Independent Auditor's Report

To The Members of LTIMindtree Limited (Formerly known as Larsen & Toubro Infotech Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of LTIMindtree Limited (Formerly known as Larsen & Toubro Infotech Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue recognition - Fixed price contracts using the percentage of completion method** Revenue from fixed price contracts including software development and system integration contracts is recognized using a percentage of completion method. Use of the percentage-of-completion method requires the Company to determine the actual costs expended to date as a proportion of the estimated total costs to be incurred. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since – • High inherent risk around accuracy of revenue, given the customized and complex nature of these contracts. • High inherent uncertainty and requires consideration of progress of the contract, costs incurred to-date and estimates of costs required to complete the remaining contract performance obligations over the term of the contract.	Principal audit procedures performed: Our audit procedures included the following, among others: • We tested the effectiveness of controls relating to (1) recording of costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred. • We selected a sample of fixed price contracts with customers measured using the percentage-of-completion method and performed the following:

Sr. No.	Key Audit Matter	Auditor's Response
	• At year-end, significant amount of work in progress (Unbilled revenue), related to these contracts is recognized on the balance sheet. This required a high degree of auditor judgment in evaluating the audit evidence and a higher extent of audit effort to evaluate the reasonableness of the total estimated amount of revenue and unbilled revenue recognized on these fixed-price contracts. Refer Note 27 to the standalone financial statements.	– Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time using percentage of completion method was appropriate, and the contract was included in management's calculation of revenue over time. – Compared costs incurred with Company's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. – Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations. – Evaluated other information that supports or contradicts the estimates of the progress towards satisfying the performance obligation.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2022 prepared prior to effective date of the business combination of entities under common control referred to in Note 44(I)(i) of the financial statements were audited by the predecessor auditor (whose reports dated April 19, 2022 expressed an unmodified opinion). These previously issued financial information have been restated to comply with Ind AS 103 Appendix C for Business combinations of entities under common control and included in this financial statements as comparative financial information. The adjustments made to the previously issued financial information to comply with the said Ind AS have been audited by us.

Our opinion on the standalone financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position – Refer Note 35 of the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 26 of the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

(c) As stated in Note 50 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W/W-100739)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDER6879

Place: Mumbai
Date: April 27, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LTIMindtree Limited (Formerly known as Larsen & Toubro Infotech Limited) of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of LTIMindtree Limited (Formerly known as Larsen & Toubro Infotech Limited) (the "Company") as of March 31, 2023 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements 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.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W/W-100739)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDER6879

Place: Mumbai
Date: April 27, 2023

Annexure ‘B’ to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of LTIMindtree Limited (Formerly known as Larsen & Toubro Infotech Limited) of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its activities. Pursuant to the program certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given by the management and based on our examination of the financial statements / registered deed / conveyance deed / Scheme of Amalgamation and Arrangement duly approved by National Company Law Tribunal (NCLT), we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

In respect of the immovable properties acquired under the Scheme of Amalgamation & Arrangement duly approved by NCLT, the ownership has been transferred and vested in the Company in terms of the Scheme. As on the Balance Sheet date, the title deeds are pending mutation in the name of the Company for such properties.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets or both during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of ten percent or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation. According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(d) During the year loans aggregating to INR 1104 million (AED 55.5 million) fell due for repayment from subsidiary named LTI Middle East FZ-LLC and the same has been renewed or extended during the year. There were no fresh loans granted to settle the dues of existing loans given to the said subsidiary.

Party name	Aggregate amount of loans or advances in the nature of loans that fell due during the year	Date they fell due	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans	Date of grant	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
LTI Middle East FZ-LLC	INR 1,104 million (AED 55.5 million)	January 5, 2023	INR 1,104 million (AED 55.5 million)	January 6, 2023	100%

(e) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans or provided guarantees or securities that are covered under the provisions of sections 185 of the Companies Act, 2013. Also, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

₹ (in Million)

Name of the statute	Nature of the statute	Amount involved	Amount unpaid	Period to which the amount relates	Forum where Dispute is pending
West Bengal Value Added Tax	Demand raised based on subcontractor turnover	5.96	5.16	FY 2015-16 and 2016- 17	Senior Joint Commissioner Kolkata South Circle
Maharashtra Value Added Tax (MVAT)	MVAT refund rejected and demand raised of liability adjusted against Input Tax Credit	15.30	14.52	FY 2016-17 and 2017- 18	Commissioner Appeals
Central Goods & Services Tax Act, 2017	Tamil Nadu SEZ GST Audit	57.15	53.86	FY 2017-18, 2018-19, 2019-20	Commissioner Appeals
	Goods & services tax	3.21	2.94	FY 2017-18 and 2018-19	Appellate Commissioner
The Finance Act. 1994	Service tax	77.87	58.24	July 2003 to March 2010	Customs, Excise and Service Tax Appellate Tribunal
	Service tax	0.80	0.68	March 1, 2008 to May 16, 2008	Commissioner (Appeals)- LTU
The Karnataka Sales Tax Act, 1957	Value added tax	0.79	0.29	Upto July 2004	Assistant Commissioner of Commercial Taxes (Recovery)
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	249.9	249.9	November 2008 to June 2016	Regional Provident Fund Commissioner

