L&T Technology Services

L&T Technology Services Limited
L&T Business Park, TC-2, Tower B,
2nd Floor, North-East Wing,
Gate No.5, Saki Vihar Road,
Powai, Mumbai-400072.
www.LTTS.com

July 19, 2019

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

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

Subject: Outcome of Board Meeting as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Ref: Our letter dated July 4, 2019

Dear Sirs,

We would like to inform that pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held today i.e July 19, 2019, have approved and taken on record the Unaudited Consolidated and Standalone Financial Statements of the Company, for the quarter ended June 30, 2019. The Board Meeting commenced at 2.00 p.m. and concluded at 4:20 p.m.

Accordingly, we attach herewith the following Unaudited Standalone and Consolidated Financial Statements of the Company for the quarter ended June 30, 2019 along with the Limited Review Report thereon approved by the Board of Directors.

Further, the Press Release and Investor Release w.r.t. Financial Statements for the quarter ended June 30, 2019 is attached.

The above information is also available on the website of the Company. Kindly take the above information on record.

Thanking You,

Yours sincerely,
For L&T Technology Services Limited

L&T TECHNOLOGY SERVICES LIMITED MUMBAI 400 072

Kapil Bhalla
Company Secretary
FCS.3485
Encl: As above

SHARP & TANNAN
Chartered Accountants

Firm's Registration No. 109982W

Independent Auditor's review report on review of consolidated unaudited quarterly financial results of the Company pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review report to
The Board of Directors of
L&T Technology Services Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of L&T Technology Services Limited ('the Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') for the quarter ended 30 June 2019 ('the Statement'), being submitted by the Parent pursuant to the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), as prescribed under section 133 of Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. no.	Entity Name	Relationship
1	L&T Technology Services LLC ('LTTS LLC')	Wholly owned subsidiary
2	Esencia Technologies Inc. ('Esencia')	Wholly owned subsidiary of LTTS LLC
3	Esencia Technologies India Private Limited	Wholly owned subsidiary of Esencia
4	L&T Thales Technology Services Private Limited	Subsidiary
5	Graphene Semiconductor Services Private Limited ('Graphene')	Wholly owned subsidiary
6	Graphene Solutions Pte. Ltd.	Wholly owned subsidiary of Graphene

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 2286 9900 Fax (22) 2286 9949 E-mail : admin.mumbai@stllp.in
Shreedhar T. Kunte Ramnath D. Kare Edwin P. Augustine Raghunath P. Acharya
Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal
Also at Pune. Associate Offices : New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

7	Graphene Solutions SDN. BHD.	Wholly owned subsidiary of Graphene
8	Graphene Solutions Taiwan Limited	Wholly owned subsidiary of Graphene
9	Seastar Labs Private Limited	Subsidiary of Graphene

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The Statement includes the interim financial results of nine subsidiaries, which have not been reviewed by their auditors, whose financial results reflect total revenue of Rs. 1,390.32 million, total net profit after tax of Rs. 118.98 million and total comprehensive income Rs. 109.48 million for the quarter ended 30 June 2019, as considered in the Statement. According to information and explanation given to us by management, these interim financial results are not material to the Group.

   Certain of these subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries ('local GAAP'). The Parent's management has converted the financial results of such subsidiaries from local GAAP to accounting principles generally accepted in India. We have not reviewed these conversion adjustments made by the Parent's management.

   Our conclusion on the Statement is not modified in respect of the above matters.

For Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W

SHARP & TANNAN CHARTERED ACCOUNTANTS ANNEXE, MUMBAI-5

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 19038332AAAARV8478

Mumbai, 19 July 2019

L&T Technology Services

L&T Technology Services Limited

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001
Email: investor@ltts.com, Website: www.ltts.com, Corporate Identity Number: L72900MH2012PLC232169

Statement of consolidated unaudited financial results for the quarter ended June 30, 2019

