charge)/credit to hedging reserve	Others	Deferred tax asset/ (liability) as at 31 March 2016
Depreciation/amortisation	(10)	42	-	-	32
Branch profit tax	(323)	(104)	-	-	(427)
Gain on cash flow hedges	-	-	(172)	-	(172)
Others	(283)	9	283	-	9
MAT credit	1,508	1,086	-	(20)	2,574
Provision for doubtful debts and advances	16	27	-	-	43
Realised gain on derivative transactions		41	-	-	41
Provision for employee benefits	62	36	-	-	98
Net deferred tax assets/ (liabilities)	970	1,137	111	(20)	2,198

7. INCOME TAX ASSETS (NET)

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Income tax assets (net)	717	862	954
	717	862	954

7 (I) A reconciliation of the income tax provision to the amount computed by applying enacted income tax rate to the profit before income taxes is summarized below:

(₹ in Mn)

	April'16 - March'17	April'15- March'16
Profit before income taxes	11,842	10,443
Enacted tax rates in India	34.608%	34.608%
Computed expected tax expense	4,098	3,614
Effect due to non-taxable income for Indian tax purposes	(1,360)	(1,600)
Overseas taxes	166	208
Short/(excess) provision, overseas and domestic	19	37
Effect of non-taxable income	(741)	(467)
Effect of allowances of eligible expenses	(410)	(574)
Effect of non-deductible expenses	480	482
Effect of income charged to differential tax rate for Indian tax purposes	(24)	(82)
Effect of deferred taxes	(28)	(51)
Effect of transitional Ind AS adjustment	-	314
Others	266	-
Tax expense as per statement of profit and loss	2,466	1,881

Notes forming part of accounts

7(II) Applicable tax rates in various tax jurisdictions is given below:

Jurisdiction of branches	Applicable tax rates (%)
Australia	30.00
Belgium	33.00
Costa Rica	30.00
Denmark	22.00
Finland	20.00
France	33.00
India	34.61
Japan	23.90
Korea	22.00
Netherlands	20.00
Norway	24.00
Oman	12.00
Philippines	30.00
Qatar	10.00
South Africa	28.00
Saudi Arabia	20.00
Singapore	17.00
Sweden	22.00
United Kingdom	20.00
United States	35.00

7(III) Summary of minimum alternate tax credit available for set off against future tax liability arising under normal provision of Income tax Act, 1961 for the year ended 31 March 2017

(₹ in Mn)

Financial year	MAT credit	Set-off in earlier years	Balance brought forward in current year	MAT credit utilised during the year	Balance MAT to be carried forward to next year	Year of expiry
2007-2008	76	76	-	-	-	-
2008-2009	238	238	-	-	-	-
2009-2010	256	256	-	-	-	-
2010-2011	556	41	515	-	515	2025-2026
2011-2012	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-
2013-2014\$	490	-	490	-	490	2028-2029
2014-2015	505	-	505	-	505	2029-2030
2015-2016	1,086	-	1,086	-	1,086	2030-2031
2015-2016#	(20)	-	(20)	-	(20)	-
2016-2017	440	-	440	-	440	2031-2032
2016-2017*	(440)	-	(440)	-	(440)	-
TOTAL	3,187	611	2,576	-	2,576	-

\$ Increase of ₹ 2 Mn in MAT credit pursuant to amalgamation (refer note 42).

MAT credit reinstated as per Income tax records.

* Impact on MAT credit due to postponement of ICDS given in financial year 2016-17.

Notes forming part of accounts

7(IV) Summary of minimum alternate tax credit available for set off against future tax liability arising under normal provision of Income tax Act, 1961 for the year ended 31 March 2016

(₹ in Mn)

Financial year	MAT credit	Set-off in earlier years	Balance brought forward in current year	MAT credit utilised during the year	Balance MAT to be carried forward to next year	Year of expiry
2007-2008	76	76	-	-	-	-
2008-2009	238	238	-	-	-	-
2009-2010	256	256	-	-	-	-
2010-2011	556	41	515	-	515	2025-2026
2011-2012	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-
2013-2014	488	-	488	-	488	2028-2029
2014-2015	505	-	505	-	505	2029-2030
2015-2016	1,086	-	1,086	-	1,086	2030-2031
2015-2016#	(20)	-	(20)	-	(20)	-
TOTAL	3,185	611	2,574	-	2,574	-

MAT credit reinstated as per Income Tax records

8. OTHER NON-CURRENT ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Capital advances	1	1	7
Prepaid expenses	155	80	76
Advances recoverable in cash or kind Including indirect tax recoverable	1,117	1,211	974
	1,273	1,292	1,057

9. CURRENT INVESTMENTS

(₹ in Mn)

	Face value per unit	Units as at 31-03-2017	Amount as at 31-03-2017	Amount as at 31-03-2016	Amount as at 01-04-2015
Liquid investments – quoted					
Birla Sun Life Cash Plus – DDR	100	-	-	38	-
Reliance Medium Term Fund – MDR	10	-	-	30	-
L&T Liquid Super IP DDR	1000	-	-	-	200
Templeton India Ultra Short Bond Fund-Super IP-D	10	-	-	-	-
Templeton India TMA - Super IP-DDR	1000	-	-	-	-
Religare Invesco Liquid Fund - DDR	1000	-	-	-	100
IDFC Ultra Short Term Fund - Reg - DDR	10	-	-	-	100

Notes forming part of accounts

(₹ in Mn)

	Face value per unit	Units as at 31-03-2017	Amount as at 31-03-2017	Amount as at 31-03-2016	Amount as at 01-04-2015
Birla Sun Life Savings Fund - Dir - DDR	100	2,216,053	222		
Birla Sun Life Short Term Fund - Dir - MDR	10	46,853,514	553		
Franklin India Low Duration - MDR - Direct	10	54,048,543	580		
HDFC Cash Mgmt Fund- Treasury Advantage- Dir- DDR	10	20,369,156	205		
HDFC Short Term Opportunities Fund - FDR	10	34,621,251	356		
HDFC Banking and PSU Debt Direct-WDR	10	35,838,225	370		
ICICI Prudential Flexible Income Plan - Direct - DDR	100	1,891,507	200		
ICICI Prudential Ultra Short Term Plan - Dir - DDR	10	80,219,278	811		
ICICI Prudential Short Term Fund - Dir - MDR	10	7,085,833	89		
ICICI Prudential Savings Plan - Direct - DDR	100	596,620	60		
ICICI Prudential Banking & PSU Debt Fund -Dir- DDR	10	12,596,086	131		
Kotak Bond Short Term Plan - Dir -MDR	10	71,503,291	745		
Kotak Low Duration Fund - Direct Plan - MDR	1000	390,900	406		
L&T Short Term Opportunity Fund-Dir-MDR	10	40,749,055	451		
L&T Ultra Short Term Fund -Dir - DDR	10	36,807,279	384		
L&T Floating Rate Fund - Direct - MDR	10	45,209,528	523		
L&T Banking and PSU Debt Fund -Dir- MDR	10	68,346,715	732		
Reliance Medium Term Fund-Dir - DDR	10	23,244,377	397		
Reliance Short-term Direct-MDR	10	22,259,618	250		
Reliance Money Manager Fund-Dir - DDR	1000	549,508	554		
Invesco India Medium Term Bond Fund- Dir-DDR	1000	160,856	166		
SBI Short Term Debt Fund -Dir- MDR	10	24,768,303	262		
UTI Banking & PSU Debt Fund -Dir- DDR	10	58,965,787	667		
UTI Treasury Advantage Fund - Direct - MDR	1000	291,479	292		
DBS Chola mutual fund					272
TOTAL (A)		689,582,762	9,406	68	672
UTI Fixed Term Income Fund Series XVIII - X (366 days)-Growth		-	-	-	22
TOTAL (B)		-	-	-	22
TOTAL (A+B)		689,582,762	9,406	68	694

Notes forming part of accounts

10. TRADE RECEIVABLES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Due from related parties (refer note 44)	638	856	412
Due from others	10,588	10,155	9,992
Considered doubtful	230	219	131
Less:- allowance for doubtful debts	(230)	(219)	(131)
	11,226	11,011	10,404

11 (I) CASH AND CASH EQUIVALENT

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Cash on hand	0	1	1
Balances with bank			
In current accounts			
- Overseas	914	872	650
- Domestic	231	223	235
In deposit accounts	159	4	125
Remittance in transit	568	95	222
	1,872	1,195	1,233

11 (II) DISCLOSURE OF SPECIFIED BANK NOTES (SBN):

(In ₹)

	SBN	Other denomination notes	Amount
Closing balance as on 8 November 2016	529,500	27,845	557,345
Add: permitted receipts from 9 November 2016 to 30 December 2016	-	350,086	350,086
Less: permitted payments from 9 November 2016 to 30 December 2016	-	157,770	157,770
Less: Amounts deposited in banks	529,500	-	529,500
Closing balance as on 30 December 2016	-	220,161	220,161

For the purposes of this clause, the term 'specified bank notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated the 8th November 2016.

12. OTHER BANK BALANCES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Earmarked balances with banks (Unclaimed dividend)	3	1	-
Cash and bank balance not available for immediate use	31	26	127
	34	27	127

Notes forming part of accounts

13. OTHER FINANCIAL ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Advances to employees	260	434	190
Forward contract receivable	2,251	812	1,635
Security deposits	154	143	112
Others	1	8	22
	2,666	1,397	1,959

14. OTHER CURRENT ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Prepaid expenses	809	752	926
Advances recoverable in cash or kind	44	63	250
Advances to vendors	22	9	15
	875	824	1,191

15. SHARE CAPITAL**I) Share capital authorised, issued, subscribed and paid up:**

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Authorised			
240,000,000 equity shares of ₹ 1 each	240	240	164
(240,000,000 equity shares of ₹ 1 each as on 31 March 2016)			
(32,750,000 equity shares of ₹ 5 each as on 01 April 2015)			
	240	240	164
Issued, paid up and subscribed			
170,571,113 equity shares for ₹ 1 each	171	170	161
(169,816,188 of ₹ 1 each as on 31 March 2016)			
(32,250,000 of ₹ 5 each as on 01 April 2015)			
	171	170	161

II) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

Notes forming part of accounts

III) Shareholders holding more than 5% of equity shares as at the end of the year:

Name of Shareholder	Number of Shares	Shareholding %
As at 31-03-2017		
Larsen & Toubro Limited	143,750,000	84.28%
As at 31-03-2016		
Larsen & Toubro Limited	161,250,000	94.96 %
As at 01-04-2015		
Larsen & Toubro Limited	32,250,000	100 %

Face value of shares as at 01-04-2015 was ₹ 5 and as at 31-03-2016 and 31-03-2017 is ₹ 1.

IV) Reconciliation of the number of equity shares and share capital:

Due to allotment of shares on exercise of stock options by employees, there was a movement in share capital for the year ended 31 March 2017 and year ended 31 March 2016 as given below:

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Issued, subscribed and fully paid up equity shares outstanding at the beginning	169,816,188	161,250,000	161,250,000
Add: Shares issued on exercise of employee stock options	754,925	8,566,188	-
Issued, subscribed and fully paid up equity shares	170,571,113	169,816,188	161,250,000

V) Stock option plans

Employee Stock Ownership Scheme ('ESOS Plan')

The grant of options to the employees under ESOS Plan is on the basis of their performance and other eligibility criteria.

Sr. no	Particulars	ESOP scheme 2000 I, II & III		ESOP scheme 2000 IV - XXI		U.S. Stock Option Sub-plan 2006		ESOP scheme 2015
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
i	Grant Price	₹ 5	₹ 5	₹ 2	₹ 2	USD 2.4	USD 2.4	₹ 1
ii	Grant Dates	01 April 2001 onwards		01 October 2001 onwards		15 March 2007 onwards		10 June 2016 onwards
iii	Vesting commences on	01 April 2002 onwards		01 October 2002 onwards		15 March 2008 onwards		10 June 2017 onwards
iv	Options granted and outstanding at the beginning of the year	82,660	1,965,015	2,350,106	9,367,335	143,650	450,500	-
v	Options reinstated during the year	-	3,500	-	454,580	-	-	-
vi	Options granted during the year	-	-	-	-	-	-	3,658,000

Notes forming part of accounts

Sr. no	Particulars	ESOP scheme 2000 I, II & III		ESOP scheme 2000 IV - XXI		U.S. Stock Option Sub-plan 2006		ESOP scheme 2015
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
vii	Options allotted during the year	11,830	1,851,855	725,445	6,407,483	17,650	306,850	-
viii	Options Lapsed/cancelled during the year	34,110	34,000	173,936	1,064,326	79,000	-	61,700
ix	Options granted and outstanding at the end of the year	36,720	82,660	1,450,725	2,350,106	47,000	143,650	3,596,300
x	Options vested at the end of the year out of (ix)	36,720	82,660	223,760	340,666	47,000	143,650	-
xi	Options unvested at the end of the year out of (ix)	-	-	1,226,965	2,009,440	-	-	3,596,300
xii	Weighted average remaining contractual life of options (in years)	-	-	1.7	2.7	-	-	6.2

The number and weighted average exercise price of stock options are as follows:

Particulars	2016-17		2015-16	
	No. of stock options	Weighted average exercise price	No. of stock options	Weighted average exercise price
I Options granted and outstanding at the beginning of the year	2,576,416	11.14	11,476,000	8.7
II Options reinstated during the year	-	-	458,080	2.02
III Options granted during the year	3,596,300	1.00	-	-
IV Options allotted during the year	754,925	5.64	2,916,181	8.46
V Options Lapsed/cancelled during the year	348,746	36.92	6,441,483	2.09
VI Options granted and outstanding at the end of the year	5,130,745	2.73	2,576,416	11.14
VII Options vested at the end of the year out of (vi)	307,480	25.84	566,976	43.51

- (VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended 31 March 2017 are Nil (previous period of five years ended 31 March 2016 - Nil)
- (VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended 31 March 2017 - Nil (previous period of five years ended 31 March 2016 - Nil)
- (VIII) During the year ended 31 March 2017, the amount of interim dividend distributed to equity shareholder was ₹6.85 per share at face value of ₹ 1 (previous year ₹ 32.65 per share at face value of ₹ 1).
- (X) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 621 per share.
- (XI) Weighted average fair value of options granted during the year is ₹407.39.

Notes forming part of accounts

(XII) The fair value has been calculated using the Black-Scholes Option Pricing model and significant assumptions and inputs to estimate the fair value options granted during the year are as follows:

Sr. no	Particulars	2016-17
i	Weighted average risk-free interest rate	7.10%
ii	Weighted average expected life of options	3 years
iii	Weighted average expected volatility	19.23%
iv	Weighted average expected dividends over the life of option	₹ 115.56
v	Weighted average share price	₹ 407.74
vi	Weighted average exercise price	₹ 1
vii	Method used to determine expected volatility	The expected volatility has been calculated entirely based on historic volatility IT Index, as historical data of the Company is not available being an unlisted company.

(XIII) The balance in share option outstanding account as at 31 March 2017 is ₹ 1,511 Mn (previous year ₹ 77 Mn)

16. OTHER EQUITY

(₹ in Mn)

	2016-17	2015-16
I) General reserve		
Opening balance	3,772	3,771
Add: Employee stock compensation expense	8	-
Add: general reserve on amalgamation	(317)	1
	3,463	3,772
II) Hedging reserve		
Opening balance	877	1,360
Add: movement in forward contracts	4,641	397
Less: amount reclassified to profit or loss	1,460	(1,298)
Less: deferred tax related to above	(977)	418
	3,081	877
III) Share premium		
Opening balance	1,473	1,181
Add: additions during the year	25	292
	1,498	1,473
IV) Employee stock option outstanding		
Opening balance	77	452
Add: addition during the year	1,492	-
Less: transferred to general reserve	(8)	(1)
Less: deductions during the year	(50)	(374)
	1,511	77
Deferred employee compensation expense		
Opening balance	-	-
Add: addition during the year	547	-

Notes forming part of accounts

	2016-17	2015-16
Less: deductions during the year	(1,492)	
	(945)	
Balance to be carried forward	566	77
V) Capital reserve		
Opening balance	0	0
Add: additions	-	-
	0	0
VI) Retained earnings		
Opening balance	13,272	11,203
Add: transfer due to amalgamation	365	
Add: profit for the year	9,376	8,562
Add: other comprehensive income	(45)	23
Less: dividend (including dividend distribution tax)	(1,978)	(6,516)
	20,990	13,272
	29,598	19,471

17. BORROWINGS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Secured loans*			
Term loans from bank	-	-	139
	-	-	139

18. PROVISIONS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Post-retirement medical benefit	174	124	104
Others	111	111	111
	285	235	215

19. CURRENT BORROWINGS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Secured loans*			
Other loans from banks	-	133	600
Unsecured loans	-		
Other loans from banks		266	1,300
	-	399	1,900

Notes forming part of accounts

20. CURRENT MATURITIES OF LONG TERM BORROWINGS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Secured loans*			
Term loans from banks		147	139
		147	139

Details of term loans

Nature of term loan	Rupees in Mn	Rate of interest	Terms of repayment of term loan
External commercial borrowings (ECB)	-	USD LIBOR (3 months) + 2.5%	Repayable in equal half-yearly instalments of USD 1.11 million each commencing from 19 October 2012 and ended on 14 October 2016.
Previous year	147		

*The secured loans from banks are secured against hypothecation of the Company's movable assets and accounts receivables.

21. TRADE PAYABLES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Due to related parties (Refer Note 44)	272	178	259
Due to others	1,011	1,393	467
Accrued expenses	2,071	1,812	1899
	3,354	3,383	2,625

22. OTHER FINANCIAL LIABILITIES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Unclaimed dividend	3	1	-
Employe liabilities	5,765	3,284	2,272
	5,768	3,285	2,272

23. OTHER CURRENT LIABILITIES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Other Payable	1,102	1,039	894
	1,102	1,039	894

Notes forming part of accounts

24 (I) PROVISIONS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Gratuity	157	87	97
Compensated absences	1,575	1,333	1,122
Post-retirement medical benefits	1	-	-
	1,733	1,420	1,219

24 (II) Disclosure pursuant to Accounting Standard (Ind-AS) 37 'Provisions, Contingent Liabilities and Contingent Assets' movement in provisions.

(₹ in Mn)

Sr. No.	Particulars	Class of provisions		
		Sales Tax	Others	Total
i	Balance as at 1-4-2016	4	7	11
ii	Additional provision during the year	-	-	-
iii	Provision used during the year	-	-	-
iv	Provision reversed during the year	-	-	-
v	Balance as at 31-03-2017	4	7	11

Nature of provisions:

- a) Provision for sales tax pertains to claim made by the authorities on certain transaction of capital nature for the year 2002-03.
- b) Provision for others represents liabilities relating to matters in dispute.