₹ (in Million)

Name of the statute	Nature of the statute	Amount involved	Amount unpaid	Period to which the amount relates	Forum where Dispute is pending
Income Tax Act, 1961	Income Tax	28.48	-	AY 2005-06	Honorable High Court
		338.19	18.69	AY 2008-09 & AY 2009-10	
		32.62	27.92	AY 2007-08	Income Tax Appellate Tribunal
		324.76	90.31	AY 2002-03 to AY 2004-05	Commissioner of Income Tax (Appeals)
		10.11	3.14	AY 2008-09	
		2.75	-	AY 2017-18 & AY 2018-19	
		67.49	-	AY 2006-07 & AY 2007-08	Assessing Officer
	Penalty u/s 271 (1) (c)	131.38	131.38	AY 2007-08 (Penalty Order)	Commissioner (Appeals)
	Disallowance of exemption under section 10 A	577.2	84.44	AY 2009-10 & AY 2011-12	ITAT
	Disputes regarding non deduction of WHT u/s 195	1.04	1.04	AY 2018-19	Commissioner (Appeals)
	Disallowance of expense under section 40(a)(i)	4.88	4.88	AY 2018-19	Filing of appeal before Commissioner (Appeals) in process
	Disallowance of exemption under section 10 AA	303.69	303.69	AY 2020-21	Commissioner (Appeals)
	Disputes regarding exclusion of interest income from section 10A calculation, addition of notional interest and disallowance of FTC (ISRC)	2.08	2.08	AY 2009-10	Assessing Officer (Asst. Commissioner of Income Tax)
	Disputes regarding calculation of notional interest on transactions with related party and disallowance of FTC (ISRC)	1.21	1.21	AY 2011-12	Commissioner (Appeals)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable (d) The Group has more than one Core Investment Company (CIC) as part of the group. There are two CICs forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135 (6) of the Act.

Other than the above, there are no ongoing projects relating to corporate social responsibility.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W/W-100739)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDER6879

Place: Mumbai
Date: April 27, 2023

Balance Sheet

(₹ in Million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	9,422	8,931
(b) Right-of-use assets	40(I)	12,061	10,689
(c) Capital work-in-progress	3	8,126	4,589
(d) Goodwill	45	4,759	4,757
(e) Other Intangible assets	3	1,430	1,126
(f) Intangible assets under development	3	434	130
(g) Financial Assets			
(i) Investments	4	13,789	13,139
(ii) Trade Receivables	5	39	-
(iii) Loans	6	-	1,145
(iv) Other financial assets	7	1,748	5,352
(h) Deferred tax assets (net)	8	3,614	310
(i) Income tax assets (net)		2,210	2,091
(j) Other non-current assets	9	1,829	1,799
Total Non-current Assets		**59,461**	**54,058**
Current assets			
(a) Inventories	10	33	41
(b) Financial assets			
(i) Investments	11	47,418	53,971
(ii) Trade receivables	12	53,185	43,276
(iii) Unbilled revenue	13	15,566	9,881
(iv) Cash and cash equivalents	14	20,608	13,330
(v) Other bank balances	15	5,763	3,850
(vi) Loans	16	824	29
(vii) Other financial assets	17	1,801	4,748
(c) Other current assets	18	19,899	14,976
Total Current Assets		**165,097**	**144,102**
TOTAL ASSETS		**224,558**	**198,160**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	296	296
(b) Other equity			
(i) Other reserves	20	8,509	16,477
(ii) Retained earnings	20	151,186	121,978
Total Equity		**159,991**	**138,751**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	40(II)	11,401	10,961
(ii) Other financial liabilities	21	1,774	249
(b) Provisions	22	350	282
Total Non-current Liabilities		**13,525**	**11,492**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Due to micro & small enterprises	23	154	170
Due to creditors other than micro & small enterprises	23	12,662	13,023
(ii) Other financial liabilities	24	15,890	14,983
(iii) Lease liabilities	40(II)	2,190	1,948
(b) Other current liabilities	25	10,901	9,527
(c) Provisions	26	7,696	5,957
(d) Income tax liabilities (net)		1,549	2,309
Total Current Liabilities		**51,042**	**47,917**
TOTAL EQUITY AND LIABILITIES		**224,558**	**198,160**
Significant accounting policies	2		
Other notes to accounts	35 - 54		