₹ Million

Sr. No.	Particulars	Quarter ended			Year ended
		30-06-2019 (Reviewed)	31-03-2019 (Refer note 5)	30-06-2018 (Reviewed)	31-03-2019 (Audited)
1	Income from operations				
	a) Revenue from operations	13,475	13,431	11,522	50,783
	b) Other income	565	337	982	2,228
	Total income	**14,040**	**13,768**	**12,504**	**53,011**
2	Expenses				
	a) Employee benefit expense	8,354	8,185	7,381	31,788
	b) Depreciation and amortisation expenses	428	273	260	1,042
	c) Other expenses	2,394	2,754	2,180	9,837
	d) Change in contingent consideration on acquisition	-	11		11
	e) Finance costs	91	5	4	19
	Total expenses	**11,267**	**11,228**	**9,825**	**42,697**
3	**Profit from ordinary activities after finance costs but before exceptional items (1-2)**	**2,773**	**2,540**	**2,679**	**10,314**
4	Exceptional items	-	-	-	-
5	**Profit from ordinary activities before tax (3-4)**	**2,773**	**2,540**	**2,679**	**10,314**
6	Tax expense	732	616	698	2,630
7	**Net profit from ordinary activities after tax (5-6)**	**2,041**	**1,924**	**1,981**	**7,684**
8	Extraordinary items (net of tax expense)	-	-	-	-
9	**Net profit for the period (7+8)**	**2,041**	**1,924**	**1,981**	**7,684**
10	Other comprehensive income (net of tax expense)	(19)	644	(846)	45
11	**Total comprehensive income (9+10)**	**2,022**	**2,568**	**1,135**	**7,729**
12	**Net profit / (loss) attributable to :**				
	Shareholders of the Company	2,039	1,915	1,975	7,656
	Non-controlling interest	2	9	6	28
13	**Total comprehensive income attributable to :**				
	Shareholders of the Company	2,020	2,559	1,129	7,701
	Non-controlling interest	2	9	6	28
14	Paid up equity share capital	208	208	205	208
	Face value per equity share - (in Rs.)	2	2	2	2
15	Other equity				24,614
16	**Earnings per equity share (Not annualised)**				
	a) Basic (in Rs.)	19.60	18.41	19.28	74.06
	b) Diluted (in Rs.)	19.30	18.13	18.73	72.91

Statement of consolidated unaudited financial results for the quarter ended June 30, 2019

₹ Million

Sr. No.	Particulars	Quarter ended			Year ended
		30-06-2019 (Reviewed)	31-03-2019 (Refer note 5)	30-06-2018 (Reviewed)	31-03-2019 (Audited)
1	Segment revenue				
	Transportation	4,699	4,413	3,559	16,186
	Plant Engineering	2,062	1,965	1,559	7,220
	Industrial Products	2,640	2,593	2,344	10,196
	Medical Devices	1,073	938	735	3,378
	Telecom & Hitech	3,001	3,522	3,325	13,803
	Revenue from operations	**13,475**	**13,431**	**11,522**	**50,783**
2	Segment results				
	Transportation	966	858	456	2,702
	Plant Engineering	503	413	353	1,642
	Industrial Products	671	643	552	2,542
	Medical Devices	285	259	159	839
	Telecom & Hitech	554	682	506	2,150
	Total	**2,979**	**2,855**	**2,026**	**9,875**
	Less - Unallocable expenses (net)	252	374	65	728
	Add - Other income	565	337	982	2,228
	Less - Finance costs	91	5	4	19
	Less - Depreciation and amortisation expense	428	273	260	1,042
	Profit before tax	**2,773**	**2,540**	**2,679**	**10,314**

Notes for segment information

a Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk/return profiles of the business, their organisational structure and internal reporting systems.

b Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20

L&T TECHNOLOGY SERVICES LIMITED MUMBAI 400 072

Explanatory notes to the statement of consolidated unaudited financial results for the quarter ended June 30, 2019

1. The consolidated unaudited financial results for the quarter ended June 30, 2019 have been taken on record by the Board of Directors at its meeting held on July 19, 2019. The statutory auditors have carried out limited review of the above consolidated unaudited financial results and have issued an unqualified limited review report. The results for quarter ended June 30, 2019 are extracted from the unaudited interim consolidated financial statements. These consolidated unaudited financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 and the relevant rules.

2. The consolidated unaudited financial results are available on the website of L&T Technology Services Limited (Company) viz. www.ltts.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com). The specified items of the standalone unaudited financial results of the Company are given below:

(₹ million)

Particulars	Quarter ended			Year ended
	30-06-2019	31-03-2019	30-06-2018	31-03-2019
Total income	13,004	12,740	10,985	48,632
Profit before tax	2,686	2,464	1,930	9,414
Profit after tax	1,980	1,851	1,443	7,001

3. During the quarter ended June 30, 2019, the Company has allotted 8,185 equity shares of ₹ 2 each, fully paid-up, on exercise of stock options by employees, in accordance with the Company's stock option scheme.

4. The Group adopted Ind AS 116 - Leases on April 1, 2019 by using modified retrospective approach and accordingly comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Consequently, the Group has not restated comparative figures and the cumulative effect of initially applying this Standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. Adoption of Ind AS 116 on transition date resulted in creation of right of use assets by ₹ 3,333 million and an increase in lease liability by ₹ 3,674 million with corresponding charge to retained earnings of ₹ 345 million (net of taxes).