25. CURRENT INCOME TAX LIABILITIES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Incometax liabilities (net)	118	-	-
	118	-	-

26. REVENUE FROM OPERATIONS

(₹ in Mn)

	2016-17	2015-16
Revenue	61,829	55,685
	61,829	55,685

Notes forming part of accounts

27. OTHER INCOME

(₹ in Mn)

	2016-17	2015-16
Income from current investments in mutual fund	194	46
Interest received	16	18
Foreign exchange gain	1,522	1,670
Provision no longer required for doubtful debts	-	1
Dividends from subsidiaries	141	472
Miscellaneous income	110	97
	1,983	2,304

28. EMPLOYEE BENEFIT EXPENSES

(₹ in Mn)

	2016-17	2015-16
Salaries including overseas staff expenses	32,344	30,956
Share based payments to employees	428	-
Staff welfare	1,145	874
Contribution to provident and other funds	377	345
Contribution to superannuation fund	54	52
Contribution to gratuity fund	115	100
Contribution to social security and other funds	1,623	1,431
	36,086	33,758

29. OPERATING EXPENSES

(₹ in Mn)

	2016-17	2015-16
Communication expenses	187	177
Consultancy charges	4,772	4,134
Cost of equipment, hardware and software packages	3,313	2,360
	8,272	6,671

Notes forming part of accounts

30. SALES, ADMINISTRATION AND OTHER EXPENSES

	2016-17	2015-16
		(₹ in Mn)
Travelling and conveyance	1,636	1,388
Rent and establishment expenses	1,554	1,552
Telephone charges and postage	317	362
Legal and professional charges	609	536
Printing and stationery	37	25
Advertisement	191	112
Entertainment	70	70
Recruitment expenses	205	143
Repairs to building	132	113
Repairs to computers	79	60
General repairs and maintenance	393	318
Power and fuel	318	348
Equipment hire charges	13	13
Insurance charges	160	160
Rates and taxes	205	195
Allowance for doubtful debts and advances	16	87
Bad debts	-	5
Less: Provision written back	-	(5)
Books, periodicals and subscriptions	10	18
Directors fees	1	1
Commission to Directors	9	6
Loss on sale of fixed assets	12	27
Miscellaneous expenses	524	491
	6,491	6,025

31. FINANCE COST

	2016-17	2015-16
		(₹ in Mn)
Fixed loans	3	32
On others	29	26
	32	58

Notes forming part of accounts

32. TAX EXPENSES

(₹ in Mn)

	2016-17	2015-16
Current tax expense		
Current tax	2,915	2,981
Provision for earlier year written back	19	37
	2,934	3,018

33. DEFERRED TAX

(₹ in Mn)

	2016-17	2015-16
Deferred tax charge/credit	(28)	(51)
MAT credit entitlement for current year	(440)	(1,086)
	(468)	(1,137)

34. STATEMENT OF OTHER COMPREHENSIVE INCOME

(₹ in Mn)

	2016-17	2015-16
Items that will not be reclassified to profit or loss		
Defined benefit plan actuarial gain/(loss)	(57)	25
Income tax on defined benefit plan actuarial gain/(losses)	12	(2)
	(45)	23
Items that will be reclassified to profit or loss		
Net changes in fair value of cash flow hedges	3,181	(901)
Income tax on net changes in fair value of cash flow hedges	(977)	418
	2,204	(483)
	2,159	(460)

35. CONTINGENT LIABILITIES

(₹ in Mn)

	2016-17	2015-16
1. Income tax liability that may arise in respect of which the Company is in appeal *	1,971	1,339
2. Corporate guarantee given on behalf of subsidiary **	3,726	5,999
3. Service tax refund disallowed, in respect of which the Company is in the appeal #	81	12
1. Sales tax liability, in respect of which the Company is in appeal	-	1
	5,778	7,351

* Out of contingent tax liability disclosed above, ₹ 1,779 Mn (including interest of ₹ 184 Mn), pertains to the tax demand arising on account of disallowance of exemption under section 10A on profits earned by STPI Units on onsite export revenue. Company is pursuing appeal against these demands before the relevant Appellate Authorities.

The Company believes that its position is likely to be upheld by appellate authorities and considering the facts, the ultimate outcome of these proceedings is not likely to have material adverse effect on the results of operations or the financial position of the Company.

Notes forming part of accounts

** The Company has given a corporate guarantee on behalf of its wholly owned subsidiary L&T Infotech Financial Services Technologies Inc. The guarantee is for performance of all obligations by L&T Infotech Financial Services Technologies Inc. Canada in connection with the long term annuity services contracts obtained by them. The obligation under this guarantee is limited in aggregate to the amount of CAD 70,000,000.

The Company has given a corporate guarantee on behalf of its subsidiary, Larsen and Toubro Infotech South Africa (Proprietary) Limited. The guarantee is for performance of all obligations by Larsen & Toubro Infotech South Africa (Proprietary) Limited in connection with software development services and related services. The obligation under this guarantee is limited in aggregate to USD 5,000,000.

The Company had filed refund of accumulated service tax credit in accordance with relevant CENVAT credit Rules. However, the department has disallowed certain portion of such refunds considering the same as ineligible as not related with output services. The Company is in appeal against these disallowances before the relevant Authorities and is hopeful of getting a favourable order.

36. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹151 Mn (previous year ₹132 Mn).

37. EMPLOYEE BENEFITS

1) The amounts recognised in balance sheet are as follows

(₹ in Mn)

	Gratuity plan		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
A.			
a) Present value of defined benefit obligation			
- Wholly funded	684	580	507
- Wholly unfunded			
b) Fair value of plan assets as on*	527	493	410
Amount to be recognised as liability or (asset) (a-b)	157	87	97
Net liability/(asset)-current	157	87	97
Net liability/(asset)- non current	-	-	-

* Asset is not recognised in the balance sheet.

(₹ in Mn)

	Post-retirement medical benefit plan		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
A.			
a) Present value of defined benefit obligation			
- Wholly funded		-	-
- Wholly unfunded	175	124	104
b) Fair value of plan assets	-	-	-
Amount to be recognised as liability or (asset) (a-b)	175	124	104
B.			
Amounts reflected in the balance sheet			
Liability	175	124	104

Notes forming part of accounts

	Post-retirement medical benefit plan		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Assets	(-)	(-)	(-)
Net liability/(asset)	175	124	104
Net liability/(asset)-current	1	-	-
Net liability/(asset)- non current	174	124	104

	Provident fund plan (refer note (X)(iii) below)		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
A.			
a) Present value of defined benefit obligation			
- Wholly funded	4,910	4,254	3,776
- Wholly unfunded	-	(-)	(-)
	4,910	4,254	3,776
b) Fair value of plan assets			
Amount to be recognised as liability or (asset) (a-b)	4,939	4,264	3,779
	(29)	(10)	3
B.			
Amounts reflected in the balance sheet			
Liability	62	56	47
Assets	(-)	(-)	(-)
Net liability/(asset)#	62	56	47
Net liability/(asset)-current	62	56	47
Net liability/(asset)- non current	(-)	(-)	(-)

Employer's and employee's contribution for March 2017 paid in April 2017.

II) The amounts recognised in statement of profit and loss are as follows:

(₹ in Mn)

		Gratuity plan	
		2016-17	2015-16
i	Current service cost	112	98
ii	Past service cost	-	-
iii	Administration expenses	-	-
iv	Interest on net defined benefit liability/(asset)	3	7
v	(Gains)/losses on settlement	-	-
Total expense charged to profit and loss account		115	105

(₹ in Mn)

Notes forming part of accounts

		Post-retirement medical benefit plan	
		2016-17	2015-16
i	Current service cost	27	24
ii	Past service cost	-	-
iii	Administration expenses	-	-
iv	Interest on net defined benefit liability/(asset)	10	8
v	(Gains)/losses on settlement	-	-
Total expense charged to profit and loss account		37	32

(₹ in Mn)

		Provident fund plan	
		2016-17	2015-16
1	Current service cost	274	257
2	Interest cost	373	316
3	Expected return on plan assets	(373)	(316)
Total expense for the year included in staff cost		274	257

III) The amounts recognised in statement of other comprehensive income (OCI) are as follows:

(₹ in Mn)

Particulars	Gratuity plan		Post retirement medical benefit plan	
	2016-17	2015-16	2016-17	2015-16
Opening amount recognized in OCI	(14)	-	(11)	-
Re-measurements during the period due to:				
Changes in financial assumptions	41	5	32	4
Experience adjustments	(5)	(8)	(18)	(15)
Actual return on plan assets less interest on plan assets	6	(12)	-	-
Closing amount recognized in OCI	28	(14)	3	(11)

IV) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in Mn)

	Gratuity plan	
	2016-17	2015-16
Opening balance of defined benefit obligation	579	497
Current service cost	112	98
Past service cost	-	-
Interest on defined benefit obligation	41	36
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	41	5

Notes forming part of accounts

	Gratuity plan	
	2016-17	2015-16
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(5)	(8)
Benefits paid	(84)	(54)
Liabilities assumed/(settled)	-	5
Liabilities extinguished on settlements	-	-
Closing balance of defined benefit obligation	684	579

(₹ in Mn)

	Post-retirement medical benefit plan	
	2016-17	2015-16
Opening balance of defined benefit obligation	124	104
Current service cost	27	24
Past service cost	-	-
Interest on defined benefit obligation	10	8
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	31	4
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(18)	(15)
Benefits paid	-	-
Liabilities assumed/(settled)	-	-
Liabilities extinguished on settlements	-	-
Closing balance of defined benefit obligation	174	124

(₹ in Mn)

	Self-managed provident fund plan	
	2016-17	2015-16
Opening balance of defined benefit obligation	4,254	3,776
Add: Interest cost	373	316
Add: Current service cost	274	257
Add: Contribution by plan participants	617	581
Add/(Less): actuarial (gains)/losses		
Add: Business combination/acquisition		-
Less: Asset acquired/(settled)*	(50)	(182)
Liabilities assumed on acquisition/(settled on divestiture)		-
Less: Benefits paid	(558)	(494)
Closing balance of defined benefit obligation	4,910	4,254

Notes forming part of accounts

V) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in Mn)

Particulars	Gratuity plan		Self-managed provident fund plan	
	2016-17	2015-16	2016-17	2015-16
Opening balance of the fair value of the plan assets	493	405	4,264	3,779
Employer's contributions	87	97	271	244
Expected return on plan assets	38	29	373	316
Administration expenses				
Actuarial gains/(loss)			47	26
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	(7)	11		
Contribution by plan participants			592	575
Benefits paid	(84)	(54)	(558)	(494)
Assets acquired/(settled)*	-	5	(50)	(182)
Assets distributed on settlements	-	-		
Closing balance of plan assets	527	493	4,939	4264

*On account of business combination or inter -company transfer

The Company expects to contribute ₹ 157 Mn (₹ 87 Mn in 2015-16) towards its gratuity, in the next financial year.

The Company's share of defined benefit obligation/fair value of plan assets adjusted by the Trust of the holding company.

VI) The major categories of plan assets as a percentage of total plan assets are as follows:

(₹ in Mn)

	FY 2016-17	
	Gratuity plan	Provident fund plan
Government of India securities	Scheme with LIC	20.45%
State government securities		21.19%
Corporate bonds		14.50%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds		8.38%
Public sector bonds		32.84%
Mutual Funds		2.64%

Notes forming part of accounts

VII) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

		2016-17	2015-16
i	Discount rate		
	For gratuity	6.75%	7.75%
	For post -retirement medical benefits	6.75%	7.75%
ii	Annual increase in healthcare costs (see note below)	5.0%	5.0%
iii	Attrition rate:	Varies between 2% to 18%	Varies between 2% to 18%
iv	Salary growth rate	5.0%	5.0%

VIII) Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan (which in case of serving employees, if any, is based on service accrued by employee up to valuation date):

As on 31 March 2017

(₹ in Mn)

Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	96	1
Expected benefits for year 2	87	2
Expected benefits for year 3	86	2
Expected benefits for year 4	82	3
Expected benefits for year 5	77	3
Expected benefits for year 6	72	4
Expected benefits for year 7	66	5
Expected benefits for year 8	61	5
Expected benefits for year 9	54	6
Expected benefits for year 10 and above	469	1,036

As on 31 March 2016

(₹ in Mn)

Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	91	0
Expected benefits for year 2	81	2
Expected benefits for year 3	78	2
Expected benefits for year 4	75	2
Expected benefits for year 5	67	3
Expected benefits for year 6	63	3
Expected benefits for year 7	59	4
Expected benefits for year 8	55	5
Expected benefits for year 9	50	5
Expected benefits for year 10 and above	413	915

Notes forming part of accounts

The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

IX) Sensitivity analysis

i) Post retirement benefits:

Although the obligation of the Company under the post-retirement medical benefit plan is limited to the overall ceiling limits, assumed healthcare cost trend rates may affect the amounts recognised in the statement of profit and loss. The benefit obligation results for the cost of paying future hospitalization premiums to insurance company and reimbursement of domiciliary medical expenses in future for the employee/beneficiaries during their lifetime is sensitive to discount rate, future increase in healthcare costs and longevity. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

	2016-17
Discount Rate	
Impact of increase in 50 bps on defined benefit obligation	-9.84%
Impact of decrease in 50 bps on defined benefit obligation	11.32%
Healthcare costs rate	
Impact of increase in 100 bps on defined benefit obligation	17.87%
Impact of decrease in 100 bps on defined benefit obligation	-14.14%
Life expectancy	
Impact of increase by 1 year on defined benefit obligation	0.69%
Impact of decrease by 1 year on defined benefit obligation	-0.72%

ii) Gratuity:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Period ended 31 March 2017	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-3.09%	3.14%
Impact of decrease in 50 bps on defined benefit obligation	3.27%	-3.01%

X) General descriptions of defined benefit plans:

i) Gratuity plan

The Company makes contributions to the Employees' Company Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at retirement, 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.

Notes forming part of accounts

ii) Post-retirement medical benefit plan

The post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling limit sanctioned at the time of retirement. The ceiling limits are based on cadre of the employee at the time of retirement.

iii) Provident fund plan

The Company's provident fund plan is managed by its holding company through a Trust permitted under the Provident Fund Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The interest payment obligation of trust managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense in the period in which such loss occurs. Further, an amount of ₹ Nil has been provided based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

38. FINANCIAL INSTRUMENTS BY CATEGORY

- i) Carrying value of financial instruments by categories are as follows. The carrying value of financial assets and liabilities classified at amortised cost is considered to be same as their fair value due to short term nature of these assets and liabilities. Hence disclosure of fair value of these assets and liabilities have not been provided.

(₹ in Mn)

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost
Financial assets									
Current investments	9,406	-	-	68	-	-	694	-	-
Trade receivables	-	-	11,226	-	-	11,011	-	-	10,404
Unbilled revenue	-	-	4,668	-	-	3,700	-	-	1,435
Cash and cash equivalents	-	-	1,872	-	-	1,195	-	-	1,233
Other bank balances	-	-	34	-	-	27	-	-	127
Derivative financial instruments	220	3,897		-	944	-	-	2,062	-
Other financial assets	-	-	726	-	-	879	-	-	615
TOTAL	9,626	3,897	18,526	68	944	16,812	694	2,062	13,814

(₹ in Mn)

Notes forming part of accounts

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost	Fair value through P&L ('FVTPL')	Fair value through OCI ('FVTOCI')	Amortised cost
Financial liability									
Borrowings	-	-	-	-	-	399	-	-	2,039
Current maturities of long term borrowings	-	-	-	-	-	147	-	-	139
Trade payables	-	-	3,354	-	-	3,383	-	-	2,625
Other financial liabilities	-	-	5,768	-	-	3,285	-	-	2,272
TOTAL	-	-	9,122	-	-	7,214	-	-	7,075

II) Total of carrying value of financial assets and liabilities as given below

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Financial assets			
Current investments	9,406	68	694
Trade receivables	11,226	11,011	10,404
Unbilled revenue	4,668	3,700	1,435
Cash and cash equivalents	1,872	1,195	1,233
Other bank balances	34	27	127
Derivative financial instruments	4,117	944	2,062
Other financial assets	726	879	615
TOTAL	32,049	17,824	16,570
Financial liability			
Borrowings	-	399	2,039
Current maturities of long term borrowings	-	147	139
Trade payables	3,354	3,383	2,625
Other financial liabilities	5,768	3,285	2,272
TOTAL	9,122	7,214	7,075

(III) Fair value hierarchy used by the Company for valuation of financial assets and liabilities recognised at FVTPL and FVTOCI is as below:

Level 1- Quoted prices (unadjusted) in the active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included with in level 1 that are observable for assets or liabilities either directly or indirectly.

Notes forming part of accounts

Level 3- Inputs for assets or liabilities that are not based on observable market data.

(₹ in Mn)

	As at 31 March 2017				As at 31 March 2016				As at 1 April 2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Current investments	9,406	-	-	9,406	68	-	-	68	694	-	-	694
Trade receivables	-	4,117	-	4,117	-	944	-	944	-	2,062	-	2,062
TOTAL	9,406	4,117	-	13,523	68	944	-	1,012	694	2,062	-	2,756

(IV) Financial risk management

The Company is exposed to foreign currency risk, interest rate risk, credit or counterparty risk and liquidity risk.

i) Currency risk

Primary market risk to the Company is foreign exchange risk.

The Company uses derivative financial instruments to mitigate foreign exchange related exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

The Company's operations are principally in foreign currencies and the maximum exposure is in US dollars.

The Board of Directors has approved the Company's financial risk management policy covering management of foreign currency exposures. The treasury department, monitors the foreign currency exposures and takes appropriate forward covers to mitigate its risk. The Company hedges its exposure on a net basis (i.e. expected earnings in foreign currency less expected expenditure in related currency) These hedges are cash flow hedges as well as hedges not designated as cash flow hedges.

The Company does not enter into hedge transactions for either trading or speculative purposes.

The outstanding forward contracts at the year end their maturity profile and sensitivity analysis are as under.

Fair value of forward contracts as at 31 March 2017, 31 March 2016 and 1 April 2015 was ₹57,886 Mn, ₹42,009 Mn, ₹53,726 Mn respectively. Outstanding number of contracts as at 31 March 2017 were 269, 31 March 2016 were 118 and 1 April 2015 were 200.

A) Notional value of contracts is given as below:

Currency	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Amount in USD Mn	Amount in INR Mn	Amount in USD Mn	Amount in INR Mn	Amount in USD Mn	Amount in INR Mn
USD-INR	848	61,818	601	42,754	808	54,912

B) The foreign exchange forward contracts mature maximum within 36 months. The table below analyses the derivative financial instrument into relevant maturity grouping based on the remaining period as of the balance sheet. Contracts with maturity not later than twelve months include certain contracts which can be rolled over to subsequent periods in line with underlying exposures.

(₹ in Mn)

Notes forming part of accounts

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
In USD			
Not later than twelve months	29,509	28,002	37,460
Later than twelve months	32,309	14,752	17,452
TOTAL	61,818	42,754	54,912

C) Value-at- Risk (VaR)

To provide a meaningful assessment of the foreign currency risk associated with the Company's foreign currency derivative positions against off balance sheet exposures and unhedged portion of on-balance sheet exposures, the Company uses a multi-currency correlated VaR model. The VaR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VaR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VaR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Company uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increases in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VaR of the Company at 95% confidence level is ₹ 410 Mn as at 31 March 2017 (₹ 247 Mn as at 31 March 2016).

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, 2017 due to the inherent limitations associated with predicting the timing and amount of changes in foreign currency exchanges rates and the Company's actual exposures and position.

ii) Interest risk:

The Company has no interest rate risk in case of borrowings as at 31 March 2017. However the Company invests its surplus funds in debt mutual funds. The Company mitigates the risk of counter-party failure by investing in mutual fund schemes with large asset under management and having investments in debt instruments issued with sound credit rating.

Net Asset Values (NAV) of debt mutual funds are subject to changes in interest rates. Every five percent increase or decrease in the NAV of debt mutual funds where the Company holds investments will impact the Company's profit after tax by ₹470 Mn in 2016-2017 and ₹3 Mn in 2015-2016.

iii) Credit risk

The principal credit risk that the Company exposed to is non-collection of trade receivable and late collection of receivable 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 makes adequate provision for non-collection of trade receivable. Further, the Company has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable, the Company has made provision for expected credit loss ('ECL') based on ageing analysis of its trade receivable. These range from 1.7% for dues outstanding up to six months to 21.3% for dues outstanding for more than 36 months for 2016-17 (Previous year 1.9% and 23.5% for dues outstanding upto 6 months and for more than 36 months respectively). No provision has been made on trade receivables in not due category.

ECL allowance for non-collection of receivable and delay in collection, on a combined basis were ₹ 65 Mn and ₹ 62 Mn for the financial years 2016-17 and 2015-16 respectively. The movement in allowance for doubtful debts comprising provision for both non collection of receivables and delay in collections is as follows:

	2016-17	2015-16
Opening balance	62	61
Impairment loss recognised or (reversed)	3	1
Closing balance	65	62

(₹ in Mn)

Notes forming part of accounts

The percentage of revenue from its top five customers is 37.6% for 2016-17 (37.5% for 2015-16).

The counter-party risk that 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 counter-parties for all its hedge instruments and in addition, entered into suitable credit support agreements to cap counter party risk where necessary.

iv) Liquidity risk

The Company's treasury department monitors the cash flows of the Company and surplus funds are invested in non-speculative financial instruments that are usually highly liquid funds.

The Company has no borrowings as on 31 March 2017 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 Mn)

Particulars	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Within a year	More than one year	Total	Within a year	More than one year	Total	Within a year	More than one year	Total
Borrowings	-	-	-	399	-	399	1,900	139	2,039
Current maturities of long term borrowings	-	-	-	147	-	147	139	-	139
Trade payables	3,354	-	3,354	3,383	-	3,383	2,625	-	2,625
Other financial Liabilities	5,768	-	5,768	3,285	-	3,285	2,272	-	2,272
TOTAL	9,122	-	9,122	7,214	-	7,214	6,936	139	7,075

(₹ in Mn)

Particulars	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Within a year	More than one year	Total	Within a year	More than one year	Total	Within a year	More than one year	Total
Current investments	9,406	-	9,406	68	-	68	694	-	694
Trade receivables	11,226	-	11,226	11,011	-	11,011	10,404	-	10,404
Unbilled revenue	4,668	-	4,668	3,700	-	3,700	1,435	-	1,435
Cash and cash equivalent	1,872	-	1,872	1,195	-	1,195	1,233	-	1,233
Other bank balances	34	-	34	27	-	27	127	-	127
Derivative financial instruments	2,251	1,866	4,117	812	132	944	1,635	427	2,062
Other financial assets	415	311	726	585	294	879	324	291	615
TOTAL	29,872	2,177	32,049	17,398	426	17,824	15,852	718	16,570

Notes forming part of accounts

39. LEASES

(I) Finance leases

In accordance with Ind AS 17 'Leases' the assets acquired under finance leases are capitalised and a loan liability is recognised for an equivalent amount. Consequently depreciation is provided on such assets. Lease rentals paid are allocated to the liability and the interest is charged to statement of profit and loss.