As per our report attached

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No.: 117364W/W-100739

Gurvinder Singh
Partner
Membership No.: 110128
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of LTIMindtree Limited

Debashis Chatterjee
Chief Executive Officer
& Managing Director
(DIN: 00823966)
Mumbai

Nachiket Deshpande
Chief Operating Officer
& Whole-time Director
(DIN: 08385028)
Mumbai

Vinit Ajit Teredesai
Chief Financial Officer

Mumbai
April 27, 2023

Tridib Barat
Company Secretary
& Compliance Officer
Mumbai

Statement of Profit and Loss

₹ (in Million)

Particulars	Note No.	April 22-March 23	April 21-March 22
Revenue from operations	27	319,754	248,454
Other income	28	5,008	8,886
Total Income		**324,762**	**257,340**
Expenses			
Employee benefits expense	29	194,274	148,835
Sub-contracting expenses		33,421	26,010
Finance costs	30	1,440	1,187
Depreciation & amortization expense	31	6,392	5,301
Other expenses	32	33,355	23,938
Total Expenses		**268,882**	**205,271**
Profit before tax		**55,880**	**52,069**
Tax expense			
Current tax	33 (I)	13,832	13,114
Deferred tax	33 (II)	(515)	(168)
		13,317	**12,946**
Net Profit After Tax		**42,563**	**39,123**
Other Comprehensive Income	34		
A. Items that will not be reclassified subsequently to profit or loss (net of tax)		117	107
B. Items that will be reclassified subsequently to profit or loss (net of tax)		(6,951)	1,512
Total other comprehensive income/(loss)		**(6,834)**	**1,619**
Total Comprehensive income for the year		**35,729**	**40,742**
Basic			
Basic earning per equity share	42	143.93	132.46
Diluted			
Diluted earning per equity share	42	143.70	132.14
Significant accounting policies	2		
Other notes to accounts	35 - 54		

As per our report attached

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No.: 117364W/W-100739

Gurvinder Singh
Partner
Membership No.: 110128
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of LTIMindtree Limited

Debashis Chatterjee
Chief Executive Officer
& Managing Director
(DIN: 00823966)
Mumbai

Nachiket Deshpande
Chief Operating Officer
& Whole-time Director
(DIN: 08385028)
Mumbai

Vinit Ajit Teredesai
Chief Financial Officer

Mumbai
April 27, 2023

Tridib Barat
Company Secretary
& Compliance Officer
Mumbai

Cash Flow Statement

(₹ in Million)

Particulars	April 22-March 23	April 21-March 22
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	42,563	39,123
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation & amortization expense	6,392	5,301
Income tax expense	13,317	12,946
Expense recognized in respect of equity settled stock option	1,136	538
Income from investments	(1,670)	(2,040)
Interest income	(1,754)	(907)
Finance costs	1,440	1,187
Provision for doubtful debts (net)	769	348
Unrealized foreign exchange gain (net)	(646)	(255)
Change in fair value of contingent consideration	(45)	113
Gain on buyback of shares by subsidiary	-	(1,171)
Gain from lease short close	(83)	(15)
Unrealized gain from finance lease	-	(11)
Gain on sale of property, plant and equipment	(18)	(18)
Operating profit before working capital changes	**61,401**	**55,139**
Changes in working capital		
Decrease in Inventories	8	5
Increase in trade receivables and unbilled revenue	(19,280)	(16,057)
Increase in other assets	(2,194)	(1,660)
Increase in trade & other liabilities	3,647	7,506
Increase in working capital	**(17,819)**	**(10,206)**
Cash generated from operations	**43,582**	**44,933**
Income taxes paid (net)	(14,751)	(12,872)
Net cash generated from operating activities	**28,831**	**32,061**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,055)	(9,535)
Sale of property, plant and equipment	61	44
Sale of investments	206,324	143,904
Purchase of investments	(199,963)	(148,487)
Investment in subsidiary	-	(452)
Receipt on buyback by subsidiary (net of tax)	-	1,585
Loan repaid by subsidiaries	446	9
Payment towards transfer of business under common control (net of cash)	(990)	(1,081)
Payment towards contingent consideration pertaining to acquisition of business	(501)	(158)
Interest received	1,289	625
Net cash used in investing activities	**(2,389)**	**(13,546)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	12	2
Share issue expenses paid	(10)	-
Payment towards lease liabilities (net)	(2,150)	(1,934)
Interest paid on lease liabilities	(1,082)	(1,078)
Deposit under credit support agreement paid	(594)	(475)
Interest paid	(348)	(53)
Dividend paid	(15,627)	(13,277)
Net cash used in financing activities	**(19,799)**	**(16,815)**
Net increase in cash and cash equivalents	**6,643**	**1,700**
Cash and cash equivalents at the beginning of the year	**13,330**	**11,600**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	623	30
Cash and cash equivalents at the end of the year	**20,596**	**13,330**
Book overdraft used for cash management purpose	12	0
Cash and cash equivalents as per Standalone Balance Sheet (refer note 14)	**20,608**	**13,330**