   In the results for current period, the nature of expense in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Accordingly, the Group has recognized interest expense on lease liabilities amounting to ₹ 86 million and depreciation on right-of-use assets amounting to ₹ 179 million against the lease rent of ₹ 232 million which would have been recognised under the erstwhile Standard. Owing to adoption of Ind AS 116, profit after tax is lower by ₹ 27 million.

5. The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2019 and the limited reviewed year to date figures up to December 31, 2018.

6. Figures for earlier periods have been regrouped, wherever necessary.

For and on behalf of the Board of Directors
of L&T Technology Services Limited

SHARP & TANNAN CHARTERED ACCOUNTANTS

L&T TECHNOLOGY SERVICES LIMITED MUMBAI 400 072

Mumbai
July 19, 2019

KESHAB PANDA
Chief Executive Officer and Managing Director

SHARP & TANNAN
Chartered Accountants

Firm's Registration No. 109982W

Independent Auditor's review report on review of standalone unaudited quarterly and year to date financial results of the Company pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review report to,
The Board of Directors of
L&T Technology Services Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of L&T Technology Services Limited ('the Company') for the quarter ended 30 June 2019 ('the Statement'). This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sharp & Tannan
Chartered Accountants
Firm's registration no. 109982W

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 19038332AAAARU4331

Mumbai, 19 July 2019

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 2286 9900 Fax (22) 2286 9949 E-mail : admin.mumbai@stllp.in
Shreedhar T. Kunte Ramnath D. Kare Edwin P. Augustine Raghunath P. Acharya
Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal
Also at Pune. Associate Offices : New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

L&T Technology Services

L&T Technology Services Limited

Registered Office: L&T House, N.M. Marg, Ballard Estate, Mumbai 400 001
Email: investor@ltts.com, Website: www.ltts.com, Corporate Identity Number: L72900MH2012PLC232169

Statement of standalone unaudited financial results for the quarter ended June 30, 2019

₹ Million

Sr. No.	Particulars	Quarter ended			Year ended
		30-06-2019 (Reviewed)	31-03-2019 (Refer note 4)	30-06-2018 (Reviewed)	31-03-2019 (Audited)
1	Income from operations				
	a) Revenue from operations	12,457	12,393	10,741	47,120
	b) Other income	547	347	244	1,512
	Total income	13,004	12,740	10,985	48,632
2	Expenses				
	a) Employee benefit expense	7,531	7,425	6,811	29,057
	b) Depreciation and amortisation expenses	356	155	189	731
	c) Other expenses	2,345	2,682	2,053	9,408
	d) Change in contingent consideration on acquisition	-	11		11
	e) Finance costs	86	3	2	11
	Total expenses	10,318	10,276	9,055	39,218
3	Profit from ordinary activities after finance costs but before exceptional items (1-2)	2,686	2,464	1,930	9,414
4	Exceptional items	-	-	-	-
5	Profit from ordinary activities before tax (3-4)	2,686	2,464	1,930	9,414
6	Tax expense	706	613	487	2,413
7	Net profit from ordinary activities after tax (5-6)	1,980	1,851	1,443	7,001
8	Extraordinary items (net of tax expense)	-	-	-	-
9	Net profit for the period (7+8)	1,980	1,851	1,443	7,001
10	Other comprehensive income (net of tax expense)	(15)	656	(913)	(21)
11	Total comprehensive income (9+10)	1,965	2,507	530	6,980
12	Paid up equity share capital	208	208	205	208
	Face value per equity share - (in Rs.)	2	2	2	2
13	Other equity				24,151
14	Earnings per equity share (Not annualised)				
	a) Basic (in Rs.)	19.03	17.80	14.08	67.72
	b) Diluted (in Rs.)	18.75	17.53	13.68	66.67

Statement of standalone unaudited financial results for the quarter ended June 30, 2019

₹ Million

Sr. No.	Particulars	Quarter ended			Year ended
		30-06-2019 (Reviewed)	31-03-2019 (Refer note 4)	30-06-2018 (Reviewed)	31-03-2019 (Audited)
1	Segment revenue				
	Transportation	4,017	3,888	3,088	14,067
	Plant Engineering	2,062	1,965	1,559	7,220
	Industrial Products	2,641	2,585	2,337	10,182
	Medical Devices	1,071	938	735	3,378
	Telecom & Hitech	2,666	3,017	3,022	12,273
	Revenue from operations	12,457	12,393	10,741	47,120
2	Segment results				
	Transportation	817	758	394	2,414
	Plant Engineering	503	413	353	1,642
	Industrial Products	670	641	547	2,533
	Medical Devices	285	259	159	839
	Telecom & Hitech	558	578	489	1,944
	Total	2,833	2,649	1,942	9,372
	Less - Unallocable expenses (net)	252	374	65	728
	Add - Other income	547	347	244	1,512
	Less - Finance costs	86	3	2	11
	Less - Depreciation and amortisation expense	356	155	189	731
	Profit before tax	2,686	2,464	1,930	9,414

Notes for segment information

a Segments have been identified in accordance with Indian Accounting Standards ("Ind AS") 108 on Operating Segments, considering the risk/return profiles of the business, their organisational structure and internal reporting systems.

b Property, plant and equipment used and liabilities contracted for performing the Company's business have not been identified to any of the above reported segments as the property, plant and equipment and services are used interchangeably among segments.