(II) Operating leases

The Company has taken certain premises, office equipment and employee cars under non-cancellable operating leases. The rental expense in respect of operating leases was ₹1,554 Mn. (previous year ₹1,552 Mn) and the future rentals payable are as follows:

	2016-17	2015-16
Minimum lease payments		
- payable not later than 1 year	814	782
- payable after 1 year but not later than 5 years	3,342	4,075
- payable after 5 years	565	646
	4,721	5,503

(₹ in Mn)

40. AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX) CHARGED TO THE ACCOUNTS INCLUDE:

	2016-17	2015-16
Audit fees	2	1
Tax audit fees	-	-
Other services	2	2
Expense reimbursement	-	-
	4	3

(₹ in Mn)

41. BASIC AND DILUTED EARNINGS PER SHARE (EPS) AT FACE VALUE OF ₹ 1

	2016-17	2015-16
Profit after tax (₹ in Mn)	9,376	8,562
Weighted average number of shares outstanding	170,112,899	163,914,663
Basic EPS (₹)	55.11	52.23
Weighted average number of shares outstanding	170,112,899	163,914,663
Add: weighted average number of potential equity shares on account of employee options	3,879,583	5,665,080
Weighted average number of shares outstanding	173,992,482	169,579,743
Diluted EPS (₹)	53.89	50.49

Notes forming part of accounts

42. AMALGAMATION OF SUBSIDIARY

GDA Technologies Limited (GDA) has been amalgamated with the Company with effect from 1 April 2016. The Board of Directors of the Company and GDA have approved the scheme of amalgamation of GDA with the Company on October 17, 2014, with April 01, 2016 as the appointed date. Accordingly, a petition for sanctioning the scheme of amalgamation has been filed with the Hon'ble High Court of Judicature at Bombay and the Hon'ble High Court of Judicature at Madras. The Scheme has been sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated 1 April 2016 and the approval of the Scheme by the Hon'ble High Court of Madras is sanctioned on 3 August 2016 with effective 1 April 2016. The difference between the amounts recorded as investments of the Company and the amount of share capital of GDA has been adjusted in the general reserve.

The amalgamation is accounted in accordance with 'pooling of interest method' as per Ind AS 103 'Business Combinations' and in accordance with scheme approved by the Hon'ble High Court of Bombay and Hon'ble High Court of Madras.

- I) All assets and liabilities (including contingent liabilities), reserves, benefits under income-tax, benefits for under special economic zone registrations, duties and obligations of GDA have been recorded in the books of account of the Company at their carrying amounts.
- II) The amount of share capital of GDA has been adjusted against the corresponding investment balance held by the Company in the amalgamating company and the excess of share capital over the investment has been adjusted against general reserve.
- III) Accordingly, the amalgamation has resulted in transfer of assets and liabilities as on 1 April 2016 in accordance with the terms of the Scheme at the following summarized values:

Particulars	(₹ in Mn)	
	Amount	Amount
Current assets		
Investments	362	
Other Current assets	9	371
Total assets		371
Liabilities	-	-
Net assets		371

The following balances as on 1 April 2016 have been added to the respective opening balances of the Company:

(₹ in Mn)	
General reserve	4
Profit and loss balance	365

The amount charged against general reserve of the Company pursuant to amalgamation is as follows:

(₹ in Mn)	
Investment in the amalgamating company	323
Share capital taken over from the amalgamating company	2
Amount charged against general reserve	321

Notes forming part of accounts

43. ACQUISITION OF SUBSIDIARY

On 30 November 2016, the Company has acquired 100% stake in a Pune based company, AugmentIQ Data Sciences Private Limited (AugmentIQ) for ₹ 71 Mn.

44. RELATED PARTY DISCLOSURE:

(I) Parent company/Ultimate holding company: Larsen & Toubro Limited

(II) List of related parties over which control exists/exercised:

Name	Relationship
Larsen & Toubro Infotech GmbH	Wholly owned subsidiary
Larsen & Toubro Infotech Canada Limited	Wholly owned subsidiary
Larsen & Toubro Infotech LLC	Wholly owned subsidiary
L&T Infotech Financial Services Technologies Inc.	Wholly owned subsidiary
Larsen & Toubro Infotech South Africa (Proprietary) Limited	Subsidiary
AugmentIQ Data Sciences Private Limited	Wholly owned subsidiary
L&T Information Technology Services (Shanghai) Co. Limited	Wholly owned subsidiary
Larsen & Toubro Infotech Austria GmbH	Wholly owned subsidiary
L&T Information Technology Spain, Sociedad Limitada	Wholly owned subsidiary
L&T Infotech S.de. RL. C.V	Subsidiary

(III) Key Management Personnel:

Name	Status
Mr. Sanjay Jalona	Chief Executive Officer & Managing Director ¹
Mr. Aftab Zaid Ullah	Chief Operating Officer (COO) ² & Whole Time Director
Mr. Sudhir Chaturvedi	President - Sales (President) ³ & Whole Time Director
Mr. Ashok Kumar Sonthalia	Chief Financial Officer ⁴
Mr. V. K. Magapu	Managing Director ⁵
Mr. Chandrashekara Kakal	Chief Operating Officer ⁶
Mr. K.R.L Narasimham	Executive Director ⁷
Mr Sunil Pande	Executive Director ⁸

1 Appointed as Chief Executive Officer & Managing Director w.e.f. August 10, 2015

2 Appointed as COO w.e.f February 09 2016 and Whole Time Director w.e.f November 09, 2016

3 Appointed as President w.e.f September 12, 2016 and Whole time Director w.e.f November 09, 2016

4 Appointed as Chief Financial Officer w.e.f August 26, 2015

5 Ceased to be Director w.e.f September 25, 2015

6 Ceased to be Director w.e.f August 26, 2015

7 Ceased to be Director w.e.f April 07, 2015

8 Ceased to be Director w.e.f August 25, 2015

Notes forming part of accounts

(IV) List of related parties with whom there were transactions during the year:

Name	Relationship
Larsen & Toubro Limited	Holding Company
L&T Hydrocarbon Engineering Limited	Fellow Subsidiary
Larsen & Toubro (East Asia) SDN.BHD	Fellow Subsidiary
L&T Electrical and Automation Saudi Arabia Company Limited LLC	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
L&T General Insurance Company Limited	Fellow Subsidiary
L&T Infrastructure Development Projects Limited	Joint venture of Holding Company
Larsen & Toubro Kuwait Construction General Contracting Company, WLL	Fellow Subsidiary
L&T Infrastructure Finance Company Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow Subsidiary
L&T Technology Services Limited	Fellow Subsidiary
L&T Valves Limited	Fellow Subsidiary
L&T Investment Management Limited	Fellow Subsidiary
L&T Construction Equipment Limited	Fellow Subsidiary
Larsen & Toubro LLC	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Electrical & Automation FZE	Fellow Subsidiary
Spectrum Infotech Pvt Ltd	Fellow Subsidiary
Family Credit Limited	Fellow Subsidiary
PT. Tamco Indonesia	Fellow Subsidiary
L&T Special Steels and Heavy Forgings Private Limited	Joint venture of Holding Company
L&T Thales Technology Services Private Limited	Fellow Subsidiary
L&T Capital Markets Limited	Fellow Subsidiary
L&T Housing Finance Limited	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T MHPS Boilers Private Limited	Joint venture of Holding Company
L&T Sapura Shipping Private Limited	Joint venture of Holding Company

Details of transactions between the Company and other related parties are disclosed below.

(₹ in Mn)

Transaction	Holding company	
	2016-17	2015-16
Sale of services/products	1,279	1,101
Sale of assets	1	109
Purchases of services/products	161	275
Overheads charged by	557	635
Overheads charged to	223	82
Trademark fees paid	167	105
Trade receivable	82	463
Interim dividend	985	5,265
Contributions to PF	271	244
Guarantees received	2,023	2,023
Final dividend paid	441	-

Notes forming part of accounts

Trade payables to holding company as on 1 April 2015 was ₹146 Mn.

(₹ in Mn)

Transaction	Joint venture of Holding Company	
	2016-17	2015-16
Sale of services/products	11	7
- L&T Infrastructure Development Projects Limited	7	6
- L&T MHPS Boilers Private Limited	2	-

(₹ in Mn)

Transaction	Fellow subsidiaries	
	2016-17	2015-16
Sale of services/products	366	417
- L&T Metro Rail Hyderabad Ltd	1	64
- L&T Technology Services Ltd.	114	51
- L&T Hydrocarbon Engineering Limited	69	79
- L&T Thales Technology Services Private Limited	101	96
Sale of assets	8	8
- L&T Technology Services Ltd.	7	8
Purchases of services/products	553	694
- L&T Technology Services Ltd.	553	694
Overheads charged by	40	38
- Larsen & Toubro East Asia	23	24
- L & T Electrical & Automation FZE	2	7
- Larsen & Toubro Kuwait Construction General Contracting Company, WLL	-	6
- L&T Technology Services Limited	14	-
Overheads charged to	290	441
- L&T Technology Services Limited	279	440
Commission charged	3	5
Trade receivable	477	275
Trade payable	154	64

Trade payable to fellow subsidiaries as on 1 April 15 was ₹11 Mn and Trade receivables from fellow subsidiaries as on 1 April 2015 was 71 Mn.

(₹ in Mn)

Transaction	Subsidiaries	
	2016-17	2015-16
Sale of services/products	1,887	1,500
- Larsen & Toubro Infotech GmbH	449	493
- L&T Infotech Financial Services Technologies Inc.	317	331
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	223	392
- Larsen & Toubro Infotech Canada Limited	443	278
- L&T Information Technology Spain, Sociedad Limitada	413	-

Notes forming part of accounts

Transaction	Subsidiaries	
	2016-17	2015-16
Purchases of services/products	435	348
- Larsen & Toubro Infotech LLC	94	133
- Larsen & Toubro Infotech Canada Limited	215	194
- L&T Information Technology Spain, Sociedad Limitada	51	-
- L&T Infotech Austria GmbH	60	-
Overheads charged by	27	22
- Larsen & Toubro Infotech GmbH	13	20
- L&T Information Technology Spain, Sociedad Limitada	6	-
- L&T Infotech South Africa Pty Ltd	7	-
Overheads charged to	344	146
- Larsen & Toubro Infotech Canada Limited	67	52
- Larsen & Toubro Infotech GmbH	59	64
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	13	21
- L&T Information Technology Spain, Sociedad Limitada	177	-
Commission charged	4	4
- Larsen & Toubro Infotech South Africa (Proprietary) Limited	4	4
Dividend received	141	472
- Larsen & Toubro Infotech Canada Limited	50	-
- L&T Infotech Financial Services Technologies Inc.	90	472
Trade receivable	79	118
Trade payable	118	115
Guarantees given (Refer note 35)	3,726	5,998

Trade payable to subsidiaries as on 1 April 2015 was ₹ 102 Mn and trade receivables from subsidiaries as on 1 April 2015 was ₹ 341 Mn.

(V) Outstanding material balances with related parties*

(₹ in Mn)

Party	Nature	Amount (Payable./)Receivable		
		2016-17	2015-16	2014-15
L&T Metro Rail (Hyderabad) Ltd	Trade receivable	21	36	-
L&T Thales Technology Services Private Limited	Trade receivable	15	15	28
L&T Technology Services Limited	Trade (payable)/receivable	(145)	(53)	39
Larsen & Toubro East Asia	Trade (payable)	-	(9)	(10)
L & T Information Technology, Canada Limited	Trade receivable	49	21	75
L&T Information Technology Spain, Sociedad Limitada	Trade receivable	194	-	-
L&T Infotech South Africa Proprietary Limited	Trade receivable	66	213	211
Larsen & Toubro Infotech GMBH	Trade receivable	98	3	24
L&T Infotech LLC	Trade (payable)	(117)	(115)	(112)

* All balances are unsecured and to be settled in cash.

Notes forming part of accounts

(VI) Managerial remuneration

(₹ in Mn)

	2016-17	2015-16
Short term employee benefits	169	56
Contribution to funds	10	1
Share based payments (on options granted)	286	Nil

(₹ in Mn)

	2016-17	2015-16
Mr. Sanjay Jalona	214	34
Mr. Aftab Zaid Ullah	97	-
Mr. Sudhir Chaturvedi	123	-

45. SEGMENTAL REPORTING

Segments have been identified in accordance with Indian Accounting standards ('Ind AS') 108 on operating segments considering the risk or return profiles of the business. As defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company performance and allocates resources based on an analysis of various performance indicators. Accordingly, information has been presented for the Company's operating segments. The accounting is consistently applied to record revenue and expenses for respective segments and as are set out in significant accounting policies.

The Company has two business segments. Services cluster includes Banking & Financial Services, Insurance, Media & Entertainment, Travel & Logistics and Healthcare and others. Industrial cluster includes Hi Tech and Consumer Electronics, Consumer, Retail & Pharma, Energy & Process, Automobile & Aerospace, Plant Equipment & Industrial Machinery, Utilities and Engineering and Construction and others. The Company has presented its segment results accordingly.

I) The revenue and operating profit by segments is as under:

(₹ in Mn)

	Services Cluster		Industrial Cluster		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue	33,783	29,190	28,046	26,495	61,829	55,685
Segmental operating profit	8,832	6,514	6,075	6,699	14,907	13,213
Unallocable expenses (net)					3,927	3,982
Other income					1,983	2,304
Finance cost					32	58
Depreciation and amortization expenses					1,089	1,034
Profit before tax					11,842	10,443

II) Revenues on the basis of the geographical location of the customers is as under:

(₹ in Mn)

Geography	Revenue from operations	
	2016-17	2015-16
North America	42,249	38,187
Europe	11,267	9,702
India	4,361	3,394
APAC	1,562	1,653
ROW	2,390	2,749
TOTAL	61,829	55,685

Notes forming part of accounts

46. EVENTS OCCURRING AFTER THE REPORTING PERIOD:

The Board of Directors at its meeting held on 4 May 2017, has declared final dividend of ₹ 9.70 per equity share (Face value Re 1).

47. DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES:

	As at 31 March 2017	As at 31 March 2016
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
# The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are- no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.	-	-

48. FIRST-TIME ADOPTION OF IND-AS

The Financial statements of the Company for the year ended 31 March 2017 have been prepared in accordance with Ind AS. This is the first set of financial statements in accordance with Ind AS. The Company has followed Ind AS 101: 'First time adoption of Indian Accounting Standards', with 1 April, 2015 as the transition date.

The transition to Ind AS has resulted in changes in the presentation of the financial statement, disclosures in the notes thereto including accounting policies. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017 and the comparative financial statements.

Impact of the transition from iGAAP to Ind AS on the Company's financial statements, exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 and reconciliation of financial statements is explained below:

(I) Exemptions availed on first time adoption of Ind-AS 101

i) Business combinations:

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a date when the entity acquires the control of the subsidiary. The Company has availed the exemption and has restated the balances prospectively as on the date of transition.

Notes forming part of accounts

ii) Deemed cost:

Ind AS 101 permits a first-time adopter to elect fair valuation or to continue with the carrying value for property, plant and equipment measured as per the iGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. On transition to Ind AS, the Company has elected to continue with the carrying value of its property plant and equipment recognized as at 1 April 2015 measured as per the Indian GAAP.

iii) Share-based payment

A first time adopter has option to apply provisions of Ind AS 102 Share-based payments to equity instruments that were granted on or before the date of transition to Ind AS. Accordingly, at the date of transition, the Company has measured such unvested options at fair value.

(II) Reconciliations as required under Ind AS 101 as at 31 March 2016 and 1 April 2015 are as given below:

Equity Reconciliation

Particulars	(₹ in Mn)	
	At at 31 March 2016	At at 1 April 2015
Equity under iGAAP attributable to:		
Larsen & Toubro Infotech Limited	18,663	19,255
Adjusted effect of ISRC merger	-	(588)
Equity under iGAAP	18,633	18,667
Proposed dividend including tax on dividend	500	-
Provision for expected credit loss based on ageing of trade receivables	(62)	(61)
Others	(13)	(9)
Tax impact	583	(469)
Total equity as per Ind AS	19,641	18,128

(III) Total comprehensive income reconciliation

Particulars	(₹ in Mn)	
	2015-16	
Net Profit under iGAAP	9,381	
Foreign exchange premia on forward contracts not to be recognized in financial statements	(1,061)	
Actuarial (gains)/losses on employee defined benefit plans recognised in other comprehensive income	(25)	
Measurement of investments at fair value	(1)	
Others	(1)	
Tax impact	269	
Net Profit for the period under Ind AS	8,562	
Other comprehensive Income	(460)	
Total comprehensive income for the period under Ind AS	8,102	

Notes forming part of accounts

IV) Reconciliation of Balance sheet under iGAAP and Ind AS as at 31 March 2016

(in ₹ Mn)

Particulars	As at 31-03-2016	Ind AS Adjustment	As at 31-03-2016
	(iGAAP)		(Ind AS)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2,650	-	2,650
(b) Capital work-in-progress	1	-	1
(c) Other intangible assets	554	-	554
(d) Intangible assets under development	188	-	188
(e) Financial assets			
(i) Investments	3,157	-	3,157
(ii) Other financial assets	1,674	(1,248)	426
(f) Deferred tax assets(net)	1,616	582	2,198
(g) Income tax assets (net)	861	-	861
(h) Other non-current assets	1,212	80	1,292
Total non-current assets	11,913	(586)	11,327
Current assets			
(a) Financial assets			
(i) Investments	68	(0)	68
(ii) Trade receivable	11,073	(62)	11,011
(iii) Unbilled revenue	3,700	0	3,700
(iv) Cash and cash equivalents	1,195	-	1,195
(v) Other bank balances	26	1	27
(vi) Other financial assets	2,990	(1,593)	1,397
(b) Other current assets	798	26	824
Total current assets	19,850	(1,628)	18,222
TOTAL ASSETS	31,763	(2,214)	29,549
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	170	-	170
(b) Other equity	-		-
(i) Other reserves	2,514	3,685	6,199
(ii) Retained earnings	15,948	(2,676)	13,272
Total equity	18,632	1,009	19,641

Notes forming part of accounts

Particulars	As at 31-03-2016	Ind AS Adjustment	As at 31-03-2016
	(iGAAP)		(Ind AS)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	1,149	(1,149)	-
(b) Provisions	235	-	235
Total non-current liabilities	1,384	(1,149)	235
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	399	-	399
(ii) Current maturities of long term borrowings	147	-	147
(iii) Trade payables	3,383	-	3,383
(iv) Other financial liabilities	4,859	(1,574)	3,285
(b) Other current liabilities	1,039	-	1,039
(c) Provisions	1,920	(500)	1,420
Total current liabilities	11,747	(2,074)	9,673
TOTAL EQUITY AND LIABILITIES	31,763	(2,214)	29,549

IV) Reconciliation of statement of Profit & loss under iGAAP and Ind AS for the year ended on 31 March 2016

Particulars	April 15 - March 16	Ind AS Adjustment	April 15 - March 16
	iGAAP		Ind AS
Total income:			
Revenue from operations	55,695	(10)	55,685
Other income	3,341	(1,037)	2,304
	59,036	(1,047)	57,989
Expenses:			
Employee benefit expense	33,838	(80)	33,758
Operating & other expenses	6,671	-	6,671
Sales, administration and other expenses	5,903	122	6,025
Finance costs	58	-	58
Depreciation on tangible assets	654	-	654
Amortisation of intangible assets	380	-	380
Total expenses	47,504	42	47,546
Profit after extraordinary items and before tax	11,532	(1,089)	10,443

Notes forming part of accounts

(in ₹ Mn)

Particulars	April 15 - March 16	Ind AS Adjustment	April 15 - March 16
	iGAAP		Ind AS
Tax expense			
Current tax (net)	2,713	305	3,018
Deferred tax	(563)	(574)	(1,137)
	2,150	(269)	1,881
Net profit for the year	9,382	(820)	8,562
Other comprehensive income	-	(460)	(460)
Total comprehensive income for the year	9,382	(1,280)	8,102