As per our report attached

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No.: 117364W/W-100739

Gurvinder Singh
Partner
Membership No.: 110128
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of LTIMindtree Limited

Debashis Chatterjee
Chief Executive Officer
& Managing Director
(DIN: 00823966)
Mumbai

Nachiket Deshpande
Chief Operating Officer
& Whole-time Director
(DIN: 08385028)
Mumbai

Vinit Ajit Teredesai
Chief Financial Officer

Mumbai
April 27, 2023

Tridib Barat
Company Secretary
& Compliance Officer
Mumbai

Statement of Changes in Equity

A. Equity Share Capital

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Million)

Balance as on April 1, 2022	Changes in equity share capital during the year			Balance as on March 31, 2023
	Shares pending issuance	Shares issued pursuant to amalgamation	Shares issued on exercise of stock options and restricted shares	
296	(120)	120	0	296

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

Balance as on April 1, 2021	Changes in equity share capital during the year			Balance as on March 31, 2022
	Shares pending issuance	Restated balance as on April 1, 2021	Shares issued on exercise of stock options and restricted shares	
175	120	295	1	296

B. Other Equity

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Million)

Particulars	Share application money pending allotment	Reserves and Surplus								Other Components of Equity			Total
		Capital reserve	Capital redemption reserve	Securities premium	General reserve	Employee stock option outstanding	Deferred employee compensation expense	Special Economic Zone reinvestment reserve	Retained earnings	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve (FCTR)	Other items of Other Comprehensive Income	
Balance as on April 1, 2022	0	1,468	42	3,655	3,697	1,766	(1,016)	2,272	121,978	5,064	(416)	(55)	138,455
Net Profit for the year	-	-	-	-	-	-	-	-	42,563	-	-	-	42,563
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(6,951)	-	117	(6,834)
Dividends	-	-	-	-	-	-	-	-	(15,627)	-	-	-	(15,627)
Employee Stock Compensation Expense	-	-	-	-	-	3,793	(3,793)	-	-	-	-	-	
Transferred to SEZ Reinvestment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred from SEZ Reinvestment Reserve	-	-	-	-	-	-	-	(2,272)	2,272	-	-	-	-
Impact on account of common control business combination (refer note 44(I)(i))	-	1	-	-	-	-	-	-	-	-	-	-	1
Other changes/ Transfer to general reserve	0	-	-	336	17	(719)	1,503	-	-	-	-	-	1,137
Balance as on March 31, 2023	**0**	**1,469**	**42**	**3,991**	**3,714**	**4,840**	**(3,306)**	**-**	**151,186**	**(1,887)**	**(416)**	**62**	**159,695**

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

Particulars	Share application money pending allotment	Reserves and Surplus								Other Components of Equity			Total
		Capital reserve	Capital redemption reserve	Securities premium	General reserve	Employee stock option outstanding	Deferred employee compensation expense	Special Economic Zone reinvestment reserve	Retained earnings	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve (FCTR)	Other items of Other Comprehensive Income	
Balance as on April 1, 2021	-	(60)	-	2,862	3,471	795	(288)	-	60,134	2,200	-	129	69,243
Reserves taken over on Amalgamation (refer note 44(I)(i))	0	87	42	399	226	215	(117)	1,482	38,560	1,352	(416)	(291)	41,539
Reserves created due to Amalgamation (refer note 44(I)(i))	-	1,527	-	-	-	-	-	-	-	-	-	-	1,527
Restated Balance as on April 1, 2021	**0**	**1,554**	**42**	**3,261**	**3,697**	**1,010**	**(405)**	**1,482**	**98,694**	**3,552**	**(416)**	**(162)**	**112,309**
Net Profit for the year	-	-	-	-	-	-	-	-	39,123	-	-	-	39,123
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	1,512	-	107	1,619
Dividends	-	-	-	-	-	-	-	-	(13,280)	-	-	-	(13,280)
Employee Stock Compensation Expense	-	-	-	-	-	1,360	(1,360)	-	-	-	-	-	-
Transferred to SEZ Reinvestment Reserve	-	-	-	-	-	-	-	2,717	(2,717)	-	-	-	-
Transferred from SEZ Reinvestment Reserve	-	-	-	-	-	-	-	(1,927)	1,927	-	-	-	-
Impact on account of common control business combination (refer note 44(I)(i)&(ii))	-	(86)	-	-	-	-	-	-	(1,769)	-	-	-	(1,855)
Other changes/ Transfer to general reserve	0	-	-	394		(604)	749	-	-	-	-	-	539
Balance as on March 31, 2022	**0**	**1,468**	**42**	**3,655**	**3,697**	**1,766**	**(1,016)**	**2,272**	**121,978**	**5,064**	**(416)**	**(55)**	**138,455**