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI

L&T TECHNOLOGY SERVICES LIMITED MUMBAI 400 072

Explanatory notes to the statement of standalone unaudited financial results for the quarter ended June 30, 2019

1. The standalone unaudited financial results for the quarter ended June 30, 2019 have been taken on record by the Board of Directors at its meeting held on June 19, 2019. The statutory auditors have carried out limited review of the above standalone unaudited financial results and have issued an unqualified limited review report. The results for the quarter ended June 30, 2019 are extracted from the unaudited interim financial statements. These interim financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 and the relevant rules.

2. During the quarter ended June 30, 2019, the Company has allotted 8,185 equity shares of ₹ 2 each, fully paid-up, on exercise of stock options by employees, in accordance with the Company's stock option scheme.

3. The Company adopted Ind AS 116 - Leases on April 1, 2019 by using modified retrospective approach and accordingly comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Consequently, the Company has not restated the comparative figures and the cumulative effect of initially applying this Standard has been recognized as an adjustment to opening balance of retained earnings as on April 1, 2019. Adoption of Ind AS 116 on transition date resulted in the creation of right of use assets by ₹ 3,270 million and an increase in lease liability by ₹ 3,600 million with corresponding charge to retained earnings of ₹ 335 million (net of taxes).

   In the results for current period, the nature of expense in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Accordingly, the Company has recognized interest expense on lease liabilities amounting to ₹ 84 million and depreciation on right-of-use assets amounting to ₹ 171 million against the lease rent of ₹ 223 million which would have been recognised under the erstwhile Standard. Owing to adoption of Ind AS 116 profit after tax is lower by ₹ 26 million.

4. The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2019 and the limited reviewed year to date figures up to December 31, 2018.

5. Figures for earlier periods have been regrouped, wherever necessary.

For and on behalf of the Board of Directors
of L&T Technology Services Limited

L&T TECHNOLOGY SERVICES LIMITED MUMBAI 400 072

Mumbai
July 19, 2019

KESHAB PANDA
Chief Executive Officer and Managing Director

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-1

L&T Technology Services Q1FY20 revenue rises on large deal wins

Q1 Revenue of ₹ 1,348 crore, up 17% YoY
Q1 Net profit of ₹ 204 crore; Net profit margin at 15.1%

Mumbai, July 19, 2019: L&T Technology Services Limited (BSE: 540115, NSE: LTTS), India's leading pure-play engineering services company, announced its results for the first quarter ended June 30, 2019.

Highlights for Q1FY20 include:

- USD Revenue at $194 million; growth of 15% YoY
- Revenue at ₹ 13,475 million; growth of 17% YoY
- EBIT margin at 17.1%; up 230bps YoY
- Net profit at ₹ 2,039 million; growth of 3% YoY

During the quarter, LTTS won 7 multi-million dollar deals across all major industry segments. On a YoY basis, LTTS has increased its USD20mn+ clients by 2 and its USD10mn+ clients by 5.

"We had a strong quarter in most of our segments – Industrial Products, Transportation, Medical and Process Industry, with sequential growth accelerating in Q1 as compared to Q4 on the back of multiple deal wins and good deal conversions. Digital & leading-edge technologies - the growth driver for ER&D, contributed to 37% of Q1 revenues and grew by 44% YoY. On the operational front we executed well with the margin trajectory continuing to inch upwards on YoY basis.

Innovation and speed-to-market are key priorities for our customers, and our end-end capabilities spanning product and process engineering are enabling us to engage with them at a more strategic level. Further, we are seeing good opportunities to leverage our platforms and solutions that have inbuilt AI & Machine Learning capabilities in the areas of predictive maintenance and energy management.

