

June 20, 2020

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

The BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
BSE Scrip Code: 540115

Dear Sirs,

**Sub: Impact of COVID-19 on our Company -Disclosure pursuant to SEBI Circular No.:
SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**

Please find enclosed the disclosure on impact of COVID-19 on our Company, as required pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as Annexure 1.

We request you to please take note of the above.

Thanking You.

Yours sincerely,
For L&T Technology Services Limited



Kapil Bhalla
Company Secretary
(M.No.FCS-3485)

COVID-19 Pandemic – Business Update

A. Impact of COVID-19 on business and operations

During the Q4 FY20 Investor call (transcript of which is available on www.lts.com/investors) held on May 15, 2020, we had communicated in detail the impact of Covid-19 on our various business segments and the measures we had taken to continue being the reliable and preferred partner to our customers, while also prioritizing the health and safety of our employees.

As an additional update, we would like to inform that the India based LTTs employees resumed office from May 2020 onwards in a phased manner in line with the guidelines of the respective state administrations, starting with Bengaluru and Mysore. The number of LTTs employees working from office have been steadily increasing across all our locations with Mysore and Vadodara currently at the 30% mark, while Bengaluru has crossed the 20% mark. Our Mumbai offices resumed from 8th June 2020.

To ensure workplace safety, LTTs launched a mobile app named *weCare* that will monitor safety and health of employees, enable contact tracing and keep employees updated on important communication & medical advisories. LTTs has put in place multiple safety measures to ensure adequate sanitization of office premises, social distancing and mandatory screening of employees. Such safety measures have been communicated to employees through online sessions, webinars and virtual townhalls by the management.

B. Estimation of the impact of COVID-19

The Covid-19 pandemic and the shutdown measures to contain it has adversely impacted global economic growth and in turn affected the growth momentum of LTTs. However, our broad-based industry exposure provides us growth visibility in at least few segments. Among our five industry segments, we remain positive on growth in the Telecom & Hitech and Medical Devices segments while we expect Industrial Products, Transportation and Plant Engineering to be impacted in the near term on account of furloughs, deferrals and temporary reduction in spending.

Based on current visibility, we expect the revenue (in USD terms) for the current quarter to decline sequentially up to a low double-digit percentage, with a consequent lower EBIT margin as compared to that reported for Q4 FY20.

With the organization wide focus on opportunities for growth, we have seen an improvement in the deal pipeline since April 2020. Based on the current environment, we expect revenue to increase sequentially from Q2 FY21 onwards on the back of deal wins and a progressive increase in revenue traction through the remaining quarters of the current financial year. In line with the growth recovery and cost rationalization/savings/control measures being

undertaken, we expect EBIT margin to see sequential improvement on a constant currency basis, from Q2 FY21 onwards.

We believe the broader demand trends continue to be in our favor with customers seeking partners who can help them overcome business challenges with technology expertise and innovation. Our focus is on winning large deals and expanding the engagement scopes with our top customers.

LTTS has a healthy balance sheet and a comfortable liquidity position with Cash and Investments of INR 8,859 million as on March 31, 2020. We have very low debt of INR 303 million and CRISIL has rated our long term and short term financial instruments at CRISIL AAA/Stable and CRISIL A1+ respectively. Our Cash and Investments position has since improved, aided by a healthy operating cash flow generation.

C. Impact on existing contracts/agreements due to non-fulfilment of obligations by any party

The Company is well positioned to fulfil its obligations and does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.