As per our report attached

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No.: 117364W/W-100739

Gurvinder Singh
Partner
Membership No.: 110128
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of LTIMindtree Limited

Debashis Chatterjee
Chief Executive Officer
& Managing Director
(DIN: 00823966)
Mumbai

Nachiket Deshpande
Chief Operating Officer
& Whole-time Director
(DIN: 08385028)
Mumbai

Vinit Ajit Teredesai
Chief Financial Officer

Mumbai
April 27, 2023

Tridib Barat
Company Secretary
& Compliance Officer
Mumbai

Notes Forming Part of Standalone Financial Statements

1. COMPANY OVERVIEW

LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited) ('the Company') offers extensive range of IT services like agile, analytics and information management, 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 – 400 001, Maharashtra, India. The Company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited in India.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation and Statement of compliance

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 (as amended from time to time).

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.

Amounts in the financial statements are presented in Indian Rupees in millions [10 lakhs = 1 million] as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees.

Preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires the 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, considering the extension period for determination of lease term, etc. Actual results could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and by giving prospective impact in the standalone financial statements.

As fully described in Note 44 (i), during the year erstwhile Mindtree Limited has merged with the Company based on the Scheme sanctioned by NCLT. Accordingly, the previously published financial statement of the Company has been restated for accounting of merger as the entities are under common control.

b) Presentation of financial statements

The financial statements (including balance sheet, statement of profit and loss and the statement of changes in equity) are prepared and presented in the accordance with the format prescribed in Division II of Schedule III to the Companies Act, 2013, as amended from time to time. 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 financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

c) Operating cycle for current and non-current classification

The Company identifies asset/liabilities as current if the same are receivable/payable within twelve months else the same are considered as non-current.

d) Revenue from Contracts with Customers

Revenue is recognized upon transfer of control of promised services to customers. Revenue is measured based on the transaction price as per the contract with a customer net of variable consideration on account of volume discounts, rebates and other similar allowances.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation.

The Company allocates the transaction price (net of variable consideration) to separately identifiable performance obligations based on their relative standalone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

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

Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognized based on time elapsed mode and revenue is straight-lined over the period of performance.

Revenue from services performed on fixed-price basis is recognized using the input method as defined in Ind AS-115 - Revenue from Contracts with customers. The Company uses cost expended to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenue in arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Revenue from sale of licenses / hardware, where the customer obtains a "right to use" the licenses / hardware is recognized at the point in time when the related license / hardware is made available to the customer. Revenue from licenses / hardware where the customer obtains a "right to access" is recognized over the access period. For allocating the transaction price to sale of licenses / hardware and related implementation and maintenance services, the Company measures the revenue in respect of each performance obligation of a contract as its relative standalone selling price. In case, where the licenses are required to be substantially customized as part of implementation service, the entire arrangement fee is considered as single performance obligation and revenue is recognized as per input method.

Revenue for supply of third party products or services are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

The Company accounts for variable considerations like, volume discounts, rebates, pricing incentives to customers and penalties as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The Company accrues the estimated cost of post contract support services at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. Contract modifications involving services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract.

'Unbilled revenues' (contract asset) represent revenue earned in excess of billings as at the end of the reporting period. Where right to consideration is unconditional upon passage of time is classified as a financial asset however, for fixed price development contracts, where milestone is not due as per contract terms as on date of reporting, the same is classified as non-financial asset.

'Unearned & deferred revenue' (contract liabilities) represent billing in excess of revenue recognized.

Deferred contract costs of:

i) Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Company expects to recover these costs and amortized over the contract term.

ii) Fulfillment cost specifically relating to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Use of significant judgments in revenue recognition:

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Company uses significant judgments while determining the transaction price to be allocated to performance obligations.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

e) Other income

Other Income comprises primarily of interest income, dividend income, gain/loss on investment and foreign exchange gain/loss.