We are excited about the opportunities in our pipeline and see a clear trend of increasing deal sizes and outcomes," said **Dr. Keshab Panda, CEO & Managing Director, L&T Technology Services Limited.**

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Industry Recognitions:

- A global automotive major conferred LTTS with the '**Performance Excellence Award**' for exceeding performance standards including quality, cost and service.
- Zinnov rated LTTS in the leadership zone for its deep expertise in the Broadcasting domain and recognized the practice **as mature and established in the OTT and Content Security ratings** in its Zinnov Zones for Media & Technology Report 2019.
- LTTS was appraised with **Maturity Level 5 in the CMMI V2.0 Development** view, the highest capability maturity level in the new CMMI framework. LTTS' CMMI Maturity Level 5 certification is an indication of the company's continually improving processes and business performance.
- At the 17th Annual American Business Awards, LTTS was recognized as **the Best Human Resource Team** of the Year and conferred with the Stevie® Award

Patents

- At the end of Q1FY20, the patents portfolio of L&T Technology Services stood at **399**, out of which **288** are co-authored with its customers and **111** are filed by LTTS.

Human Resources

At the end of Q1FY20, LTTS' employee strength stood at 15,913 a net addition of 773 during the quarter.

About L&T Technology Services Ltd

L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Engineering and R&D (ER&D) services. We offer consultancy, design, development and testing services across the product and process development life cycle. Our customer base includes 69 Fortune 500 companies and 51 of the world's top ER&D companies, across industrial products, medical devices, transportation, telecom & hi-tech, and the process industries. Headquartered in India, we have over 15,900 employees spread across 17 global design centers, 28 global sales offices and 49 innovation labs as of June 30, 2019.

Media Contact:
Aniruddha Basu
L&T Technology Services Limited
E: Aniruddha.Basu@LTTS.com
T: +91-80-67675173

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L&T Technology Services

ENGINEERING **THE CHANGE**

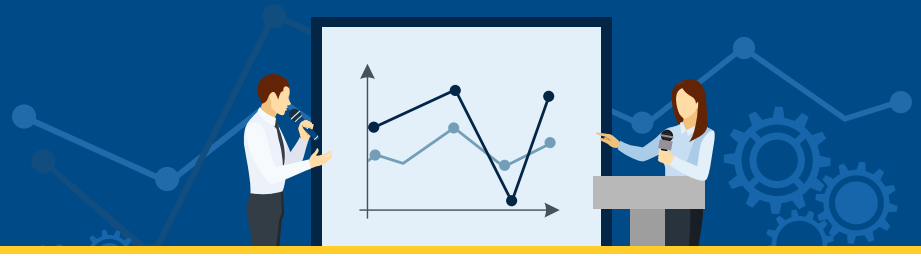
L&T TECHNOLOGY SERVICES LIMITED

FIRST QUARTER - FY 20 RESULTS

Investor Release

Mumbai, India, July 19, 2019

FINANCIAL HIGHLIGHTS



REVENUE IN INR

- Revenue of **₹13,475 million** for the quarter; growth of **0.3% QoQ** and **16.9% YoY**

REVENUE IN USD

- Revenue of **$193.9 million** for the quarter; growth of **1.4% QoQ** and **14.8% YoY**; growth in constant currency at **1.3% QoQ** and **15.2% YoY**

PROFIT IN INR

- EBIT of **₹2,299** million for the quarter, growth of **4.2% QoQ** and **35.2% YoY**; EBIT margin at **17.1 %**
- Net Income of **₹2,039 million** for the quarter, growth of **6.4% QoQ** and **3.2% YoY**; Net margin at **15.1%**

SAFE HARBOUR STATEMENT

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. L&T Technology Services Limited (LTTS) does not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

MESSAGE FROM THE CEO & MANAGING DIRECTOR

We had a strong quarter in four of our five segments – Industrial Products, Transportation, Medical and Process Industry, with sequential growth accelerating in Q1 as compared to Q4 on the back of multiple deal wins, good deal conversions and investments in labs. Digital & leading-edge technologies - the growth driver for ER&D, contributed to 37% of Q1 revenues and grew by 44% YoY. Customers are leveraging our capabilities in smart buildings and energy management for Industrial Products, IoT & telematics in Transportation, asset digitization in Plant Engineering, and connected healthcare in Medical.

The overall growth in Q1 was restricted to 1.4% on sequential basis, on account of some challenges that we faced in Telecom & Hitech. Our performance in Telecom & Hitech was impacted by re-prioritization of spends in the Semiconductor sub-segment, which along with the headwinds at one of our customers that we reported in Q4FY19, further constrained our efforts to drive growth in this segment. We are however confident about our capabilities and competitive position, which is reflected in the large deals that we won in Q1 in the areas of physical design and next generation video equipment, and the strong deal pipeline.