V) Reconciliation of Balance sheet under iGAAP and Ind AS as at 1 April 2015

(in ₹ Mn)

Particulars	As at 01-04-2015	Ind AS Adjustment	As at 01-04-2015
	iGAAP		Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2,617	24	2,641
(b) Capital work-in-progress	48	-	48
(c) Other intangible assets	756	3	759
(d) Intangible assets under development	195	-	195
(e) Financial assets			
(i) Investments	3,953	(807)	3,146
(ii) Other financial assets	1,234	(516)	718
(iii) Trade receivable		-	-
(f) Deferred tax assets(net)	1,431	(461)	970
(g) Income tax assets (net)	923	31	954
(h) Other non-current assets	958	99	1,057
Total non-current assets	12,115	(1,627)	10,488
Current assets			
(a) Financial Assets			
(i) Investments	622	72	694
(ii) Trade receivable	10,466	(62)	10,404
(iii) Unbilled revenue	1,435	0	1,435
(iv) Cash and cash equivalents	1,215	18	1,233
(v) Other bank balances	126	1	127

Notes forming part of accounts

(in ₹ Mn)

Particulars	As at 01-04-2015	Ind AS Adjustment	As at 01-04-2015
	iGAAP		Ind AS
(vi) Other financial assets	2,072	(113)	1,959
(b) Other current assets	1,160	31	1,191
Total current assets	17,096	(53)	17,043
TOTAL ASSETS	29,211	(1,680)	27,531
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	161	-	161
(b) Other equity			
(i) Other reserves	5,639	1,125	6,764
(ii) Retained earnings	13,454	(2,251)	11,203
Total equity	19,254	(1,126)	18,128
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	139	-	139
(ii) Other financial liabilities	447	(447)	-
(b) Provisions	215	-	215
Total non-current liabilities	801	(447)	354
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	1,898	2	1,900
(ii) Current maturities of long term borrowings	139	-	139
(iii) Trade payables	2,653	(28)	2,625
(iv) Other financial liabilities	2,364	(92)	2,272
(b) Other current liabilities	890	4	894
(c) Provisions	1,212	7	1,219
Total Current Liabilities	9,156	(107)	9,049
TOTAL EQUITY AND LIABILITIES	29,211	(1,680)	27,531

Notes forming part of accounts

49. Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the Year 2016-17 is ₹ 173 Mn. The amount recognised as expense in the statement of profit & loss on CSR related activities during the year ended 31 March 2017 is ₹ 65 Mn, which comprises of:

(₹ in Mn)

Particulars	Disclosed under	In cash	Yet to be paid in cash	Total
General purposes	Miscellaneous expenses in Note No 30	55	10	65

50. The Company is not required to transfer any amount to Investor Education and Protection Fund.
51. The financial statements were approved by the Board of Directors on 04 May 2017.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No: 38332

Ashok Kumar Sonthalia

Chief Financial Officer

Sanjay Jalona

Chief Executive Officer
& Managing Director

DIN : 07256786

Aftab Zaid Ullah

Chief Operating Officer
& Whole Time Director

DIN : 05165334

Mumbai

May 04, 2017

Independent Auditor's Report

To the Members of Larsen & Toubro Infotech Limited

REPORT ON THE CONSOLIDATED INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Larsen & Toubro Infotech Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including consolidated other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'consolidated Ind AS financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease

operations, or has no realistic alternative 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 RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Company as at 31 March 2017, and its consolidated financial performance including consolidated other comprehensive

income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of ₹ 4,997 million and net assets of ₹ 3,909 million as at 31 March 2017 and total revenues of ₹ 5,522 million and net cash inflows of ₹ 1,054 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by 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 section 143(3) and (11) of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

These subsidiaries are located outside India and their financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management have converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of these subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 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 reports of the other auditor;
 - c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this report are in agreement with the books of account;

- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - refer Note 36 to the consolidated Ind AS financial statements;
 - ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts - refer Note 39 to the consolidated Ind AS financial statements;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India - refer Note 48 to the consolidated Ind AS financial statements; and;
 - iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and are in accordance with the books of accounts maintained by the Company- refer Note 12(II) to the consolidated Ind AS financial statements.

FOR SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W

FIRDOSH D. BUCHIA

Partner
Membership No. 38332

Mumbai, 4 May 2017

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

We have audited the internal financial controls over financial reporting of Larsen & Toubro Infotech Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

FOR SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W

FIRDOSH D. BUCHIA

Partner
Membership No. 38332

Mumbai, 4 May 2017

Consolidated Balance Sheet

as at March 31, 2017

(₹ in Mn)

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	2,578	2,792	2,750
(b) Capital work-in-progress	4	9	7	53
(c) Goodwill	4	993	978	963
(d) Other intangible assets	4	1,848	2,606	3,122
(e) Intangible assets under development	4	4	188	198
(f) Financial assets				
(i) Investments	5	-	0	0
(ii) Other financial assets	6	2,177	426	718
(g) Deferred tax assets	7	1,434	2,213	988
(h) Income tax assets (net)	8	722	886	976
(i) Other non-current assets	9	1,292	1,323	1,087
Total Non-current assets		11,057	11,419	10,855
Current assets				
(a) Financial assets				
(i) Investments	10	9,406	429	1,037
(ii) Trade receivable	11	11,697	11,661	10,827
(iii) Unbilled revenue		4,724	3,788	1,550
(iv) Cash and cash equivalents	12	3,761	2,008	1,889
(v) Other bank balances	13	34	27	127
(vi) Other financial assets	14	2,677	1,407	1,963
(b) Other current assets	15	988	883	1,239
Total Current Assets		33,287	20,203	18,632
TOTAL ASSETS		44,344	31,622	29,487
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	16	171	170	161
(b) Other equity				
(i) Other reserves	17	9,910	7,397	7,769
(ii) Retained earnings	17	21,362	13,678	11,808
(iii) Share application money pending allotment	17	0	-	-
(iv) Non-controlling interests	17	8	5	4
Total equity		31,451	21,250	19,742
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	-	-	139
(b) Deferred tax liabilities	7	171	248	161
(c) Provisions	19	285	235	215
Total non-current liabilities		456	483	515
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	-	399	1,900
(ii) Current maturities of long term borrowings	21	-	147	139
(iii) Trade payables	22	3,366	3,405	2,685
(iv) Other financial liabilities	23	5,841	3,349	2,276
(b) Other liabilities	24	1,158	1,124	972
(c) Provisions	25	1,771	1,457	1,254
(d) Current income tax liabilities (net)	26	301	8	4
Total current liabilities		12,437	9,889	9,230
TOTAL EQUITY AND LIABILITIES		44,344	31,622	29,487
Significant accounting policies	2			
Other notes on accounts	36			

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No: 38332

Ashok Kumar Sonthalia

Chief Financial Officer

Sanjay Jalona

Chief Executive Officer

& Managing Director

DIN : 07256786

Aftab Zaid Ullah

Chief Operating Officer

& Whole Time Director

DIN : 05165334

Mumbai

May 04, 2017

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(₹ in Mn)

Particulars	Note No.	April 16 - March 17	April 15 - March 16
INCOME:			
Revenue from operations	27	65,009	58,464
Other income	28	1,867	1,897
Total income		66,876	60,361
EXPENSES:			
Employee benefit expense	29	37,758	35,266
Operating expenses	30	8,248	6,710
Sales, administration and other expenses	31	6,701	6,240
Finance costs	32	32	58
Depreciation on tangible assets	4	714	737
Amortisation of intangible assets	4	1,065	1,003
Total expenses		54,518	50,014
Profit before tax		12,358	10,347
Tax expense			
Current tax	33	3,181	3,039
Deferred tax (net)	34	(532)	(1,057)
		2,649	1,982
NET PROFIT FOR THE PERIOD		9,709	8,365
OTHER COMPREHENSIVE INCOME	35	1,945	(266)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		11,654	8,099
Profit attributable to:			
Owners of the company		9,707	8,363
Non- controlling interests		2	2
		9,709	8,365
Total comprehensive income attributable to:			
Owners of the company		11,652	8,098
Non- controlling interests		2	1
		11,654	8,099
Basic			
Basic earning per equity share		57.08	51.02
Diluted			
Diluted earning per equity share		55.80	49.31
Significant accounting policies	2		
Other notes on accounts	36		

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No: 38332

Ashok Kumar Sonthalia

Chief Financial Officer

Sanjay Jalona

Chief Executive Officer

& Managing Director

DIN : 07256786

Aftab Zaid Ullah

Chief Operating Officer

& Whole Time Director

DIN : 05165334

Mumbai
May 04, 2017

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(₹ in Mn)

Particulars	April 16 - March 17	April 15 - March 16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	9,709	8,365
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	1,779	1,740
Income tax expense	2,649	1,982
Expense recognised in respect of equity settled stock option	428	(142)
Interest income	(27)	(25)
Income from current investment in mutual funds	(194)	(67)
Interest expense	32	66
Unrealised foreign exchange loss (gain)	282	56
Unrealised foreign exchange loss (gain) on hedges not designated as cash-flow hedges	(220)	-
Realised gain on Cash Flow hedges forming part of OCI	228	200
(Profit)/Loss on sale of fixed assets	15	27
Effect of exchange rate changes on assets and liabilities	(111)	93
Operating profit before working capital changes	14,570	12,295
Changes in working capital		
(Increase)/decrease in trade receivables & unbilled revenue	(1,162)	(3,049)
(Increase)/decrease in other receivables	57	(123)
Increase/(decrease) in trade & other payables	2,711	2,067
(Increase)/decrease in working capital	1,606	(1,105)
Cash generated from operations	16,176	11,190
Income taxes paid	(2,459)	(2,605)
Net cash generated by operating activities	13,717	8,585
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(795)	(1,291)
Sale of fixed assets	41	149
(Purchase)/sale of current investments	(8,977)	608
Interest received	27	25
Income from current investment in mutual funds	194	67
Net cash used in investing activities	(9,510)	(442)

(₹ in Mn)

Particulars	April 16 - March 17	April 15 - March 16
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	4	69
Proceeds from/(repayment) of borrowings	(437)	(1,664)
Interest paid	(32)	(58)
Dividend paid	(1,610)	(5,467)
Tax on dividend paid	(278)	(1,049)
Net cash generated from financing activities	(2,353)	(8,169)
Net increase/(decrease) in cash and cash equivalents	1,854	(26)
Cash and cash equivalents at beginning of the year	2,035	2,016
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(94)	45
Cash and cash equivalents at end of the year	3,795	2,035

Notes:

There were no significant reconciliation items between cash flows prepared under iGAAP and those prepared under IndAS

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No: 38332

Ashok Kumar Sonthalia

Chief Financial Officer

Sanjay Jalona

*Chief Executive Officer
& Managing Director*

DIN : 07256786

Aftab Zaid Ullah

*Chief Operating Officer
& Whole Time Director*

DIN : 05165334

Mumbai

May 04, 2017

Consolidated Statement of Changes in Equity

for the year ended March 31, 2017

(In ₹ Mn)

Particulars	Share Capital	Share application money pending allotment	General reserve	Share premium	Retained earnings	Employee stock option outstanding	Deferred employee compensation expense	Other components of equity		Equity attributable to the equity holders of the Company	Non-controlling interest	Total equity
								Hedging reserve	Foreign currency translation reserve			
Balance as on April 1, 2016	170		4,492	1,473	13,678	77	-	877	479	21,245	5	21,250
Changes in equity for the year ended on March 31, 2017	1									1		1
Employee stock compensation expense						1,442	(1,492)			(49)		(49)
Remeasurement of Net Defined Benefit Liability/asset, net of tax effect										-		-
Net profit for the year					9,707					9,707	2	9,709
Other comprehensive income					(45)			2,204	(215)	1,944	1	1,945
Dividends (including dividend distribution tax)					(1,978)					(1,978)		(1,978)
Any other changes		0	9	25	-	(8)	547			573		573
Balance as on March 31, 2017	171	0	4,501	1,498	21,362	1,511	(945)	3,081	264	31,443	8	31,451

for the year ended March 31, 2016

(In ₹ Mn)

Particulars	Share capital	General reserve	Share premium	Retained earnings	Employee stock option outstanding	Other components of equity		Equity attributable to the equity holders of the company	Non-controlling interest	Total equity
						Hedging Reserve	Foreign currency translation reserve			
Balance as on April 1, 2015	161	4,491	1,181	11,808	452	1,360	285	19,738	4	19,742
Changes in equity for the year ended on March 31, 2016	9							9		9
Net profit for the year				8,363				8,363	2	8,365
Other comprehensive income				23		(483)	194	(265)	(1)	(266)
Dividends (including dividend distribution tax)				(6,516)				(6,516)		(6,516)
Other changes		1	292		(375)			(83)		(83)
Balance as on March 31, 2016	170	4,492	1,473	13,678	77	877	479	21,245	5	21,250

As per our report attached

SHARP & TANNAN
Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia
Partner

Membership No: 38332

Ashok Kumar Sonthalia
Chief Financial Officer
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Chief Executive Officer
& Managing Director

DIN : 07256786

Aftab Zaid Ullah
Chief Operating Officer
& Whole Time Director

DIN : 05165334

Mumbai

May 04, 2017

Notes forming part of consolidated accounts

1. COMPANY OVERVIEW

Larsen & Toubro Infotech Limited ('the Company') together with its subsidiaries shall mean Larsen and Toubro Infotech Limited ('Group'). The Group offers extensive range of IT services like application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions, and platform based solutions to the clients in diverse industries.

The Company is a public limited company incorporated and domiciled in India and has its registered office at L&T House, Ballard Estate, Mumbai, and Maharashtra, India. The company's equity shares are listed on the National Stock Exchange Limited and BSE Limited in India.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Further the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable.

Preparation of financial statements in conformity with Accounting Standards requires the management of the Group to make estimates and assumptions that affect the income and expense reported for the period and assets, liabilities and disclosures reported as of the date of the financial statements. Examples of such estimates include useful lives of tangible and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

The Group has prepared its first Ind AS compliant financial statements as on 1 April 2015 (the date of transition). Refer note 47 for an explanation of impact of transition from Generally Accepted Accounting Principles in India (iGAAP) to Ind AS on the Group's financial statements.

The financial statements of Indian subsidiaries have been prepared in compliance with Ind AS as prescribed under

section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016. Financial statements of foreign subsidiaries have been prepared in compliance with the local laws and applicable Accounting Standards. Necessary adjustments for differences in the accounting policies, if any, have been made in the consolidated financial statements.

b. Presentation of financial statements

The statement of financial position and the statement of profit and loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013. The cash flow statement has been prepared and presented as per the requirements of Ind AS 7 'Cash Flow Statements'. The disclosure requirements with respect to items in the statement of financial position and statement of profit and loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

c. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the group is exposed to 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:

- I) Power over the investee,
- II) Exposure or rights to variable return from its involvement with the investee, and
- III) Ability to use its power over the investee to affect its returns.

Generally, it is presumed that, a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- I) Contractual arrangement with the other vote holders of the investee,
- II) Rights arising from other contractual arrangements,

Notes forming part of consolidated accounts

- III) The Group's voting rights and potential voting rights and
- IV) Size of the Group's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and other events in similar circumstances, appropriate adjustments are made to that entity's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group, i.e., year ended on 31st 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 statements of the subsidiaries, unless it is impracticable to do so.

Consolidation procedure followed is as under:

- I) Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date,
- II) The difference between carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary subject to adjustment of goodwill and

- III) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated subject to impact of deferred taxes. Profit or loss and each component of other comprehensive income (OCI) are attributable to equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having deficit balance.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- I) Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- II) Derecognizes carrying amount of any non-controlling interest,
- III) Derecognizes the cumulative translation differences recorded in equity,
- IV) Recognizes the fair value of consideration received,
- V) Recognizes the fair value of any investments retained,
- VI) Recognizes any surplus or deficit in profit or loss and
- VII) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

d. Revenue recognition

Revenue from contracts priced on time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from services performed on fixed-price basis is recognized over the life of contract using the proportionate completion method.

Revenue from sale of products and licenses is recognised upon delivery when all risks and rewards are transferred.

Revenue from services rendered as Application Service provider ('ASP') services are recognized by applying the contracted rates on the total number of active and inactive fund accounts across all client customer environments.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Notes forming part of consolidated accounts

e. Other income

- I. Interest income is accrued at effective interest rate.
- II. Dividend income is accounted in the period in which the right to receive the same is established.
- III. Other items of income are accounted as and when the right to receive arises.

f. Employee benefits

I) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

II) Post-employment benefits

- i) Defined contribution plan:

The Group's superannuation fund and state governed provident fund scheme are classified as defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

- ii) Social security plans

Employer's contribution payable with respect to the social security plans, which are defined contribution plans, is charged to the consolidated statement of profit and loss in the period in which employee renders the services

- iii) Defined benefit plans:

The provident fund scheme managed by trust, employee's gratuity fund scheme managed by Life Insurance Corporation of India and post-retirement medical benefit scheme are the Group's defined benefit plans. Wherever applicable, the present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash-flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government bonds as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses through re-measurement of the defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognized in other comprehensive income. The effect of any plan amendments are recognized in consolidated statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost resulting from a plan amendment or curtailment are recognised immediately in the consolidated statement of profit and loss.

- (iv) Long term employee benefits:

The obligation for long term employee benefits like long term compensation absences is recognized as determined by actuarial valuation performed by independent actuary at each balance sheet date using Projected Unit Credit Method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at balance sheet date. Actuarial gains and losses are recognised immediately in other comprehensive income.

g. Property plant and equipment

Property plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost includes expenditure directly attributable to the acquisition of the asset and cost incurred for bringing the asset to its present location and condition.

h. Intangible assets

Assets like customer relationship, computer software, and internally developed software are stated at cost, less accumulated depreciation, amortisation and impairment.

Notes forming part of consolidated accounts

Intangible assets are tested for impairment at each balance sheet date. Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired.

i. Impairment

I) Impairment of trade receivable

The Group assesses at each date of statement of financial position whether a financial assets in form of trade receivable is impaired. In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on available external and internal credit risk factors such as credit default, credit rating from credit rating agencies and Group's historically observed default rates over the expected life of trade receivable. ECL impairment loss allowance (or reversal) recognised during the period as expense/income respectively in the consolidated statement of profit and loss.

II) Impairment of intangible assets:

i) Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired. Goodwill is not amortized but is tested for impairment annually and when events or changes in circumstances indicate that an impairment loss would have occurred. For the purposes of impairment testing, the carrying amount of the reporting unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognized, up to a maximum amount of the recorded goodwill related to the reporting unit. Goodwill impairment losses are not reversed. The growth rate and discount rates as applicable are used for impairment testing.

ii) Other intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of intangible assets to determine if there is any indication of loss suffered. If such indication exists, the

recoverable amount of the asset is estimated to determine the extent of the impairment loss.

j. Leases

I) Finance lease

Assets acquired under leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

II) Operating lease

Assets acquired under lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit and loss account on accrual basis.

k. Depreciation

I) Tangible assets

Depreciation on assets have been provided as mentioned in below table except for the leasehold improvements which is depreciated over the lease period. Depreciation or amortization on additions and disposals are calculated on pro-rata basis from and to the month of additions and disposals.

Particulars	Useful life
• Computers and IT peripherals	Up to 6 years
• Plant and machinery	Up to 15 years
• Office equipment	Over a period of 5 years
• Vehicles	Over a period of 8 years
• Furniture and fixtures	Over a period of 10 years

II) Intangible assets and amortisation

The estimated useful life of an intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors and the level of maintenance expenditures required to obtain the expected future

Notes forming part of consolidated accounts

cash flows from the asset. The basis of amortization of intangible assets is as follows:

Particulars	Useful life
• Computer software	Up to 5 years
• Business rights	Over a period 5 years
• Customer contracts	Upto 10 years

I. Employee stock ownership schemes

In respect of stock options granted pursuant to the Group's stock options scheme, the excess of fair value of the share over the exercise price of the option is treated as discount and accounted as employee compensation cost over the vesting period. The amount recognized as expense each year is arrived at based on the number of grants expected to vest. If options granted lapses after the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the general reserve.

m. Functional and presentation currency

The functional currency of the Group is the Indian Rupee. The functional currency of Indian subsidiaries is the Indian Rupee and the functional currency of foreign subsidiaries is the currency of the primary economic environment in which these subsidiaries operate. The consolidated financial statements of group are prepared in the Indian Rupee.

n. Foreign currency transactions & balances

Foreign currency transactions are initially recorded at the rates prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Translation of foreign currency transaction of foreign subsidiaries is treated as under:

- Revenue items at the average rate for the period;
- All assets and liabilities at year end rates

Exchange difference on settlement/year end conversion is recognized in foreign currency translation reserve.

o. Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

I) Initial measurement

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

II) Subsequent measurement

i) Non-Derivative financial assets

A) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

B) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both

- Collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C) Financial assets at fair value through profit and loss (FVTPL)

Fair value through profit and loss is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised

Notes forming part of consolidated accounts

cost or as Financial assets at fair value through other comprehensive income is classified as Financial assets fair valued through profit and loss.

ii) **Non-Derivative financial liability**

A) **Financial liabilities at amortized cost**

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

B) **Financial liabilities at fair value through other comprehensive income/Debt instrument (FVTOCI)**

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- b) the asset's contractual cash flow represent solely payments of principal and interest. The group has not recognised any liabilities under this category.