I) Interest income is recognized using effective interest method.

II) Dividend income is accounted in the period in which the right to receive the same is established.

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 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.

ii) Defined benefit plans:

The provident fund scheme managed by trust, employee's gratuity fund scheme managed by insurers 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 remeasurement 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. Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to statement of profit and loss in subsequent periods.

The effect of any plan amendment is 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) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

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 recognized immediately in statement of profit and loss.

v) Social security plans:

Employer's contribution payable with respect to the 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.

The Code on Social Security, 2020 has been enacted by the Indian Parliament, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the corresponding Rules, are yet to be notified. The Company will complete its evaluation and will give appropriate impact in the period in which, the Code and the corresponding Rules become effective.

g) Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

h) 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 or construction of the asset and cost incurred for bringing the asset to its present location and condition.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP) respectively.

i) Intangible assets

Intangible assets are stated at cost, less accumulated, amortization and impairment. Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired.

j) Impairment

I) Impairment of trade receivables, unbilled receivables and lease receivables

The Company assesses at each date of statement of financial position whether a financial asset in form of trade receivables and unbilled receivables 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 receivables and unbilled receivables. 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 receivables and unbilled receivables. ECL impairment loss allowance or reversal is recognized during the period as expense or income respectively in the 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 or immediately when events or changes in circumstances indicate that an impairment loss would have occurred. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) or group of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Company of assets. For the purposes of impairment testing, The carrying amount of the reporting unit cash generating unit, including goodwill, is compared with its fair value. When the carrying amount of the reporting cash generating unit exceeds its fair value, a goodwill impairment loss is recognized. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. 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 Company 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. Recoverable amount is the higher of the value in use or fair value less cost to sell. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

III) Impairment of investments in subsidiaries

The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. The recoverable amount of such investment is the higher of its fair value less cost of disposal and its value-in-use (VIU). The VIU of the investment is calculated using projected future cash flows. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

k) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings, furniture & fixtures and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset throughout the period of the lease and (3) the Company has the right to direct the use of the asset throughout the period of use.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise the option.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

For Finance leases, initially asset held under finance lease is recognized in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease.

l) Depreciation

I) Property plant and equipment

Depreciation on assets have been provided on straight-line basis as mentioned in below table except for the leasehold improvements which is depreciated over the lease period or life of asset, whichever is lower. Depreciation on additions and disposals are calculated on pro-rata basis from and to the month of additions and disposals.

Particulars	Useful life
Buildings	Up to 60 years
Computers and IT peripherals	Up to 6 years
Plant and machinery	Up to 10 years
Office equipment	Up to 5 years
Vehicles	Up to 8 years
Furniture and fixtures	Up to 5 years

II) Intangible assets and amortization

The estimated useful life of an intangible asset is based on 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 cash flows from the asset. The basis of amortization of intangible assets on straight-line basis is as follows:

Particulars	Useful life
Computer software	Up to 5 years
Intellectual property	Up to 5 years
Business alliance relationships	Up to 4 years
Customer contracts	Up to 5 Years
Vendor relationships	Up to 6 years
Tradename	Up to 6 years
Technology	Up to 6 years
Non-compete agreement	Up to 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

m) Inventories

Inventories are valued at lower of cost and net realizable value, including necessary provision for obsolescence. Cost is determined using the weighted average method. Cost comprises of all costs of purchase and other costs incurred in bringing the inventory to its present location and condition.

n) Share-based payments

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 recognized as expense each year is arrived at 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. If options granted lapse before the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the profit and loss.

o) 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.

p) Foreign currency transactions and balances

Foreign currency transactions related to the Company and its branches 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. Exchange gains and losses arising on settlement and restatement are recognized in the Statement of profit and loss. 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.

Foreign currency gains and losses are reported on a net basis.

q) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

I) Initial measurement

Financial assets (excluding trade receivables) and liabilities are initially measured at fair value, i.e., transaction price. 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. Trade receivables that do not contain a significant financing component are measured at transaction price.

II) Subsequent classification and measurement

i) Non-derivative financial assets

A) Financial assets at amortized cost

Financial assets are subsequently measured at amortized 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

b) the contractual terms of financial assets give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using effective interest method less impairment loss if any.

B) Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments 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 on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling the financial asset. Company recognizes interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Interest earned is recognized under the effective interest rate (EIR) method.

C) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognized in OCI. On derecognition of the instrument the cumulative gain or loss is not reclassified to the statement of profit and loss, but will be transferred to retained earnings.