Innovation and speed-to-market are key priorities for our customers, and our end-end capabilities spanning product and process engineering is enabling us to engage with them at a more strategic level. We have been consistently winning large deals across segments every quarter and the increasing deal sizes in our pipeline reflect this trend. In Q1 we won 7 multi-million dollar deals across all major industry segments. Our client penetration metrics have seen improvement and on a YoY basis, LTTS has increased its USD20mn+ clients by 2 and its USD10mn+ clients by 5.

We remain optimistic on growth, although the loss of momentum in the Telecom and Hitech Vertical in Q1 leads us to revise our USD revenue growth guidance to 12-14% for FY20.

I would like to highlight two achievements during the quarter - Honda conferred LTTS with the 'Performance Excellence Award' for exceeding performance standards including quality, cost and service, and secondly LTTS was appraised with Maturity Level 5 in CMMI V2.0.

Thanking all our stakeholders for the continued support and encouragement.

Dr. Keshab Panda
CEO & Managing Director
L&T Technology Services Limited

PERFORMANCE HIGHLIGHTS

KEY DEAL WINS

LTTS closed several multi-million dollar projects from global customers across various verticals. The major wins are listed below:

- LTTS has been selected by a global semiconductor OEM to set up a center of excellence as part of a two-year embedded systems program with a value of USD 15 million in the first phase of the project.
- A European media and communications conglomerate has awarded a Digital Rights Management (DRM) contract to LTTS. Under the engagement, LTTS will develop next-generation Hybrid Boxes that support 4K used Widewine as the DRM solution for linear and OTT STB's.
- A global automotive manufacturer has chosen LTTS for the development of AUTOSAR platform and integration of 5G telematics modules for the customer. Under the engagement, LTTS has also been selected by their after-market group for cloud migration and maintenance support.
- For a leading medical device manufacturer, LTTS is executing a complete DHF and EU Medical Device Regulation & Remediation project in the Newborn Care and Neurology markets. As part of the project, the team will be conducting gap analysis & complete DHF and MDR remediation and certifications for 50+ accessories covering class 1 products.
- A European components supplier for autonomous vehicles has selected LTTS as its engineering partner for key programs in Advanced Driving Assistance Systems (ADAS) and Automated Driving (AD) domains.
- LTTS is setting up a greenfield food manufacturing plant for a global consumer goods firm. The project is expected to be completed over a period of two years.
- For an industrial automation company, LTTS won a deal to develop IoT firmware for next generation motor drives and controllers.

FINANCIAL PERFORMANCE

INCOME STATEMENT (CONSOLIDATED)

Amount in ₹ million

	Q1 FY19	Q4 FY19	Q1 FY20	QoQ	YoY
Revenue	**11,522**	**13,431**	**13,475**	**0.3%**	**16.9%**
Cost of sales	7,996	9,167	9,040		
Gross Profit	**3,526**	**4,264**	**4,435**	**4.0%**	**25.8%**
Selling, General & Administration Expenses	1,565	1,773	1,708		
EBITDA	**1,961**	**2,491**	**2,727**	**9.5%**	**39.1%**
Change in Contingent Consideration		11	0		
Depreciation & Amortisation	260	273	428		
EBIT	**1,701**	**2,207**	**2,299**	**4.2%**	**35.2%**
Other Income, net	978	333	474		
Income tax expense	698	616	733		
Minority Interest	6	9	2		
Net Income	**1,975**	**1,915**	**2,039**	**6.4%**	**3.2%**
Margins (%)					
Gross Margin	30.6%	31.7%	32.9%		
EBITDA Margin	17.0%	18.5%	20.2%		
EBIT Margin	14.8%	16.4%	17.1%		
Net Income Margin	17.1%	14.3%	15.1%		
Earnings Per Share (INR)					
Basic	19.28	18.41	19.60		
Diluted	18.73	18.13	19.30		

OTHER INCOME

Amount in ₹ million

	Q1 FY19	Q4 FY19	Q1 FY20
Income from investments, net	41	64	11
Foreign exchange gains/(loss)	151	353	222
Others	786	-83	241
Total	**978**	**333**	**474**

NOTES

1. LTTS has adopted Ind AS 116 "Leases" on April 1, 2019 by using modified retrospective approach and accordingly comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. As on April 1, 2019, the cumulative effect of initially applying this Standard has resulted in creation of right of use assets by ₹ 3,333 million (grouped under Property and equipment) and an increase in lease liability by ₹ 3,674 million (grouped under current liabilities and non-current liabilities) with corresponding charge to retained earnings of ₹ 345 million (net of taxes).
2. In Q1FY20 results, the nature of expense in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Accordingly, instead of lease rent of ₹ 232 million which would have been recognised under the erstwhile Standard, interest expense on lease liabilities amounting to ₹ 86 million and depreciation on right-of- use assets amounting to ₹ 179 million has been recorded in the Income statement, and the lease rent of ₹ 232 million has been classified as financing cash flow in the Cash flow statement.
3. The changes to the Income Statement due to the adoption of Ind AS 116 is as below:

Income Statement item	Q1 FY20 (reported)	Change due to Ind AS 116	Q1 FY20 (proforma w/o Ind AS 116)
Revenue	13,475		13,475
EBITDA	2,727	-232	2,495
EBITDA Margin	*20.2%*		*18.5%*
Depreciation & Amortisation	428	-179	248
EBIT	2,299	-53	2,247
EBIT Margin	*17.1%*		*16.7%*
Other income, net	474	86	560
Income tax expense	733	6	739
Net Income	2,039	27	2,066
Net Income Margin	*15.1%*		*15.3%*

BALANCE SHEET (CONSOLIDATED)

Amount in ₹ million

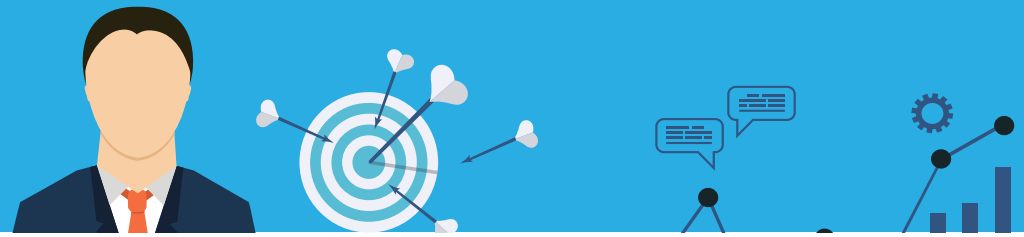
	FY19	Q1 FY20
Assets		
Property and equipment	1,443	5,120
Intangible Assets and Goodwill	6,356	6,273
Accounts Receivable	10,643	10,182
Unbilled Revenues	2,421	3,362
Investments	5,749	7,408
Cash and Cash equivalents	2,051	2,237
Other current assets	2,851	3,064
Other non-current assets	2,124	1,925
Total Assets	**33,638**	**39,572**
Liabilities and Shareholders' Equity		
Shareholders' Funds	24,792	26,517
Short term borrowings	702	276
Other current liabilities	7,919	9,248
Other non-current liabilities	194	3,498
Minority Interest	31	33
Total Liabilities	**33,638**	**39,572**

CASH FLOW SUMMARY (CONSOLIDATED)

Amount in ₹ million

	FY19	YTD FY20
Net cash provided by operating activities	8,061	2,865
Capex	-885	-267
Free Cash Flow	**7,176**	**2,598**
Free Cash Flow to Net Income (%)	94%	127%

OPERATIONAL PERFORMANCE



	Q1 FY19	Q4 FY19	Q1 FY20	QoQ Growth	YoY Growth	In Constant Currency	
						QoQ Growth	YoY Growth
Revenue (USD Mn)	168.9	191.3	193.9	1.4%	14.8%	1.3%	15.2%

REVENUE BY VERTICAL

	Q1 FY19	Q4 FY19	Q1 FY20	QoQ Growth	YoY Growth
Transportation	30.9%	32.9%	34.9%	7.6%	29.6%
Industrial Products	20.4%	19.3%	19.6%	2.9%	10.0%
Telecom & Hi-tech	28.7%	26.2%	22.3%	-13.8%	-10.9%
Plant Engineering	13.5%	14.7%	15.3%	5.9%	29.8%
Medical Devices	6.5%	7.0%	8.0%	15.6%	42.4%

Note: Process Industry has been renamed to Plant Engineering

REVENUE BY GEOGRAPHY

	Q1 FY19	Q4 FY19	Q1 FY20	QoQ Growth	YoY Growth
North America	56.3%	58.9%	60.9%	4.8%	24.3%
Europe	18.5%	16.0%	15.6%	-1.1%	-3.3%
India	12.4%	13.9%	12.8%	-6.3%	19.0%
Rest of the World	12.8%	11.2%	10.7%	-3.6%	-4.7%

REVENUE MIX

	Q1 FY19	Q4 FY19	Q1 FY20
Onsite	49.4%	44.8%	44.3%
Offshore	50.6%	55.2%	55.7%

REVENUE BY PROJECT TYPE

	Q1 FY19	Q4 FY19	Q1 FY20
Fixed Price	40.9%	43.6%	42.4%
Time and Material Contract	59.1%	56.4%	57.6%