C) **Financial liabilities at fair value through profit and loss (FVTPL)**

Fair Value through Profit and Loss is a residual category for financial liabilities. Any financial liability which does not meet the criteria for categorization as at amortised cost or as Fair Value through Other Comprehensive Income, is classified as fair value through profit and loss.

iii) **Derivative financial instrument**

The Group holds derivative financial instrument such as foreign exchange forward contract to mitigate the risk of changes in exchange rates on foreign currency exposures.

A) **Cash flow hedges**

Changes in the fair value of the derivative hedging instruments designated as cash flow Hedges are recognized in other comprehensive income and presented within equity as hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the consolidated statement of profit or loss upon the occurrence of the related forecasted transaction.

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and ineffective portion of cash flow hedges are recognized in statement of profit and loss and reported with in foreign exchange gains or losses.

B) **Fair Value hedges**

Changes in the fair value of the derivative hedging instrument designated as fair value hedges are recognized in consolidated statement of profit or loss.

III) **Derecognition**

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the group's balance sheet where the obligation specified in the contract is discharged or cancelled or expires.

p. **Taxes on income**

Income tax expense comprises current and deferred income tax. Tax on income for Indian companies for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Indian Income tax Act, 1961. Foreign subsidiaries recognize current tax/deferred tax liabilities and assets in accordance with the applicable local laws.

Income tax expense comprises current and deferred income tax. Income tax and deferred tax expense is recognized in the consolidated statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case income tax expense is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities. (Refer note 8 for applicable tax rates in various jurisdiction).

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts

Notes forming part of consolidated accounts

in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as on the statement of position and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. Deferred Income taxes are not provided on dividend receivable from subsidiaries as the Group is able to control the timing of reversal of such temporary difference. Deferred tax is provided on unrealized intra Group profit at the rate of tax applicable to the purchasing entity.

q. Borrowing costs

Borrowing costs include interest, commitment charges, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

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 Group has a present obligation as a result of a past event;
- II) a probable outflow of resources is expected to settle the obligation; and
- III) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

- I) a present obligation arising from a past event when it is not probable that an outflow of resources will be required to settle the obligation; or
- II) a possible obligation unless the probability of outflow of resources is remote

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

s. Segment accounting

Operating segments are defined as components of an enterprise for which discrete financial information is used regularly by the Group's Chief Operating Decision Maker in deciding how to allocate resources and assessing performance.

- I) Segment revenue is the revenue directly identifiable with/allocable to the segment.
- II) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not identifiable with/allocable to segments are included under 'unallocable expenses'.
- III) Other Income which relates to the Group as a whole and not identifiable with or allocable to segments is included in 'unallocable income'.
- IV) Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably.

t. Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ('cash flow statements').

Notes forming part of consolidated accounts

3 (I) The list of subsidiaries included in the consolidated financial statements are as under

Name of the subsidiary Company	Country of incorporation	Proportion of ownership as at 31 March 2017 (%)	Proportion of ownership as at 31 March 2016 (%)
1 Larsen & Toubro Infotech Canada Limited	Canada	100	100
2 Larsen & Toubro Infotech GmbH	Germany	100	100
3 Larsen & Toubro Infotech LLC	USA	100	100
4 L&T Infotech Financial Services Technologies Inc.	Canada	100	100
5 Larsen And Toubro Infotech South Africa (Proprietary) Limited	South Africa	74.9	74.9
6 L&T Information Technology Services (Shanghai) Co. Ltd.	China	100	100
7 Larsen & Toubro Infotech Austria GmbH	Austria	100	100
8 L&T Information Technology Spain, Sociedad Limitada	Spain	100	100
9 Augment IQ Data Sciences Private Limited*	India	100	-
10 L&T Infotech S.de. RL. C.V #	Mexico	100	-

*The Company has acquired a new entity 'AugmentIQ' Data Sciences Private Limited' in India on 30th November 2016 (refer note '43').

L & T Infotech S.de. RL. C.V has been incorporated in Mexico in March 2017. There are no operations and transactions till the balance sheet date.

3(II) Additional disclosure as per Schedule III of the Companies Act 2013:

(₹ in Mn)

Name of entity	Net assets, i.e. total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
A - Parent								
- Larsen & Toubro Infotech Limited	94.7%	29,769	96.6%	9,376	111.0%	2,159	99.0%	11,535
Subsidiaries								
B - Indian								
1. AugmentIQ Data sciences Pvt Ltd	0.0%	11	0.0%	2	0.0%	-	0.0%	2
Sub Total	0.0%	11	0.0%	2	0.0%	-	0.0%	2
C - Foreign								

Notes forming part of consolidated accounts

(₹ in Mn)

Name of entity	Net assets, i.e. total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1. Larsen & Toubro Infotech GmbH	0.9%	279	0.2%	22	(1.2%)	(24)	0.0%	(2)
2. Larsen & Toubro Infotech Canada Limited	0.2%	73	0.3%	27	(0.2%)	(4)	0.2%	23
3. Larsen & Toubro Infotech LLC	0.4%	115	0.0%	4	(0.1%)	(3)	0.0%	1
4. L&T Infotech Financial Services Technologies Inc.	10.7%	3,393	4.1%	395	(9.4%)	(184)	1.8%	211
5. Larsen And Toubro South Africa (Proprietary) Limited	0.1%	28	0.1%	8	0.1%	2	0.1%	10
6. L&T Information Technology Services (Shanghai) Co. Ltd.	0.0%	(1)	(0.1%)	(6)	0.0%	0	(0.1%)	(6)
7. Larsen & Toubro Infotech Austria GmbH	0.0%	5	0.0%	3	0.0%	0	0.0%	3
8. L&T Information Technology Spain, Sociedad Limitada	0.1%	17	0.2%	15	(0.1%)	(1)	0.1%	14
Sub Total	12.4%	3,909	4.8%	468	11.0%	(214)	2.2%	254
Total A+B+C	107.1%	33,689	101.4%	9,846	100.0%	1,945	101.2%	11,791
Less: CFS adjustments and eliminations	(7.1%)	(2,246)	(1.4%)	(137)	0.0%	0	(1.2%)	(137)
TOTAL	100.0%	31,443	100.0%	9,709	100.0%	1,945	100.0%	11,654

4. INTANGIBLE ASSETS

The balance useful life of intangible assets as on the respective balance sheet dates is as follows:-

(₹ in Mn)

Class of assets	As on 31 March 2017		As on 31 March 2016		As on 1 April 2015	
	Balance useful life	Carrying amount	Balance useful life	Carrying amount	Balance useful life	Carrying amount
Software	1 to 5 years	1,472	1 to 5 years	2,103	1 to 5 years	2,539
Customer Contracts	1 to 5 years	376	1 to 5 years	503	1 to 6 years	583
		1,848		2,606		3,122

4. CONSOLIDATED FIXED ASSETS – As of 31 Mar 2017

(₹ in Mn)

Fixed and intangible assets	Gross block			Depreciation/Amortisation			Net block						
	As at 01-Apr-16	Pursuant to acquisition of subsidiary Refer Note 43	Additions	Deductions	Foreign currency translation reserve	As at 31-Mar-17	As at 01-Apr-16	Pursuant to acquisition of subsidiary Refer Note 43	For the year	On deductions	Foreign currency translation reserve	As at 31-Mar-17	As at 31-Mar-17
Tangible assets													
Leasehold land	10	-	-	-	-	10	-	-	0	-	-	0	10
Buildings	126	-	-	-	-	126	8	-	8	-	-	16	110
Leasehold improvements	289	-	76	15	-	350	36	-	40	15	-	61	289
Plant and machinery	629	-	50	2	(0)	677	77	-	79	2	(0)	154	523
Computers	1,028	1	180	53	(11)	1,445	328	1	317	52	(7)	587	558
Office equipments	406	0	125	9	(0)	522	105	0	113	9	(0)	209	313
Furniture and fixtures	677	0	64	34	(1)	706	104	0	103	29	(1)	177	529
Vehicles	336	-	62	63	-	335	51	(0)	54	16	-	89	246
Capital work in progress													9
Total of tangible assets	3,501	1	557	176	(12)	3,871	709	1	714	123	(8)	1,293	2,587
Intangible assets													
Goodwill on acquisition	350	-	-	-	(18)	332	-	-	-	-	-	-	332
Goodwill on consolidation	628	-	33	-	-	661	-	-	-	-	-	-	661
Software	5,444	0	383	214	(177)	5,436	3,341	0	956	212	(121)	3,964	1,472
Customer contracts	1,061	-	3	-	(55)	1,009	558	-	109	-	(34)	633	376
Business rights	98	-	-	-	-	98	98	-	-	-	-	98	-
Capital work in progress – internally capitalised softwares													4
Total of intangible assets	7,581	-	419	214	(250)	7,536	3,997	-	1,065	212	(155)	4,695	2,845

1. Impairment upto 31-03-2017 - NIL
2. Additions during the year and capital work-in-progress include ₹ Nil (previous year ₹ Nil) being borrowing cost capitalised in accordance with Indian Accounting Standards (Ind AS 23) on 'Borrowing Costs' prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment) Rules 2016.
3. GDA Technologies Limited (GDA) has been amalgamated with the Company with effect from 1 April 2016 [refer note 42 to notes to accounts]
4. Augment IQ has been acquired with effect from 30th November 2016 [refer note 43 to notes to accounts]

Notes forming part of consolidated accounts

4. CONSOLIDATED FIXED ASSETS - As of 31 March 2016

(₹ in Mn)

Fixed and intangible assets	Gross block			Depreciation/Amortisation			Net block		
	As at 01-Apr-15	Additions	Deductions	Foreign currency translation reserve	As at 31-Mar-16	For the year	On year deductions	Foreign currency translation reserve	As at 31-Mar-16
Tangible assets									
Leasehold land	10	-	-	-	10	-	-	-	10
Buildings	126	-	-	-	126	8	-	-	118
Leasehold improvements	234	68	13	-	289	36	-	-	253
Plant and machinery	644	96	111	-	629	90	13	-	552
Computers	547	479	2	4	1,028	323	1	2	700
Office equipments	295	119	8	-	406	111	6	-	301
Furniture and fixtures	610	98	32	1	677	112	8	-	573
Vehicles	288	92	44	-	336	57	6	-	285
Capital work in progress	-	-	-	-	-	-	-	-	7
Total of tangible assets	2,754	952	210	5	3,501	737	34	2	2,799
Intangible assets									
Goodwill on acquisition	335	-	-	15	350	-	-	-	350
Goodwill on consolidation	628	-	-	-	628	-	-	-	628
Software	4,918	394	6	138	5,444	899	6	69	2,103
Customer contracts	1,015	-	-	46	1,061	104	-	22	503
Business rights	98	-	-	-	98	-	-	-	98
Capital work in progress - internally capitalised softwares	-	-	-	-	-	-	-	-	188
Total of intangible assets	6,994	394	6	199	7,581	1,003	6	91	3,997
Total of fixed assets	9,748	1,346	216	204	11,082	1,740	40	93	9,341

1. Impairment upto 31-03-2016 - NIL
2. Additions during the year and capital work-in-progress include ₹ Nil (previous year ₹ Nil) being borrowing cost capitalised in accordance with Indian Accounting Standards (Ind AS 23) on 'Borrowing Costs' prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment) Rules 2016.

Notes forming part of consolidated accounts

4. CONSOLIDATED FIXED ASSETS - As of 1 April 2015

(₹ in Mn)

Fixed and intangible assets	Gross block	Depreciation /Amortisation	Net block
	As at 01-Apr-15	As at 01-Apr-15	As at 01-Apr-15
Tangible assets			
Leasehold land	10	-	10
Buildings	126	-	126
Leasehold improvements	234	-	234
Plant and machinery	644	-	644
Computers	547	4	543
Office equipments	295	0	295
Furniture and fixtures	610	0	610
Vehicles	288	-	288
Capital work in progress	-	-	53
Total of tangible assets	2,754	4	2,803
Intangible assets			
Goodwill on acquisition	335	-	335
Goodwill on consolidation	628	-	628
Software	4,918	2,379	2,539
Customer contracts	1,015	432	583
Business rights	98	98	-
Capital work in progress - internally capitalised softwares	-	-	198
Total of intangible assets	6,994	2,909	4,283

1. Impairment upto 01-04-2015 - NIL

5. NON-CURRENT INVESTMENTS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Long term investments			
100,000 fully paid equity shares of USD 1 (₹ 53)			
Each in Pan Health, U.S.A	-	0	0
	-	0	0

6. OTHER FINANCIAL ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Forward contract receivable	1,866	132	427
Security deposits	311	294	291
	2,177	426	718

Notes forming part of consolidated accounts

7. DEFERRED TAX ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
MAT credit	2,576	2,576	1,510
Less: Deferred tax liability	(1,157)	(379)	(538)
Deferred tax assets	15	16	16
	1,434	2,213	988

7 Deferred tax liabilities or assets for the year ended 31 March 2017

7 (I) Deferred tax liabilities

(₹ in Mn)

	Deferred tax asset/(liability) as at 31 March 2016	Deferred tax asset/(liability) charged to retained earnings	Current year (charge)/ credit to profit and loss a/c	(Charge)/ credit to hedging reserve	Foreign currency translation reserve	Charge pursuant to acquisition of subsidiary	Deferred tax asset/(liability) as at 31 March 2017
Deferred tax liabilities							
Depreciation/ amortisation	(313)	-	108	-	11	-	(194)
	(313)		108		11		(194)
Deferred tax assets							
Non capital losses and deferred expenses	65	-	(41)	-	(1)	-	23
	65		(41)		(1)		23
Net deferred tax assets/(liabilities)(A)	(248)		67		10		(171)

7 (II) Deferred tax assets

(₹ in Mn)

	Deferred tax asset/(liability) as at 31 March 2016	Deferred tax asset/(liability) charged to retained earnings	Current year (charge)/credit to profit and loss a/c	(Charge)/ credit to hedging reserve	Foreign currency translation reserve	Charge pursuant to acquisition of subsidiary	Deferred tax asset/(liability) as at 31 March 2017
Deferred tax liabilities							
Depreciation/ amortisation	44	-	27	-	-	-	71
Income received in advance	(2)	-	2	-	-	-	-
Gain on cash flow hedges	(172)	-	-	(748)	-	-	(920)
MTM on ineffective hedges			(46)				(46)
Branch Profit Tax	(427)	-	(115)	-	-	-	(542)
Others	(1)	-		-	-	-	(1)
	(558)		(132)	(748)			(1,438)
Deferred tax assets							

Notes forming part of consolidated accounts

	Deferred tax asset/(liability) as at 31 March 2016	Deferred tax asset/(liability) charged to retained earnings	Current year (charge)/credit to profit and loss a/c	(Charge)/credit to hedging reserve	Foreign currency translation reserve	Charge pursuant to acquisition of subsidiary	Deferred tax asset/(liability) as at 31 March 2017
Income received in advance	2	-	(2)	-	-	-	-
MAT credit	2,576	-	440	(440)	-	-	2,576
Provision for doubtful debts and advances	43	-	8	-	-	-	51
Provision for employee benefits	99	-	54	-	-	-	153
Realised gain on derivative transactions	41	-	95	(41)	-	-	95
loss carried forward as per provisions of Income Tax Act,1961			1				1
Others	10	-	1	-	-	(15)	(4)
	2,771	-	597	(481)	-	(15)	2,872
Net deferred tax assets/(liabilities)(B)	2,213	-	465	(1,229)	-	(15)	1,434
Net deferred tax assets/(liabilities)(A+B)	1,965	-	532	(1,229)	10	(15)	1,263

7 (III) Net schedule of Deferred tax for the year ended 31 March 2017

(₹ in Mn)

	Deferred tax asset/(liability) as at 31 March 2016	Charge to retained earnings	Current year (charge)/credit	(Charge)/credit to hedging reserve	Foreign currency translation reserve	Charge pursuant to acquisition of subsidiary	Deferred tax asset/(liability) as at 31 March 2017
Depreciation/amortisation	(269)	-	135	-	11	-	(123)
Gains on cash flow hedges	(172)	-	-	(748)	-	-	(920)
Branch profit tax	(427)	-	(115)	-	-	-	(542)
MAT credit	2,576	-	440	(440)	-	-	2,576
Loss carried forward as per provisions under Income Tax Act, 1961	-	-	1	-	-	-	1
MTM on ineffective hedges	-	-	(46)	-	-	-	(46)
Non capital losses and deferred expenses	65	-	(41)	-	(1)	-	23
Provision for doubtful debts and advances	43	-	8	-	-	-	51
Provision for employee benefits	99	-	54	-	-	-	153
Others	9	-	1	-	-	(15)	(5)
Realised gain on derivative transactions	41	-	95	(41)	-	-	95
Net Deferred Tax Asset/(Liabilities)	1,965	-	532	(1,229)	10	(15)	1,263

Notes forming part of consolidated accounts

7 (IV) Deferred tax assets or liabilities for the year ended 31 March 2016

Deferred Tax Liabilities:

(₹ in Mn)

	Deferred tax asset/ (liability) as at 1 April 2015	Current year (charge)/credit to Profit & Loss A/c	(Charge)/credit to hedging reserve	Others	Deferred tax asset/ (liability) as at 31 March 2016
Deferred tax liabilities					
Depreciation/amortisation	(396)	83	-	-	(313)
	(396)	83	-	-	(313)
Deferred tax assets					
Non capital losses & deferred expenses	235	(170)	-	-	65
	235	(170)	-	-	65
Net deferred tax assets/ (liabilities)(A)	(161)	(87)	-	-	(248)

7 (V) Deferred tax assets

(₹ in Mn)

	Deferred tax asset/ (liability) as at 1 April 2015	Current year (charge)/credit to Profit & Loss A/c	(Charge)/credit to hedging reserve	Others	Deferred tax asset/ (liability) as at 31 March 2016
Deferred tax liabilities					
Depreciation/amortisation	4	40	-	-	44
Income received in advance	(2)	-	-	-	(2)
Gain on cash flow hedges	-		(172)	-	(172)
Branch Profit Tax	(323)	(104)			(427)
Others	(283)	(1)	283	-	(1)
	(604)	(65)	111	-	(558)
Deferred tax assets					
Income received in advance	2				2
MAT credit	1,510	1,086	-	(20)	2,576
Provision for doubtful debts and advances	16	27	-	-	43
Provision for employee benefits	64	35	-	-	99
Realised gain on derivative transactions	-	41	-	-	41
Others		10			10
	1,592	1,199	-	(20)	2,771
Net deferred tax assets/ (liabilities)(B)	988	1,134	111	(20)	2,213
Net deferred tax assets/ (liabilities)(A+B)	827	1,047	111	(20)	1,965
Exchange gain/(loss) on translation		10			
Net deferred tax assets/ (liabilities) after foreign exchange gain/loss		1,057			

Notes forming part of consolidated accounts

7(VI) Net schedule of Deferred Tax for the year ended 31 March 2016

(₹ in Mn)

	Deferred tax asset/ (liability) as at 1 April 2015	Current year (charge)/credit	(Charge)/credit to hedging reserve	Others	Deferred tax asset/ (liability) as at 31 March 2016
Depreciation/amortisation	(392)	123			(269)
Gains on cash flow hedges	-	-	(172)	-	(172)
Branch profit tax	(323)	(104)	-	-	(427)
Others	(283)	(1)	283		(1)
MAT credit	1,510	1,086	-	(20)	2,576
Non capital losses and deferred expenses	235	(170)		-	65
Provision for doubtful debts and advances	16	27	-	-	43
Provision for employee benefits	64	35	-	-	99
Realised gain on derivative transactions	-	41	-	-	41
Others	-	10	-	-	10
Net deferred tax assets/(liabilities) before exchange (gain)/loss	827	1,047	111	(20)	1,965
Exchange gain/(loss) on translation		10			
Net deferred tax assets/(liabilities) after exchange (gain)/loss		1,057			

8. INCOME TAX ASSETS (NET)

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Tax assets	722	886	976
	722	886	976

8 (I) Applicable tax rates for the following jurisdiction of branches and subsidiaries

Jurisdiction of subsidiaries	Applicable tax rates (%)
Austria	25.00
China	25.00
Canada	26.50
Germany	16.38
India	34.61
Spain	25.00
South Africa	28.00
United States	35.00

Notes forming part of consolidated accounts

Jurisdiction of branches	Applicable tax rates (%)
Australia	30.00
Belgium	33.00
Costa Rica	30.00
Denmark	22.00
Finland	20.00
France	33.00
Japan	23.90
Korea	22.00
Netherlands	20.00
Norway	24.00
Oman	12.00
Philippines	30.00
Qatar	10.00
Saudi Arabia	20.00
Singapore	17.00
Sweden	22.00
United Kingdom	22.00

8 (II) A reconciliation of the income tax provision to the amount computed by applying enacted income tax rate to the profit before income taxes is as follows:

	April'16 - March'17	April'15 - March'16
Profit before income taxes	12,358	10,347
Enacted tax rates in India	34.608%	34.608%
Computed expected tax expense	4,277	3,581
Tax effect due to non-taxable income for Indian tax purposes	(1,360)	(1,600)
Overseas taxes	413	229
Short/excess provision	20	38
Effect of exempt income for Indian tax purposes	(741)	(467)
Effect of allowances of eligible expenses	(410)	(574)
Effect of non-deductible expenses	480	482
Effect of income charged at differential tax rate for Indian tax purposes	(24)	(82)
Effect of deferred taxes	(94)	29
Effect of transitional Ind AS adjustments	-	314
Others	88	32
Tax expense as per statement of profit and loss	2,649	1,982

(₹ in Mn)

Notes forming part of consolidated accounts

8(III) Summary of tax credits available for set off against future tax liability arising under provisions of Income tax Act, 1961 for the year ended on 31 March 2017

(₹ in Mn)

Financial year	MAT credit	Set-off in earlier years	Balance brought forward for the current year	MAT credit utilised during the year	Balance MAT carried forward to next year	Year of expiry
2007-2008	76	76	-	-	-	-
2008-2009	238	238	-	-	-	-
2009-2010	256	256	-	-	-	-
2010-2011	556	41	515	-	515	2025-2026
2011-2012	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-
2013-2014	490	-	490	-	490	2028-2029
2014-2015	505	-	505	-	505	2029-2030
2015-2016	1,086	-	1,086	-	1,086	2030-2031
2015-2016*	(20)	-	(20)	-	(20)	
2016-2017	440	-	440	-	440	2031-2032
2016-2017#	(440)	-	(440)	-	(440)	
TOTAL	3,187	611	2,576	-	2,576	

* MAT credit reinstated as per Income tax records.