D) Financial assets at fair value through profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

ii) Non-derivative financial liability

Financial liabilities are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss.

iii) Investment in subsidiaries

Investment in Subsidiaries is carried at cost less impairment, if any in the Standalone Financial Statements. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Derivative financial instrument

The Company holds derivative financial instrument such as foreign exchange forward contracts and options contracts including a combination of purchased and written options to mitigate the risk of changes in exchange rates on foreign currency exposures and forecast transactions. The counterparty for these contracts is generally a bank.

The Company uses hedging instruments that are governed by the risk management policy which is approved by the board of directors. The policy provides written principles on the use of such derivative financial instruments. The Company designates such instruments as hedges and performs assessment of hedge effectiveness based on consideration of terms of the hedging instrument, the economic relationship between the hedging instrument and hedged item and the objective of the hedging.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the statement of profit and loss.

A) Cash flow hedges

The Company designates certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

When a derivative is designated as a Cash flow hedge instrument, the effective portion of changes in fair value of the derivative is recognized in other comprehensive income and presented within equity as hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.

If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in Cash flow hedge reserve is transferred to the Statement of Profit and Loss upon the occurrence of related forecasted transaction.

B) Fair value hedges

Changes in the fair value of the derivative instruments designated as fair value hedges are recognized 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 asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized from the Company's balance sheet where the obligation specified in the contract is discharged or cancelled or expired.

IV) Offsetting

Financial assets and financial liabilities are offset and the net amounts are presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

r) Taxes on income

Income tax expense comprises current and deferred income tax. Tax on income 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 / 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 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.

The Company 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 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 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.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is a right and an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

s) Borrowing costs

Borrowing costs include finance costs, commitment charges, interest expense on lease liabilities. Borrowing costs are recognized in the statement of profit and loss using the effective interest rate method.

t) 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.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flow. 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 and a reliable estimate can be made of the amount of the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

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 the amount of obligation cannot be measured with sufficient reliability; or

II) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities, and contingent assets are reviewed at each balance sheet date.

u) Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for treasury shares held and bonus elements in equity shares issued during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

v) 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"), whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

w) Business Combination

Business combinations other than the common control transactions are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations through common control transactions are accounted on a pooling of interests method. No adjustments are made to reflect the fair values, or recognize any new assets or liabilities, except to harmonise accounting policies. The identity of the reserves are preserved and the reserves of the transferor becomes the reserves of the transferee. The difference between consideration paid and the net assets acquired, if any, is recorded under capital reserve / retained earnings, as applicable.

Transaction costs incurred in connection with a business acquisition are expensed as incurred. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognized in the statement of profit and loss.

x) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 – Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in financial statements.

3A. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS – AS AT MARCH 31, 2023

(₹ in Million)

Particulars	Gross Block					Depreciation / Amortization					Net Block
	As at April 01, 2022	Effect of common control business combination	Additions	Deductions	As at March 31, 2023	As at April 01, 2022	Effect of common control business combination	For the year*	On deductions	As at March 31, 2023	As at March 31, 2023
Tangible assets											
Freehold Land	33	-	-	-	33	-	-	-	-	-	33
Buildings	3,029	-	10	-	3,039	1,558	-	131	-	1,689	1,350
Leasehold improvements	3,521	-	439	8	3,952	2,611	-	364	8	2,967	985
Plant and machinery	2,484	-	178	39	2,623	1,700	-	255	32	1,923	700
Computers	11,049	-	2,673	507	13,215	6,383	-	1,949	490	7,842	5,373
Office equipments	2,115	-	302	30	2,387	1,727	-	200	30	1,897	490
Furniture and fixtures	1,688	-	151	61	1,778	1,105	-	309	55	1,359	419
Vehicles	252	-	13	62	203	156	-	24	49	131	72
Total tangible assets	**24,171**	**-**	**3,766**	**707**	**27,230**	**15,240**	**-**	**3,232**	**664**	**17,808**	**9,422**
Capital work-in-progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,126**
Intangible assets											
Software	4,171	-	980	2	5,149	3,101	-	664	1	3,764	1,385
Technology	325	-	-	-	325	269	-	11	-	280	45
Intellectual Property	67	-	-	-	67	67	-	-	-	67	-
Business alliance relationship	72	-	-	-	72	72	-	-	-	72	-
Customer relationships	1,330	-	-	-	1,330	1,330	-	-	-	1,330	-
Non-Compete agreement	57	-	-	-	57	57	-	-	-	57	-
Vendor relationships	746	-	-	-	746	746	-	-	-	746	-
Tradename	305	-	-	-	305	305	-	-	-	305	-
Total intangible assets	**7,073**	**-**	**980**	**2**	**8,051**	**5,947**	**-**	**675**	**1**	**6,621**	**1,430**
Intangible assets under development	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**434**

*During the year, the Company has aligned the useful life of certain asset classes pursuant to the scheme of amalgamation. Had the Companies continued with the erstwhile useful life of assets, the charge to the depreciation and amortization expense would have been lower by ₹7 Million for the year ended March 31, 2023.