CLIENT PROFILE

	Q1 FY19	Q4 FY19	Q1 FY20
Number of Active Clients	235	251	258
50 Million dollar +	2	2	1
30 Million dollar +	2	3	3
20 Million dollar +	3	5	5
10 Million dollar +	12	16	17
5 Million dollar +	33	41	44
1 Million dollar +	89	106	110

Client profile is based on LTM (Last Twelve Months) revenue

CLIENT CONTRIBUTION TO REVENUE

	Q1 FY19	Q4 FY19	Q1 FY20
Top 5 Clients	28.3%	26.4%	24.7%
Top 10 Clients	40.5%	37.7%	36.7%
Top 20 Clients	55.6%	53.5%	52.5%

Client contribution is based on LTM (Last Twelve Months) revenue

UTILISATION

	Q1 FY19	Q4 FY19	Q1 FY20
Including Trainees	78.6%	80.2%	79.6%

EMPLOYEE STATISTICS

	Q1 FY19	Q4 FY19	Q1 FY20
Total Headcount	13,081	15,140	15,913
Billable	12,147	14,034	14,755
Sales & Support	934	1,106	1,158
Voluntary Attrition % (LTM)	15.4%	14.8%	15.8%

EXCHANGE RATE (USD/INR)

	Q1 FY19	Q4 FY19	Q1 FY20
Period Realised	68.21	70.21	69.48
Period Closing	68.47	69.15	69.02

INDUSTRY RECOGNITIONS

Zinnov rated LTTS in the leadership zone for its deep expertise in the Broadcasting domain and recognized the practice as mature and **establishedin in the OTT and Content Security ratings** in its Zinnov Zones for Media & Technology Report 2019.

Honda conferred LTTS with the **'Performance Excellence Award'** for exceeding performance standards including quality, cost and service.

At the 17th Annual American Business Awards, LTTS was recognized as the Best Human Resource Team of the Year and conferred with the **Stevie® Award**

OTHER HIGHLIGHTS

Organized an ER&D Bus Hackathon across Europe. The company's **16-day** pan Europe initiative included a **3,000 km Innovation-on-Wheels** bus drive covering **9 cities** across the UK, France, the Netherlands and Germany. The drive was attended by **230 visitors**, including customers, analysts, industry experts and engineering students. The initiative culminated with a 24-hour hackathon in Munich focused on challenges related to **Factories of the Future, Mobility Solutions and MRO**

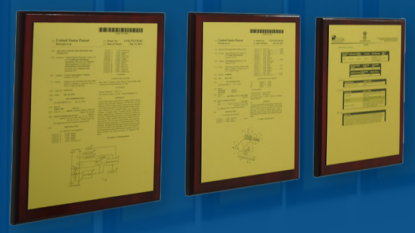
LTTS was appraised with **Maturity Level 5** in the **CMMI V2.0 Development** view, the highest capability maturity level in the new CMMI framework. LTTS' CMMI Maturity Level 5 certification is an indication of the company's continually improving processes and business performance.

LTTS set up an office in **Eindhoven**, Netherlands to cater to the rising demand for digital engineering services in the region. The office will act as a focal point to serve LTTS' local customers and prospects better in their digital journey

Inaugurated **new delivery center in RGA Tech Park in Bengaluru**. The new center will cater to LTTS' customers in **Industrial Products, Transportation and Hi-tech & Semiconductor domains**

PATENTS

At the end of the first quarter, the patents portfolio of L&T Technology Services stood at **399**, out of which **288** are co-authored with its customers and **111** are filed by LTTS.



CORPORATE SOCIAL RESPONSIBILITY

UN RECOGNITION FOR WATER MANAGEMENT PROJECT

L&T Technology Services launched its comprehensive village development program called Watershed + for water conservation and enhancing agriculture productivity in rural areas. Under the initiative, LTTS covered 5 villages and assisted more than 3000 people with clean drinking water, better sanitation facilities, renewable energy and livelihood support through community enterprise. LTTS was adjudged the winner of the Innovative Practices Awards for Sustainable Development Goals by the UN Global Connect Network India for its contributions towards Water conservation. LTTS won the prestigious accolade under the private sector category.

ABOUT L&T TECHNOLOGY SERVICES

L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Engineering and R&D (ER&D) services. We offer consultancy, design, development and testing services across the product and process development life cycle. Our customer base includes 69 Fortune 500 companies and 51 of the world's top ER&D companies, across industrial products, medical devices, transportation, telecom & hi-tech, and the process industries. Headquartered in India, we have over 15,900 employees spread across 17 global design centers, 28 global sales offices and 49 innovation labs as of June 30, 2019.

L&T Technology Services

For more information please contact:

Pinku Pappan
Head, Investor Relations
Email: pinku.pappan@LTTS.com

For additional information about L&T Technology Services log on to www.LTTS.com

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