Impact of MAT credit due to postponement of ICDS given in financial year 2016-17

8(IV) Summary of tax credits available for set off against future tax liability arising under provisions of Income tax Act, 1961 for the year ended on 31 March 2016.

(₹ in Mn)

Financial year	MAT credit	Set-off in earlier years	Balance brought forward in current year	MAT credit utilised during the year	Balance MAT to be carried forward to next year	Year of expiry
2007-2008	76	76	-	-	-	-
2008-2009	238	238	-	-	-	-
2009-2010	256	256	-	-	-	-
2010-2011	556	41	515	-	515	2025-2026
2011-2012	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-
2013-2014	490	-	490	-	490	2028-2029
2014-2015	505	-	505	-	505	2029-2030
2015-2016	1,086	-	1,086	-	1,086	2030-2031
2015-2016*	(20)	-	(20)	-	(20)	
TOTAL	3,187	611	2,576	-	2,576	

*MAT credit reinstated as per Income Tax records

Notes forming part of consolidated accounts

9. OTHER NON-CURRENT ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Capital advances	1	1	7
Prepaid expenses	155	80	76
Indirect tax recoverable and others	1,136	1,242	1,004
	1,292	1,323	1,087

10. CURRENT INVESTMENTS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Investments	9,406	429	1,037
	9,406	429	1,037

11. TRADE RECEIVABLE

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Due from related parties (refer note 44)	171	579	74
Due from others	11,526	11,082	10,753
Considered doubtful	230	223	237
Less:- allowance for doubtful debts	(230)	(223)	(237)
	11,697	11,661	10,827

12 (I) CASH AND CASH EQUIVALENT

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Cash on hand	0	1	1
Balances with bank			
In current accounts			
- Overseas	1,260	1,121	1,077
- Domestic	252	223	236
In deposit accounts	1,634	568	353
Remittance in transit	615	95	222
	3,761	2,008	1,889

Notes forming part of consolidated accounts

12(II) DISCLOSURE OF SPECIFIED BANK NOTES (SBN):

(In ₹)

	SBN	Other denomination notes	Amount
Closing balance as on 8 November 2016	529,500	27,845	557,345
Add: permitted receipts from 9 November 2016 to 30 December 2016	-	350,086	350,086
Less: permitted receipts from 9 November 2016 to 30 December 2016	-	157,770	157,770
Less: amounts deposited in banks	529,500	-	529,500
Closing balance as on 30 December 2016	-	220,161	220,161

For the purposes of this clause the term 'Specified bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407, dated the 8th November, 2016.

13. OTHER BANK BALANCES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Earmarked balances with banks (Unclaimed dividend)	3	1	-
Cash and bank balance not available for immediate use	31	26	127
	34	27	127

14. OTHER FINANCIAL ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Advances to employees	266	439	192
Forward contract receivable	2,251	812	1,635
Security deposits	159	148	114
Others	1	8	22
	2,677	1,407	1,963

15. OTHER CURRENT ASSETS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Prepaid expenses	915	806	968
Advances recoverable in cash or kind	51	68	256
Advances to vendors	22	9	15
	988	883	1,239

Notes forming part of consolidated accounts

16. SHARE CAPITAL**(I) Share capital authorised, issued, subscribed and paid up:**

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Authorised			
240,000,000 equity shares of ₹ 1 each	240	240	164
(240,000,000 equity shares of ₹ 1 each as on 31 March 2016)			
(32,750,000 equity shares of ₹ 5 each as on 01 April 2015)			
	240	240	164
Issued, paid up and subscribed			
170,571,113 equity shares for ₹ 1 each	171	170	161
(169,816,188 of ₹ 1 each as on 31 March 2016)			
(32,250,000 of ₹ 5 each as on 01 April 2015)			
EQUITY SHARE CAPITAL	171	170	161

(II) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

(III) Shareholders holding more than 5% of equity shares as at the end of the year:

Name of Shareholder	Number of Shares	Shareholding %
	As at 31-03-2017	
Larsen & Toubro Limited	143,750,000	84.28%
	As at 31-03-2016	
Larsen & Toubro Limited	161,250,000	94.96%
	As at 01-04-2015	
Larsen & Toubro Limited	32,250,000	100.00%

Face value of shares as at 01-04-2015 was ₹ 5 and as at 31-03-2016 and 31-03-2017 was ₹ 1.

(IV) Reconciliation of the number of equity shares and share capital

Due to allotment of shares on exercise of stock options by employees, there was a movement in share capital for the year ended 31 March 2017 and 31 March 2016 as given below

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Issued, subscribed and fully paid up equity shares outstanding at the beginning	169,816,188	161,250,000	161,250,000
Add: Shares issued on exercise of employee stock options	754,925	8,566,188	-
Issued, subscribed and fully paid up equity shares outstanding at the end	170,571,113	169,816,188	161,250,000

Notes forming part of consolidated accounts

(V) Stock option plans

Employee Stock Ownership Scheme ('ESOS Plan')

The grant of options to the employees under ESOS Plan is on the basis of their performance and other eligibility criteria.

Sr. no	Particulars	ESOP scheme 2000 I, II & III		ESOP scheme 2000 IV - XXI		U.S. Stock Option Sub-plan 2006		ESOP scheme 2015
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
i	Grant Price	₹ 5	₹ 5	₹ 2	₹ 2	USD 2.4	USD 2.4	₹ 1
ii	Grant Dates	01 April 2001 onwards		01 October 2001 onwards		15 March 2007 onwards		10 June 2016 onwards
iii	Vesting commences on	01 April 2002 onwards		01 October 2002 onwards		15 March 2008 onwards		10 June 2017 onwards
iv	Options granted and outstanding at the beginning of the year	82,660	1,965,015	2,350,106	9,367,335	143,650	450,500	-
v	Options reinstated during the year	-	3,500	-	454,580	-	-	-
vi	Options granted during the year	-	-	-	-	-	-	3,658,000
vii	Options allotted during the year	11,830	1,851,855	725,445	6,407,483	17,650	306,850	-
viii	Options Lapsed/cancelled during the year	34,110	34,000	173,936	1,064,326	79,000	-	61,700
ix	Options granted and outstanding at the end of the year	36,720	82,660	1,450,725	2,350,106	47,000	143,650	3,596,300
x	Options vested at the end of the year out of (ix)	36,720	82,660	223,760	340,666	47,000	143,650	-
xi	Options unvested at the end of the year out of (ix)	-	-	1,226,965	2,009,440	-	-	3,596,300
xii	Weighted average remaining contractual life of options (in years)	-	-	1.7	2.7	-	-	6.2

(VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended 31 March 2017 are Nil (previous period of five years ended 31 March 2016 - Nil)

(VII) The aggregate number of equity shares issued pursuant to contract, without payment being received in cash in immediately preceding five years ended 31 March 2017 - Nil (previous period of five years ended 31 March 2016 - Nil)

(VIII) During the year ended 31 March 2017, the amount of interim dividend distributed to equity shareholder was ₹ 6.85 per share at face value of ₹ 1 (previous year ₹ 32.65 per share at face value of ₹ 1).

Notes forming part of consolidated accounts

(IX) The number and weighted average exercise price of stock options are as follows:

	Particulars	2016-17		2015-16	
		No. of stock options	Weighted average exercise price	No. of stock options	Weighted average exercise price
i	Options granted and outstanding at the beginning of the year	2,576,416	11.14	11,476,000	8.7
ii	Options reinstated during the year	-	-	458,080	2.02
iii	Options granted during the year	3,596,300	1.00	-	-
iv	Options allotted during the year	754,925	5.64	2,916,181	8.46
v	Options Lapsed/cancelled during the year	348,746	36.92	6,441,483	2.09
vi	Options granted and outstanding at the end of the year	5,130,745	2.73	2,576,416	11.14
vii	Options vested at the end of the year out of (vi)	307,480	25.84	566,976	43.51

(X) Weighted average share price at the date of exercise for stock options exercised during the year is ₹ 621 per share.

(XI) Weighted average fair value of options granted during the year is ₹ 407.39 per share.

(XII) The fair value has been calculated using the Black-Scholes Option Pricing model and significant assumptions and inputs to estimate the fair value options granted during the year are as follows:

Sr. no	Particulars	2016-17
i	Weighted average risk-free interest rate	7.10%
ii	Weighted average expected life of options	3 years
iii	Weighted average expected volatility	19.23%
iv	Weighted average expected dividends over the life of option	₹ 115.56
v	Weighted average share price	₹ 407.74
vi	Weighted average exercise price	₹ 1
vii	Method used to determine expected volatility	The expected volatility has been calculated entirely based on historic volatility IT Index, as historical data of the Group is not available being an unlisted Company.

(XIII) The balance in share option outstanding account as on 31 March, 2017 is ₹ 1,510 Mn (previous year ₹ 77Mn).

17. OTHER EQUITY

	2016-17	2015-16
I) General reserve		
Opening balance	4,492	4,491
Add: transfer from employee outstanding	9	1
	4,501	4,492

(₹ in Mn)

Notes forming part of consolidated accounts

	2016-17	2015-16
II) Hedging reserve		
Opening balance	877	1,360
Add: movement in forward contracts	4,641	397
Less: amount reclassified to profit or loss	(1,460)	(1,298)
Less: deferred tax related to above	(977)	418
	3,081	877
III) Share premium		
Opening balance	1,473	1,181
Add: additions during the year	25	292
	1,498	1,473
IV) Employee stock option outstanding		
Opening balance	77	452
Add: addition during the year	1,492	-
Less: transferred to general reserve	(8)	(1)
Less: deductions during the year	(50)	(374)
	1,511	77
Deferred employee compensation expense		
Opening balance	-	-
Add: addition during the year	547	-
Less: deductions during the year	(1,492)	-
	945	-
Balance to be carried forward	566	77
V) Foreign currency translation reserve		
Opening balance	479	285
Add: transfer	(215)	194
	264	479
VI) Retained earnings		
Opening balance	13,678	11,808
Add: profit for the year	9,707	8,363
Add: other comprehensive income	(45)	23
Less: dividend (including dividend distribution tax)	(1,978)	(6,516)
	21,362	13,678
	31,272	21,076

18. BORROWINGS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Secured loans*			
Term loans from bank	-	-	139
	-	-	139

Notes forming part of consolidated accounts

19. PROVISIONS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Post-retirement medical benefit	174	124	104
Others	111	111	111
	285	235	215

20. CURRENT BORROWINGS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Secured loans*			
Other loans from banks	-	133	600
Unsecured loans	-		
Other loans from banks		266	1,300
	-	399	1,900

21. CURRENT MATURITIES OF LONG TERM BORROWINGS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Secured loans and term loan from bank	-	147	139
	-	147	139

Details of term loans

Nature of term loan	Rupees in Mn	Rate of interest	Terms of repayment of term loan
External commercial borrowings (ECB)	-	USD LIBOR (3 months) + 2.5%	Repayable in equal half-yearly instalments of USD 1.11 million each commencing from 19 October 2012 and ended on 14 October 2016.
Previous year	147		

*The secured loans from banks are secured against hypothecation of the Group's movable assets and accounts receivables.

22. TRADE PAYABLES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Due to related parties (Refer Note 44)	167	63	157
Due to others	1,059	1,448	522
Accrued expenses	2,140	1,894	2,006
	3,366	3,405	2,685

Notes forming part of consolidated accounts

23. OTHER FINANCIAL LIABILITIES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Unclaimed dividend	3	-	-
Employe liabilities	5,838	3,349	2,276
	5,841	3,349	2,276

24. OTHER CURRENT LIABILITIES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Tax on dividend	-	23	-
Other payables	1,158	1,101	972
	1,158	1,124	972

25 (I) PROVISIONS

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Gratuity	157	87	97
Compensated absences	1,613	1,370	1,157
Post-retirement medical benefits	1	0	0
	1,771	1,457	1,254

25 (II) Disclosure pursuant to Accounting Standard (Ind- AS) 37 'Provisions, Contingent Liabilities and Contingent Assets' movement in provisions:

(₹ in Mn)

Sr. No.	Particulars	Class of provisions		
		Sales Tax	Others	Total
i	Balance as at 1-4-2016	4	7	11
ii	Additional provision during the year	-	-	-
iii	Provision used during the year	-	-	-
iv	Provision reversed during the year	-	-	-
v	Balance as at 31-03-2017	4	7	11

Nature of provisions:

- Provision for sales tax pertains to claim made by the authorities on certain transaction of capital nature for the year 2002-03.
- Provision for others represents liabilities relating to matters in dispute

Notes forming part of consolidated accounts

26. CURRENT INCOME TAX LIABILITIES

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Incometax liabilities (net)	301	8	4
	301	8	4

27. REVENUE FROM OPERATIONS

(₹ in Mn)

	2016-17	2015-16
Revenue	65,009	58,464
	65,009	58,464

28. OTHER INCOME

(₹ in Mn)

	2016-17	2015-16
Income from current investments in mutual fund	194	67
Interest received	27	25
Foreign exchange gain	1,539	1,650
Provision no longer required for doubtful debts	-	1
Miscellaneous income	107	154
	1,867	1,897

29. EMPLOYEE BENEFIT EXPENSES

(₹ in Mn)

	2016-17	2015-16
Salaries including overseas staff expenses	33,924	32,360
Share based payments to employees	428	-
Staff welfare	1,146	877
Contribution to provident and other funds	377	345
Contribution to superannuation fund	54	52
Contribution to gratuity fund	115	100
Contribution to social security and other funds	1,714	1,532
	37,758	35,266

30. OPERATING EXPENSES

(₹ in Mn)

	2016-17	2015-16
Communication expenses	238	246
Consultancy charges	4,647	4,032
Cost of equipment, hardware and software packages	3,363	2,432
	8,248	6,710

Notes forming part of consolidated accounts

31. SALES, ADMINISTRATION AND OTHER EXPENSES

(₹ in Mn)

	2016-17	2015-16
Travelling and conveyance	1,665	1,409
Rent and establishment expenses	1,627	1,618
Telephone charges and postage	331	378
Legal and professional charges	650	586
Printing and stationery	39	26
Advertisement	196	116
Entertainment	72	72
Recruitment expenses	211	148
Repairs to building	133	113
Repairs to computers	84	66
General repairs and maintenance	394	320
Power and fuel	318	348
Equipment hire charges	13	13
Insurance charges	164	163
Rates and taxes	200	206
Allowance for doubtful debts and advances	12	87
Bad debts	3	6
Less: Provision written back	-	(5)
Books, periodicals and subscriptions	14	20
Directors fees	1	1
Commission to Directors	9	6
Loss on sale of fixed assets	15	27
Miscellaneous expenses	550	516
	6,701	6,240

32. FINANCE COST

(₹ in Mn)

	2016-17	2015-16
Fixed loans	3	32
On others	29	26
	32	58

33. PROVISION FOR TAXATION

(₹ in Mn)

	2016-17	2015-16
Current tax	3,160	3,001
Provision for earlier year written back	21	38
	3,181	3,039

Notes forming part of consolidated accounts

34. DEFERRED TAX

	2016-17	2015-16
Deferred tax	(92)	29
MAT credit entitlement for current year	(440)	(1,086)
	(532)	(1,057)

(₹ in Mn)

35. STATEMENT OF OTHER COMPREHENSIVE INCOME

	2016-17	2015-16
Items that will not be reclassified to profit or loss		
Defined benefit plan actuarial gain/(loss)	(57)	25
Income tax on defined benefit plan actuarial gain/(losses)	12	(2)
	(45)	23
Items that will be reclassified to profit or loss		
Net changes in fair value of cash flow hedges	3,181	(901)
Income tax on net changes in fair value of cash flow hedges	(977)	418
Foreign currency translation reserve	(214)	194
	1,990	(289)
	1,945	(266)

(₹ in Mn)

36. CONTINGENT LIABILITIES

	2016-17	2015-16
1. Income tax liability that may arise in respect of which the Group is in appeal *	1,971	1,343
2. Corporate guarantee given on behalf of subsidiary**	3,726	5,999
3. Service tax refund disallowed, in respect of which the Group is in the appeal #	81	12
4. Sales tax liability, in respect of which the Group is in appeal	-	1
	5,778	7,355

(₹ in Mn)

* Out of contingent tax liability disclosed above, ₹ 1,779 million (including interest of ₹ 184 million), pertains to the tax demand arising on account of disallowance of exemption under section 10A on profits earned by STPI Units on on site export revenue. Company is pursuing appeal against these demands before the relevant Appellate Authorities. The Company believes that its position is likely to be upheld by appellate authorities and considering the facts, the ultimate outcome of these proceedings is not likely to have material adverse effect on the results of operations or the financial position of the Company.

** The Company had given a corporate guarantee on behalf of its wholly owned subsidiary L&T Infotech Financial Services Technologies Inc. The guarantee is for performance of all obligations by L&T Infotech Financial Services Technologies Inc. Canada in connection with the long term annuity services contracts obtained by them. The obligation under this guarantee is limited in aggregate to the amount of CAD 70,000,000.

Notes forming part of consolidated accounts

The Company had given a corporate guarantee on behalf of its subsidiary, Larsen and Toubro Infotech South Africa (Proprietary) Limited. The guarantee is for performance of all obligations by Larsen & Toubro Infotech South Africa (Proprietary) Limited in connection with software development services and related services. The obligation under this guarantee is limited in aggregate to USD 5,000,000.

The Company had filed refund of accumulated service tax credit in accordance with relevant CENVAT credit Rules. However, the department has disallowed certain portion of such refunds considering the same as ineligible as not related with output services. The Group is in appeal against these disallowances before the relevant Authorities and is hopeful of getting a favourable order.

37. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹ 151 Mn (previous year ₹ 132 Mn).

38. EMPLOYEE BENEFITS

i) The amounts recognised in balance sheet are as follows

(₹ in Mn)

	Gratuity plan		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
A.			
a) Present value of defined benefit obligation			
- Wholly funded	684	580	507
- Wholly unfunded			
b) Fair value of plan assets as on*	527	493	410
Amount to be recognised as liability or (asset) (a-b)	157	87	97
Net liability/(asset)-current	157	87	97
Net liability/(asset)- non current	-	-	-

* Asset is not recognised in the balance sheet.

(₹ in Mn)

	Post-retirement medical benefit plan		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
A.			
a) Present value of defined benefit obligation			
- Wholly funded	-	-	-
- Wholly unfunded	175	124	104
b) Fair value of plan assets	-	-	-
Amount to be recognised as liability or (asset) (a-b)x	175	124	104
B.			
Amounts reflected in the balance sheet			
Liability	175	124	104
Assets	(-)	(-)	(-)
Net liability/(asset)	175	124	104
Net liability/(asset)-current	1	-	-
Net liability/(asset)- non current	174	124	104

Notes forming part of consolidated accounts

	Provident fund plan (refer note (X)(iii) below)		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
A.			
a) Present value of defined benefit obligation			
- Wholly funded	4,910	4,254	3,776
- Wholly unfunded	-	(-)	(-)
	4,910	4,254	3,776
b) Fair value of plan assets			
Amount to be recognised as liability or (asset) (a-b)	4,939	4,264	3,779
	(29)	(10)	3
B.			
Amounts reflected in the balance sheet			
Liability	62	56	47
Assets	(-)	(-)	(-)
Net liability/(asset)#	62	56	47
Net liability/(asset)-current	62	56	47
Net liability/(asset)- non current	(-)	(-)	(-)

Employer's and employee's contribution for March 2017 paid in April 2017.

II) The amounts recognised in statement of profit and loss are as follows:

(₹ in Mn)

	Gratuity plan	
	2016-17	2015-16
i) Current service cost	112	98
ii) Past service cost	-	-
iii) Administration expenses	-	-
iv) Interest on net defined benefit liability/(asset)	3	7
v) (Gains)/losses on settlement	-	-
Total expense charged to profit and loss account	115	105

(₹ in Mn)

	Post-retirement medical benefit plan	
	2016-17	2015-16
i) Current service cost	27	24
ii) Past service cost	-	-
iii) Administration expenses	-	-
iv) Interest on net defined benefit liability/(asset)	10	8
v) (Gains)/losses on settlement	-	-
Total expense charged to profit and loss account	37	32

Notes forming part of consolidated accounts

(₹ in Mn)

		Provident fund plan	
		2016-17	2015-16
i	Current service cost	274	257
ii	Interest cost	373	316
iii	Expected return on plan assets	(373)	(316)
Total expense for the year included in staff cost		274	257

III) The amounts recognised in statement of Other Comprehensive income are as follows:

(₹ in Mn)

Particulars	Gratuity plan		Post retirement medical benefit plan	
	2016-17	2015-16	2016-17	2015-16
Opening amount recognized in OCI	(14)	-	(11)	-
Re-measurements during the period due to:				
Changes in financial assumptions	41	5	32	4
Experience adjustments	(5)	(8)	(18)	(15)
Actual return on plan assets less interest on plan assets	6	(12)	-	-
Closing amount recognized in OCI	28	(14)	3	(11)

IV) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances there of are as follows:

(₹ in Mn)

	Gratuity plan	
	2016-17	2015-16
Opening balance of defined benefit obligation	579	497
Current service cost	112	98
Past service cost	-	-
Interest on defined benefit obligation	41	36
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	41	5
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(5)	(8)
Benefits paid	(84)	(54)
Liabilities assumed/(settled)	-	5
Liabilities extinguished on settlements	-	-
Closing balance of defined benefit obligation	684	579

Notes forming part of consolidated accounts

(₹ in Mn)

	Post-retirement medical benefit plan	
	2016-17	2015-16
Opening balance of defined benefit obligation	124	104
Current service cost	27	24
Past service cost	-	-
Interest on defined benefit obligation	10	8
Re-measurements due to		
Actuarial loss/(gain) arising from change in financial assumption	31	4
Actuarial loss/(gain) arising from change in demographic assumptions	-	-
Actuarial loss/(gain) arising on account of experience changes	(18)	(15)
Benefits paid	0	0
Liabilities assumed/(settled)	-	-
Liabilities extinguished on settlements	-	-
Closing balance of defined benefit obligation	174	124

(₹ in Mn)

	Provident fund plan	
	2016-17	2015-16
Opening balance of defined benefit obligation	4,254	3,776
Add: Interest cost	373	316
Add: Current service cost	274	257
Add: Contribution by plan participants	617	581
Add/(Less): actuarial (gains)/losses		
Add: Business combination/acquisition		-
Less: Assets acquired/(settled)*	(50)	(182)
Liabilities assumed on acquisition/(settled on divestiture)		-
Less: Benefits paid	(558)	(494)
Closing balance of the present value of defined benefit obligation	4,910	4,254

V) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in Mn)

Particulars	Gratuity plan		Provident fund plan	
	2016-17	2015-16	2016-17	2015-16
Opening balance of the fair value of the plan assets	493	405	4,264	3,779
Employer's contributions	87	97	271	244
Expected return on plan assets	38	29	373	316
Administration expenses	-	-	-	-
Actuarial gains/(loss)	-	-	47	26

Notes forming part of consolidated accounts

Particulars	Gratuity plan		Provident fund plan	
	2016-17	2015-16	2016-17	2015-16
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	(7)	11		
Contribution by plan participants			592	575
Benefits paid	(84)	(54)	(558)	(494)
Assets acquired/(settled)*	-	5	(50)	(182)
Assets distributed on settlements	-	-		
Closing balance of plan assets	527	493	4,939	4264

* On account of business combination or inter-company transfer

The Company expects to contribute ₹ 157 Mn (₹ 87 Mn in 2015-16) towards its gratuity, in the next financial year.

The Company's share of defined benefit obligation/fair value of plan assets adjusted by the Trust of the holding Company.

VI) The major categories of plan assets as a percentage of total plan assets are as follows:

(₹ in Mn)

	FY 2016-17	
	Gratuity plan	Provident fund plan
Government of India securities	Scheme with LIC	20.45%
State government securities		21.19%
Corporate bonds		14.50%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds		8.38%
Public sector bonds		32.84%
Mutual Funds		2.64%

VII) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2016-17	2015-16
i Discount rate		
For gratuity	6.75%	7.75%
For post -retirement medical benefits	6.75%	7.75%
ii Annual increase in healthcare costs (see note below)	5.0%	5.0%
iii Attrition rate:	Varies between 2% to 18%	Varies between 2% to 18%
iv Salary growth rate	5.0%	5.0%

Notes forming part of consolidated accounts

VIII) Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan (which in case of serving employees, if any, is based on service accrued by employee up to valuation date):

As on 31 March 2017

(₹ in Mn)

Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	96	1
Expected benefits for year 2	87	2
Expected benefits for year 3	86	2
Expected benefits for year 4	82	3
Expected benefits for year 5	77	3
Expected benefits for year 6	72	4
Expected benefits for year 7	66	5
Expected benefits for year 8	61	5
Expected benefits for year 9	54	6
Expected benefits for year 10 and above	469	1,036

As on 31 March 2016

(₹ in Mn)

Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	91	0
Expected benefits for year 2	81	2
Expected benefits for year 3	78	2
Expected benefits for year 4	75	2
Expected benefits for year 5	67	3
Expected benefits for year 6	63	3
Expected benefits for year 7	59	4
Expected benefits for year 8	55	5
Expected benefits for year 9	50	5
Expected benefits for year 10 and above	413	915

The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes forming part of consolidated accounts

IX) Sensitivity analysis

i) Post retirement benefits:

Although the obligation of the Group under the post-retirement medical benefit plan is limited to the overall ceiling limits, assumed healthcare cost trend rates may affect the amounts recognised in the statement of profit and loss. The benefit obligation results for the cost of paying future hospitalization premiums to insurance company and reimbursement of domiciliary medical expenses in future for the employee/beneficiaries during their lifetime is sensitive to discount rate, future increase in healthcare costs and longevity. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

	Period ended 31 March 2017
Discount Rate	
Impact of increase in 50 bps on defined benefit obligation	-9.84%
Impact of decrease in 50 bps on defined benefit obligation	11.32%
Healthcare costs rate	
Impact of increase in 100 bps on defined benefit obligation	17.87%
Impact of decrease in 100 bps on defined benefit obligation	-14.14%
Life expectancy	
Impact of increase by 1 year on defined benefit obligation	0.69%
Impact of decrease by 1 year on defined benefit obligation	-0.72%

ii) Gratuity:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Period ended 31 March 2017	
	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	-3.09%	3.14%
Impact of decrease in 50 bps on defined benefit obligation	3.27%	-3.01%

X) General descriptions of defined benefit plans:

i) Gratuity plan

The Group makes contributions to the Company's employees' Company Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to employees at retirement, death while in employment or termination of employment of an amount equivalent to 15 days salary for every completed year of service or part thereof in excess of six months, provided the employee has completed five years in service.

ii) Post-retirement medical benefit plan

The post-retirement medical benefit plan provides for reimbursement of health care costs to certain categories of employees post their retirement. The reimbursement is subject to an overall ceiling limit sanctioned at the time of retirement. The ceiling limits are based on cadre of the employee at the time of retirement.

Notes forming part of consolidated accounts

iii) Provident fund plan

The Group's provident fund plan is managed by its holding company through a Trust permitted under the Provident Fund Act, 1952. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The interest payment obligation of trust managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss arising out of the investment risk and actuarial risk associated with the plan is also recognised as expense in the period in which such loss occurs. Further, an amount of ₹ Nil has been provided based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

39. FINANCIAL INSTRUMENTS BY CATEGORY

- i) Carrying value of financial instruments by categories are as follows. The carrying value of financial assets and liabilities classified at amortised cost is considered to be same as their fair values due to short term nature of these assets and liabilities. Hence disclosure of fair value of these assets and liabilities have not been provided.

(₹ in Mn)

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Fair value through P&L (FVPTL)	Fair value through OCI (FVTOCI)	Amortised cost
Financial assets									
Current investments	9,406	-	-	429	-	-	1,037	-	-
Trade receivables	-	-	11,697	-	-	11,661	-	-	10,827
Unbilled revenue	-	-	4,724	-	-	3,788	-	-	1,550
Cash and cash equivalents	-	-	3,761	-	-	2,008	-	-	1,889
Other bank balances	-	-	34	-	-	27	-	-	127
Derivative financial instruments	220	3,897	-	-	944	-	-	2,062	-
Other financial assets	-	-	737	-	-	889	-	-	619
	9,626	3,897	20,953	429	944	18,373	1,037	2,062	15,012

(₹ in Mn)

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Fair value through P&L (FVPTL)	Fair value through OCI (FVTOCI)	Amortised cost
Financial liability									
Borrowings	-	-	-	-	-	399	-	-	1,900
Current maturities of long term borrowings	-	-	-	-	-	147	-	-	139
Trade payables	-	-	3,366	-	-	3,405	-	-	2,685
Other financial liabilities	-	-	5,841	-	-	3,349	-	-	2,276
	-	-	9,207	-	-	7,300	-	-	7,000

Notes forming part of consolidated accounts

II) Total of carrying value of financial assets and liabilities is as given below

(₹ in Mn)

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Financial assets			
Current investments	9,406	429	1,037
Trade receivables	11,697	11,661	10,827
Unbilled revenue	4,724	3,788	1,550
Cash and cash equivalents	3,761	2,008	1,889
Other bank balances	34	27	127
Derivative financial instruments	4,117	944	2,062
Other financial assets	737	889	619
	34,476	19,746	18,111
Financial liability			
Borrowings	-	399	1,900
Current maturities of long term borrowings	-	147	139
Trade payables	3,366	3,405	2,685
Other financial liabilities	5,841	3,349	2,276
	9,207	7,300	7,000

III) Fair value hierarchy used by the Group for valuation of financial assets and liabilities recognised at FVTPL and FVTOCI is as below:

Level 1- Quoted prices (unadjusted) in the active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included with in level 1 that are observable for assets or liabilities either directly or indirectly.

Level 3- Inputs for assets or liabilities that are not based on observable market data

(₹ in Mn)

	As at 31 March 2017				As at 31 March 2016				As at 1 April 2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Current investments	9,406	-	-	9,406	429	-	-	429	1,037	-	-	1,037
Derivative financial instruments	-	4,117	-	4,117	-	944	-	944	-	2,062	-	2,062
	9,406	4,117	-	13,523	429	944	-	1,373	1,037	2,062	-	3,099

(IV) Financial risk management

The Group is exposed to foreign currency risk, interest rate risk, credit or counterparty risk and liquidity risk.

i) Currency risk

Primary market risk to the Group is foreign exchange risk.

Notes forming part of consolidated accounts

The Group uses derivative financial instruments to mitigate foreign exchange related exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

The Group's operations are principally in foreign currencies and the maximum exposure is in US dollars.

The Board of Directors have approved the Group's financial risk management policy covering management of foreign currency exposures. The treasury department, monitors the foreign currency exposures and takes appropriate forward covers to mitigate its risk. The Group hedges its exposure on a net basis (i.e. expected earnings in foreign currency less expected expenditure in related currency) These hedges are cash flow hedges as well as hedges not designated as cash flow hedges.

The Group does not enter into hedge transactions for either trading or speculative purposes.

The outstanding forward contracts at the year end their maturity profile and sensitivity analysis are as under.

Fair value of forward contracts as at 31 March 2017, 31 March 2016 and 1 April 2015 was ₹ 57,886 Mn, ₹ 42,009 Mn, ₹ 53,726 Mn respectively. Outstanding number of contracts as at 31 March 2017 were 269, 31 March 2016 were 118 and 1 April 2015 were 200.

A) Notional value of contracts is given as below:

Currency	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Amount in USD Mn	Amount in INR Mn	Amount in USD Mn	Amount in INR Mn	Amount in USD Mn	Amount in INR Mn
USD-INR	848	61,818	601	42,754	808	54,912

B) The foreign exchange forward contracts mature maximum within 36 months. The table below analyses the derivative financial instrument into relevant maturity grouping based on the remaining period as of the balance sheet. Contracts with maturity not later than twelve months include certain contracts which can be rolled over to subsequent periods in line with underlying exposures.

	(₹ in Mn)		
	As at 31-03-2017	As at 31-03-2016	As at 1 April 2015
In USD			
Not later than twelve months	29,509	28,002	37,460
Later than twelve months	32,309	14,752	17,452
TOTAL	61,818	42,754	54,912

C) Value-at-Risk (VaR)

To provide a meaningful assessment of the foreign currency risk associated with the Group's foreign currency derivative positions against off balance sheet exposures and unhedged portion of on-balance sheet exposures, the Group uses a multi-currency correlated VaR model. The VaR model uses a Monte Carlo simulation to generate thousands of random market price paths for foreign currencies against Indian rupee taking into account the correlations between them. The VaR is the expected loss in value of the exposures due to overnight movement in spot exchange rates, at 95% confidence interval. The VaR model is not intended to represent actual losses but is used as a risk estimation tool. The model assumes normal market conditions and is a historical best fit model. Because the Group uses foreign currency instruments for hedging purposes, the loss in fair value incurred on those instruments are generally offset by increases in the fair value of the underlying exposures for on-balance sheet exposures. The overnight VAR of the Group at 95% confidence level is ₹ 396 Mn as at 31 March 2017 (₹ 250 Mn as at 31 March 2016).

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, 2017 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 consolidated accounts

ii) Interest risk:

The Group has no interest rate risk in case of borrowings as on 31 March 2017. However the Group invests its surplus funds in Debt mutual funds. The Group mitigates the risk of counter-party failure by investing in mutual fund schemes with large asset under management and having investments in debt instruments issued with sound credit rating.

Net Asset Values (NAV) of debt mutual funds are subject to changes in interest rates. Every five percent increase or decrease in the NAV of debt mutual funds where the Group holds investments will impact the Group's profit after tax by ₹ 470 Mn in 2016-2017 and ₹ 3 Mn in 2015-2016.

iii) Credit risk

The principal credit risk that the Group exposed to is non-collection of trade receivable and late collection of receivable leading to credit loss. The risk is mitigated by reviewing creditworthiness of the prospective customers prior to entering into contract and post contracting, through continuous monitoring of collections by a dedicated team.

The Group makes adequate provision for non-collection of trade receivable. Further, the Group has not suffered significant payment defaults by its customers.

In addition, for delay in collection of receivable, the Group has made provision for Expected Credit loss ('ECL') based on ageing analysis of its trade receivable. These range from 1.7% for dues outstanding up to six months to 21.3% for dues outstanding for more than 36 months for 2016-17 (Previous year 1.9% and 23.5% for dues outstanding up to 6 months and for more than 36 months respectively). No provision has been made on trade receivables in not due category.

ECL allowance for non-collection of receivable and delay in collection, on a combined basis were ₹ 65 Mn and ₹ 62 Mn for the financial years 2016-17 and 2015-16 respectively. The movement in allowance for doubtful debts comprising provision for both non-collection of receivables and delay in collections is as follows:

	(₹ in Mn)	
	2016-17	2015-16
Opening balance	62	61
Impairment loss recognised or (reversed)	3	1
Closing balance	65	62

The percentage of revenue from its top five customers is 37.6% for 2016-17 (37.5% for 2015-16).

The counter-party risk that 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 enter into contracts with the counter-parties for all its hedge instruments and in addition, entered into suitable credit support agreements to cap counter party risk where necessary.

iv) Liquidity risk

The Group's treasury department monitors the cash flows of the Group and surplus funds are invested in non-speculative financial instruments that are usually highly liquid funds.

The Group has no borrowings as on 31 March 2017 but it has credit facilities with banks that will help it to generate funds for the business if required.

Notes forming part of consolidated accounts

The contractual maturities of financial assets and financial liabilities is as follows:

(₹ in Mn)

Particulars	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Within a year	More than one year	Total	Within a year	More than one year	Total	Within a year	More than one year	Total
Borrowings	-	-	-	399	-	399	1,900	139	2,039
Current maturities of long term borrowings	-	-	-	147	-	147	139	-	139
Trade payables	3,366	-	3,366	3,405	-	3,405	2,685	-	2,685
Other financial Liabilities	5,841	-	5,841	3,349	-	3,349	2,276	-	2,276
TOTAL	9,207	-	9,207	7,300	-	7,300	7,000	139	7,139

(₹ in Mn)

Particulars	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Within a year	More than one year	Total	Within a year	More than one year	Total	Within a year	More than one year	Total
Current investments	9,406	-	9,406	429	-	429	1,037	-	1,037
Trade receivables	11,697	-	11,697	11,661	-	11,661	10,827	-	10,827
Unbilled revenue	4,724	-	4,724	3,788	-	3,788	1,550	-	1,550
Cash and cash equivalent	3,761	-	3,761	2,008	-	2,008	1,889	-	1,889
Other bank balances	34	-	34	27	-	27	127	-	127
Derivative financial instruments	2,251	1,866	4,117	812	132	944	1,635	427	2,062
Other financial assets	426	310	737	595	294	889	328	291	619
TOTAL	32,299	2,176	34,475	19,320	426	19,746	17,393	718	18,111

40. LEASES

(I) Finance leases

In accordance with Ind AS 17 'Leases', the assets acquired under finance leases are capitalised and a loan liability is recognised for an equivalent amount. Consequently depreciation is provided on such assets. Lease rentals paid are allocated to the liability and the interest is charged to the consolidated statement of profit and loss.

(II) Operating leases

The Group has taken certain premises, office equipment and employee cars under non-cancellable operating leases. The rental expense in respect of operating leases was ₹ 1,686 Mn. (previous year ₹ 1,606 Mn) and the future rentals payable are as follows:

(₹ in Mn)

	2016-17	2015-16
Minimum lease payments		
- payable not later than 1 year	875	844
- payable after 1 year but not later than 5 years	3,584	4,464
- payable after 5 years	565	646
	5,024	5,954

Notes forming part of consolidated accounts

41. BASIC AND DILUTED EARNINGS PER SHARE (EPS) AT FACE VALUE OF ₹ 1

	2016-17	2015-16
Profit after tax (₹ in Mn)	9,707	8,362
Weighted average number of shares outstanding	170,112,899	163,914,663
Basic EPS (₹)	57.08	51.02
Weighted average number of shares outstanding	170,112,899	163,914,663
Add: weighted average number of potential equity shares on account of employee options	3,879,583	5,665,080
Weighted average number of shares outstanding	173,992,482	169,579,743
Diluted EPS (₹)	55.80	49.31

42. AMALGAMATION OF SUBSIDIARY

GDA Technologies Limited (GDA) has been amalgamated with the Company with effect from 1 April 2016. The Board of Directors of the Company and GDA have approved the scheme of amalgamation of GDA with the Company on 17 October 2014, with 1 April 2016 as the appointed date. Accordingly, a petition for sanctioning the scheme of amalgamation has been filed with the Hon'ble High Court of Judicature at Bombay and the Hon'ble High Court of Judicature at Madras. The Scheme has been sanctioned by the Hon'ble High Court of Judicature at Bombay vide its order dated 1 April 2016 and the approval of the Scheme by the Hon'ble High Court of Madras is sanctioned on 3 August 2016 with effective 1 April 2016.

43. ACQUISITION OF SUBSIDIARY

On 30 November 2016, the Company has acquired 100% stake in a Pune based Company, AugmentIQ Data Sciences Private Limited (AugmentIQ) for ₹ 71 Mn.

The Purchase price allocation as per Ind AS 103 Business Combination has resulted into recognition of following assets and liabilities:

	(₹ in Mn)	
Non-current Assets		43
Current Assets		
Short term loans and advances	10	
Trade receivables	25	35
Current liabilities		
Trade payable	(3)	
Other current liabilities	(23)	
Deferred tax liability on acquisition	(14)	(40)
Total net current assets		(5)
TOTAL		38

Calculation of goodwill

	(₹ in Mn)	
Consideration transferred		71
Less: Net identifiable assets acquired		(38)
Goodwill		33

Notes forming part of consolidated accounts

44. RELATED PARTY DISCLOSURE:**(I) Key Management Personnel:**

Name	Status
Mr. Sanjay Jalona	Chief Executive Officer (CEO) & Managing Director ¹
Mr. Aftab Zaid Ullah	Chief Operating Officer (COO) & Whole time Director ²
Mr. Sudhir Chaturvedi	President - Sales (President) ³ & Whole time Director
Mr. Ashok Kumar Sonthalia	Chief Financial Officer ⁴
Mr. V. K. Magapu	Managing Director ⁵
Mr. Chandrashekara Kakal	Chief Operating Officer ⁶
Mr. K.R.L. Narasimham	Executive Director ⁷
Mr Sunil Pande	Executive Director ⁸

1 Appointed as Chief Executive Officer & Managing Director w.e.f. August 10, 2015

2 Appointed as COO w.e.f February 09,2016 and Whole time Director w.e.f November 09, 2016

3 Appointed as President w.e.f September 12, 2016 and Whole time Director w.e.f November 09, 2016

4 Appointed as Chief Financial Officer w.e.f August 26, 2015

5 Ceased to be Director w.e.f September 25, 2015

6 Ceased to be Director w.e.f of August 26, 2015

7 Ceased to be Director w.e.f of April 7, 2015

8 Ceased to be Director w.e.f of August 25, 2015

(II) List of related parties with whom there were transactions during the year:

Name	Relationship
Larsen & Toubro Limited	Holding Company
L&T Hydrocarbon Engineering Limited	Fellow Subsidiary
Larsen & Toubro (East Asia) SDN.BHD	Fellow Subsidiary
L&T Electrical and Automation Saudi Arabia Company Limited LLC	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
L&T General Insurance Company Limited	Fellow Subsidiary
L&T Infrastructure Development Projects Limited	Joint venture of Holding Company
Larsen & Toubro Kuwait Construction General Contracting Company, WLL	Fellow Subsidiary
L&T Infrastructure Finance Company Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow Subsidiary
L&T Technology Services Limited	Fellow Subsidiary
L&T Valves Limited	Fellow Subsidiary
L&T Investment Management Limited	Fellow Subsidiary
L&T Construction Equipment Limited	Fellow Subsidiary
Larsen & Toubro LLC	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Electrical & Automation FZE	Fellow Subsidiary

Notes forming part of consolidated accounts

Name	Relationship
Spectrum Infotech Pvt Ltd	Fellow Subsidiary
Family Credit Limited	Fellow Subsidiary
PT. Tamco Indonesia	Fellow Subsidiary
L&T Special Steels and Heavy Forgings Private Limited	Joint venture of Holding Company
L&T Thales Technology Services Private Limited	Fellow Subsidiary
L&T Capital Markets Limited	Fellow Subsidiary
L&T Housing Finance Limited	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T MHPS Boilers Private Limited	Joint venture of Holding Company
L&T Sapura Shipping Private Limited	Joint venture of Holding Company

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(₹ in Mn)

Transaction	Holding company	
	2016-17	2015-16
Sale of services/products	1,279	1,101
Sale of assets	1	109
Purchases of services/products	161	275
Overheads charged by	557	635
Overheads charged to	223	82
Trademark fees paid	167	105
Trade receivable	82	463
Interim dividend	985	5,265
Contributions to PF	271	244
Guarantees received	2,023	2,023
Final dividend paid	419	-

Trade Payables to Holding company as on 01 April 2015 was 146 Mn.

(₹ in Mn)

Transaction	Joint venture of Holding Company	
	2016-17	2015-16
Sale of services/products	11	7
- L&T Infrastructure Development Projects Limited	7	6
- L&T MHPS Boilers Private Limited	2	-

Notes forming part of consolidated accounts

(₹ in Mn)

Transaction	Fellow subsidiaries	
	2016-17	2015-16
Sale of services/products	377	424
- L&T Metro Rail (Hyderabad) Limited	1	64
- L&T Technology Services Limited	125	51
- L&T Hydrocarbon Engineering Limited	69	79
- L&T Thales Technology Services Private Limited	101	96
Sale of assets	8	8
- L&T Technology Services Limited	7	8
Purchases of services/products	553	694
- L&T Technology Services Limited	552	694
Overheads charged by	49	38
- Larsen & Toubro East Asia	23	24
- L & T Electrical & Automation FZE	2	7
- Larsen & Toubro Kuwait Construction General Contracting Group, WLL	-	6
- L&T Technology Services Limited	23	-
Overheads charged to	293	441
- L&T Technology Services Limited	282	440
Trade receivable	89	116
Trade payable	167	63

Trade payables to Fellow Subsidiaries as on 1 April 2015 was 11 Mn and Trade receivables from Fellow Subsidiaries as on 01 April 2015 was 74 Mn.

(III) Outstanding balances with related parties*

(₹ in Mn)

Party	Nature	Amount (Payable)/Receivable		
		2016-17	2015-16	2014-15
L&T Metro Rail (Hyderabad) Ltd	Trade receivable	21	36	-
L&T Thales technology services private limited	Trade receivable	15	15	28
L&T Technology services Limited	Trade (payable)/receivable	(148)	(59)	42
Larsen & Toubro East Asia	Trade (payable)	-	(9)	(10)

* All trade receivable and trade payable are unsecured and to be received and settled in cash

(VI) Managerial remuneration

(₹ in Mn)

	2016-17	2015-16
(i) Short term employee benefits	169	56
(ii) Contribution to funds	10	1
(iii) Share based payments (on options granted)	286	Nil

Notes forming part of consolidated accounts

(₹ in Mn)

	2016-17	2015-16
Mr. Sanjay Jalona	214	34
Mr. Aftab Zaid Ullah	97	-
Mr. Sudhir Chaturvedi	123	-

45. SEGMENTAL REPORTING

Segments have been identified in accordance with Indian Accounting standards ('Ind AS') 108 on operating segments considering the risk or return profiles of the business. As defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators. Accordingly, information has been presented for the Group's operating segments. The accounting is consistently applied to record revenue and expenses for respective segments and as are set out in significant accounting policies.

The Group has two business segments. Services Cluster includes Banking & Financial Services, Insurance, Media & Entertainment, Travel & Logistics and Healthcare and others. Industrial Cluster includes Hi Tech and Consumer Electronics, Consumer, Retail & Pharma, Energy & Process, Automobile & Aerospace, Plant Equipment & Industrial Machinery, Utilities and Engineering and Construction and others. The Group has presented its segment results accordingly.

I) The revenue and operating profit by segment is as under:

(₹ in Mn)

	Services Cluster		Industrial Cluster		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenues	36,380	31,530	28,629	26,934	65,009	58,464
Segmental operating profit	10,197	8,075	6,211	6,896	16,408	14,971
Unallocable expenses (net)					4,106	4,723
Other income					1,867	1,897
Finance cost					32	58
Depreciation and amortization expenses					1,779	1,740
Profit before tax					12,358	10,347

II) Segmental reporting of revenues on the basis of the geographical location of the customers and is as under:

(₹ in Mn)

Geography	Revenue from operations	
	2016-17	2015-16
North America	44,760	40,369
Europe	11,861	10,126
India	4,356	3,394
APAC	1,560	1,654
ROW	2,472	2,921
TOTAL	65,009	58,464

46. EVENTS OCCURRING AFTER THE REPORTING PERIOD:

The Board of Directors at its meeting held on 4 May 2017, has declared final dividend of ₹ 9.70 per equity share (Face value ₹ 1) for the financial year 2016-17.

Notes forming part of consolidated accounts

47. FIRST-TIME ADOPTION OF IND-AS

The consolidated financial statements of the Group for the year ended 31 March 2017 have been prepared in accordance with Ind AS. This is the first set of financial statements in accordance with Ind AS. The Group has followed Ind AS 101: 'First time adoption of Indian Accounting Standards', with 1 April 2015 as the transition date.

The transition to Ind AS has resulted in changes in the presentation of the consolidated financial statement, disclosures in the notes thereto including accounting policies. The accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the year ended 31 March 2017 and the comparative financial statements.

Impact of the transition from iGAAP to Ind AS on the Group's financial statements, exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 and reconciliation of financial statements is explained below:

I) Exemptions availed on first time adoption of Ind-AS 101

i) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a date when the entity acquires the control of the subsidiary. The Group has availed the exemption and has restated the balances prospectively as on the date of transition.

ii) Deemed cost

Ind AS 101 permits a first-time adopter to elect fair valuation or to continue with the carrying value for all property, plant and equipment measured as per the iGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property plant and equipment recognized as at 1 April 2015 measured as per the iGAAP.

iii) Share-based payment

A first time adopter has option to apply Ind AS 102 Share-based payments to equity instruments that were granted on or before the date of transition to Ind AS. Accordingly at the date of transition the Group has measured such unvested options at fair value.

II) Reconciliation of equity

Particulars	(₹ in Mn)	
	At at 31 March 2016	At at 1 April 2015
Equity under Indian GAAP attributable to:		
Larsen & Toubro Infotech Limited	20,227	20,263
Non- controlling interests	5	4
Equity under iGAAP	20,232	20,267
Proposed dividend including tax on dividend	500	-
Provision for expected credit loss based on ageing of trade receivable	(62)	(61)
Others	(13)	(9)
Tax impact	593	(455)
Equity as per Ind AS	21,250	19,742
Attributable to:		
Larsen & Toubro Infotech Limited	21,245	19,738
Non- controlling interests	5	4

Notes forming part of consolidated accounts

III) Total comprehensive income reconciliation

(₹ in Mn)

Particulars	2015-16
Net Profit under iGAAP	9,223
Foreign exchange premia on forward contracts not to be recognized in financial statements.	(1,061)
Actuarial (gains)/losses on employee defined benefit plans recognised in other comprehensive income	(25)
Measurement of investments at fair value	(1)
Effect due to change in functional currencies of foreign subsidiaries	(37)
Others	(1)
Tax impact	267
Net profit for the period under Ind AS	8,365
Other comprehensive income	(266)
Total comprehensive income for the period under Ind AS	8,099

IV) Reconciliation of consolidated iGAAP and Ind AS Balance sheet as at 31 March 2016

(in ₹ Mn)

Particulars	As at 31-03-2016	Ind AS adjustment	As at 31-03-2016
	iGAAP		Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2,792	0	2,792
(b) Capital work-in-progress	7	-	7
(c) Goodwill	978	-	978
(d) Other intangible assets	2,606	0	2,606
(e) Intangible assets under development	188	-	188
(f) Financial assets			
(i) Investments	0	0	0
(ii) Other financial assets	1,674	(1,248)	426
(g) Deferred tax assets	1,620	593	2,213
(h) Income tax assets (net)	886	-	886
(i) Other non-current assets	1,244	79	1,323
Total Non-Current Assets	11,995	(576)	11,419
Current assets			
(a) Financial assets			
(i) Investments	429	0	429
(ii) Trade receivable	11,723	(62)	11,661
(iii) Unbilled revenue	3,788	0	3,788

Notes forming part of consolidated accounts

(in ₹ Mn)

Particulars	As at 31-03-2016	Ind AS adjustment	As at 31-03-2016
	iGAAP		Ind AS
(iv) Cash and cash equivalents	2,008	-	2,008
(v) Other bank balances	25	2	27
(vi) Other financial assets	3,000	(1,593)	1,407
(b) Other current assets	856	27	883
Total current assets	21,829	(1,626)	20,203
TOTAL ASSETS	33,824	(2,202)	31,622
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	170	-	170
(b) Other equity			
(i) Other reserves	3,657	3,740	7,397
(ii) Retained earnings	16,399	(2,721)	13,678
(iii) Non- Controlling interests	5	0	5
Total equity	20,231	1,019	21,250
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	1,148	(1,148)	-
(b) Deferred tax liabilities	248	(0)	248
(c) Provisions	235	-	235
Total Non-current liabilities	1,631	(1,148)	483
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	399	-	399
(ii) Current maturities of long term borrowings	147	-	147
(iii) Trade payables	3,405	-	3,405
(iv) Other financial liabilities	4,922	(1,573)	3,349
(b) Other current liabilities	1,124	(0)	1,124
(c) Provisions	1,957	(500)	1,457
(d) Current income tax liabilities (net)	8	(0)	8
Total current liabilities	11,962	(2,073)	9,889
TOTAL EQUITY AND LIABILITIES	33,824	(2,202)	31,622

Notes forming part of consolidated accounts

V) Reconciliation of consolidated iGAAP and Ind AS Balance sheet as at 1 April 2015

(in ₹ Mn)

Particulars	As at 01-04-2015	Ind AS Adjustment	As at 01-04-2015
	iGAAP		Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2,750	(0)	2,750
(b) Capital work-in-progress	53	-	53
(c) Goodwill	963	-	963
(d) Other intangible assets	3,122	0	3,122
(e) Intangible assets under development	198	(0)	198
(f) Financial assets		-	
(i) Investments	0	0	0
(ii) Other financial assets	1,247	(529)	718
(g) Deferred tax assets	1,443	(455)	988
(h) Income tax assets (net)	976	-	976
(i) Other non-current assets	1,011	76	1,087
Total non-current assets	11,763	(908)	10,855
Current assets			
(a) Financial assets			
(i) Investments	1,036	1	1,037
(ii) Trade receivable	10,889	(62)	10,827
(iii) Unbilled revenue	1,550	-	1,550
(iv) Cash and cash equivalents	1,889	-	1,889
(v) Other bank balances	120	7	127
(vi) Other financial assets	2,080	(117)	1,963
(b) Other current assets	1,216	23	1,239
Total current assets	18,780	(148)	18,632
TOTAL ASSETS	30,543	(1,056)	29,487
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	161	0	161
(b) Other equity			
(i) Other reserves	5,909	1,860	7,769
(ii) Retained earnings	14,193	(2,385)	11,808
(iii) Non- controlling interests	4	0	4
Total equity	20,267	(525)	19,742

Notes forming part of consolidated accounts

(in ₹ Mn)

Particulars	As at 01-04-2015	Ind AS Adjustment	As at 01-04-2015
	iGAAP		Ind AS
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	139	-	139
(b) Other non current liabilities	447	(447)	-
(c) Deferred tax liabilities	161	0	161
(d) Provisions	215	-	215
Total non-current liabilities	962	(447)	515
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	1,898	2	1,900
(ii) Current maturities of long term borrowings	139	-	139
(iii) Trade payables	2,685	-	2,685
(iv) Other financial liabilities	2,362	(86)	2,276
(b) Other current liabilities	972	-	972
(c) Provisions	1,254	-	1,254
(d) Current income tax liabilities (net)	4	0	4
Total current liabilities	9,314	(84)	9,230
TOTAL EQUITY AND LIABILITIES	30,543	(1,056)	29,487

V) Reconciliation of consolidated iGAAP and Ind AS Profit and Loss for the year ended 31 March 2016

(in ₹ Mn)

Particulars	April 15 - March 16	Ind AS adjustment	April 15 - March 16
	iGAAP		Ind AS
Other Income	2,960	(1,063)	1,897
	61,431	(1,070)	60,361
Expenses:			
Employee Benefit Expense	35,347	(81)	35,266
Operating expenses	6,711	(1)	6,710
Sales, administration and other expenses	6,057	183	6,240
Finance costs	104	(46)	58
Depreciation on tangible assets	737	(0)	737
Amortisation of intangible assets	1,003	0	1,003
Total Expenses	49,959	55	50,014
Profit before exceptional items & tax	11,472	(1,125)	10,347

Notes forming part of consolidated accounts

(in ₹ Mn)

Particulars	April 15 - March 16	Ind AS adjustment	April 15 - March 16
	iGAAP		Ind AS
Exceptional items			
Profit after extraordinary items and before tax	11,472	(1,125)	10,347
Tax expense			
Current tax (net)	1,649	1,390	3,038
Deferred tax	600	(1,657)	(1,056)
	2,249	(267)	1,982
Profit from continuing operations after tax	9,223	(858)	8,365
Net profit for the year	9,223	(858)	8,365
Other comprehensive income	-	(266)	(266)
Total comprehensive income for the year	9,223	(1,124)	8,099
Profit Attributable to:			
Owners of the Company	9,221	(858)	8,363
Non- Controlling interests	2	0	2
	9,223	(858)	8,365
Total Comprehensive Income Attributable to:			
Owners of the Company	-	8,098	8,098
Non- Controlling interests	-	1	1
	-	8,099	8,099

48. The Group is not required to transfer any amount to Investor Education and Protection Fund.
49. The financial statements were approved by the Board of Directors on 04 May 2017.

As per our report attached

SHARP & TANNAN
Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Firdosh D. Buchia
Partner

Membership No: 38332

Ashok Kumar Sonthalia
Chief Financial Officer
Sanjay Jalona
Chief Executive Officer
& Managing Director

DIN : 07256786

Aftab Zaid Ullah
Chief Operating Officer
& Whole Time Director

DIN : 05165334

Mumbai

May 04, 2017



Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Larsen & Toubro Infotech Limited

CIN: U72900MH1996PLC104693

Regd. Office: L&T House, Ballard Estate, Mumbai – 400 001

Tel. No.: +91 22 6776 6776, Fax No.: +91 22 2858 1130

Email: investor@Lntinfotech.com, Website: www.Lntinfotech.com

Name of the Member(s)			
Registered Address			
Email ID			
Folio No. / Client ID		DP ID	

I/We, being the member(s) of _____ equity shares of LARSEN & TOUBRO INFOTECH LIMITED, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him/ her
- 2) _____ of _____ having e-mail id _____ or failing him/ her
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company, to be held at St. Andrew's Auditorium, Inside Andrew's College Premises, St. Dominic Road, St. Sebastian Colony, Bandra (West), Mumbai – 400 050, on Thursday, August 24, 2017, at 3:00 p.m. and at any adjournment thereof, in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Item No.	Resolutions	For	Against
1	Adoption of audited financial statements for the year ended March 31, 2017, and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company and the Reports of the Auditors thereon for the year ended March 31, 2017.		
2	Final Dividend on equity shares of the Company for the financial year 2016-17.		
3	Appoint Mr. S. N. Subrahmanyam (DIN: 02255382) as a Director liable to retire by rotation.		
4	Appoint Mr. A. M. Naik (DIN: 00001514) as a Director liable to retire by rotation.		
5	Appoint M/s. B. K. Khare & Co. as Statutory Auditors of the Company.		
6	Re-appoint Mr. Samir Desai (DIN: 01182256) as an Independent Director.		
7	Re-appoint Mr. M. M. Chitale (DIN: 00101004) as an Independent Director.		
8	Appoint Mr. Sanjeev Aga (DIN: 00022065) as an Independent Director.		
9	Appoint Mr. Sudip Banerjee (DIN: 05245757) as an Independent Director.		
10	Approve revision in remuneration of Mr. Sanjay Jalona (DIN: 07256786), Chief Executive Officer and Managing Director of the Company.		
11	Appoint Mr. Aftab Zaid Ullah (DIN: 05165334) as a Whole-time Director of the Company.		
12	Appoint Mr. Sudhir Chaturvedi (DIN: 07180115) as a Whole-time Director of the Company.		

Signed this _____ day of _____ 2017

Signature of shareholder _____

Affix a
1 Rupee
Revenue
Stamp

Signature of Proxy holder(s) _____

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



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