The aggregate amount of research and development expense recognized in the statement of profit and loss for the year ended March 31, 2023 is ₹153 Million.

CWIP ageing schedule as at March 31, 2023

(₹ in Million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,896	3,836	49	345	8,126
	3,896	**3,836**	**49**	**345**	**8,126**

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on latest approved plan.

Intangible assets under development (IAUD) ageing schedule as at March 31, 2023

(₹ in Million)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2 -3 years	More than 3 years	
Projects in progress	384	46	4	-	434
	384	**46**	**4**	**-**	**434**

The balance useful life of intangible assets as on the respective balance sheet date is as follows:

Particulars	Estimated useful life (in years)	Estimated remaining useful life (in years)
Computer Software	Up to 5	0.04 - 2.99
Customer contracts	Up to 5	-
Technology	Up to 6	4
Intellectual Property	Up to 5	-
Business alliance relationship	Up to 4	-
Non-Compete agreement	Up to 5	-
Vendor relationships	Up to 6	-
Tradename	Up to 6	-

3B. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS – AS AT MARCH 31, 2022

(₹ in Million)

Particulars	Gross Block					Depreciation / Amortization					Net Block
	As at April 01, 2021	Effect of common control business combination*	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Effect of common control business combination*	For the year	On deductions	As at March 31, 2022	As at March 31, 2022
Tangible assets											
Freehold Land	33	-	-	-	33	-	-	-	-	-	33
Buildings	2,968	-	188	127	3,029	1,547	-	138	127	1,558	1,471
Leasehold improvements	3,302	-	277	58	3,521	2,345	-	312	46	2,611	910
Plant and machinery	2,303	42	226	87	2,484	1,604	5	176	85	1,700	784
Computers	7,703	21	3,673	348	11,049	5,395	5	1,316	333	6,383	4,666
Office equipments	2,010	4	121	20	2,115	1,541	1	204	19	1,727	388
Furniture and fixtures	1,700	5	64	81	1,688	1,013	1	151	60	1,105	583
Vehicles	294	-	17	59	252	166	-	32	42	156	96
Total tangible assets	**20,313**	**72**	**4,566**	**780**	**24,171**	**13,611**	**12**	**2,329**	**712**	**15,240**	**8,931**
Capital work-in-progress											**4,589**
Intangible assets											
Software	4,414	-	830	1,073	4,171	3,676	-	496	1,071	3,101	1,070
Technology	261	64	-	-	325	261	-	8	-	269	56
Intellectual Property	67	-	-	-	67	67	-	-	-	67	-
Business alliance relationship	72	-	-	-	72	72	-	-	-	72	-
Customer relationships	1,330	-	-	-	1,330	1,330	-	-	-	1,330	-
Non-Compete agreement	57	-	-	-	57	57	-	-	-	57	-
Vendor relationships	746	-	-	-	746	577	-	169	-	746	-
Tradename	305	-	-	-	305	305	-	-	-	305	-
Total intangible assets	**7,252**	**64**	**830**	**1,073**	**7,073**	**6,345**	**-**	**673**	**1,071**	**5,947**	**1,126**
Intangible Assets under Development	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**130**

*Refer note 44(I)(ii)

CWIP ageing schedule as at March 31, 2022

(₹ in Million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,195	49	345	-	4,589
	4,195	**49**	**345**	**-**	**4,589**

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on latest approved plan.

Intangible assets under development (IAUD) ageing schedule as at March 31, 2022

(₹ in Million)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	125	5	-	-	130
	125	**5**	**-**	**-**	**130**

The balance useful life of intangible assets as on the respective balance sheet date is as follows:

Particulars	Estimated useful life (in years)	Estimated remaining useful life (in years)
Computer Software	Up to 5	0.08 - 2.99
Customer contracts	Up to 5	-
Technology	Up to 6	5
Intellectual Property	Up to 5	-
Business alliance relationship	Up to 4	-
Non-Compete agreement	Up to 5	-
Vendor relationships	Up to 6	-
Tradename	Up to 6	-

4. NON-CURRENT INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Long-term investment in subsidiaries:		
Equity Shares (Unquoted):		
5 fully paid equity shares of EUR 25,000 each in LTIMindtree GmbH (Formerly Larsen & Toubro Infotech GmbH)	3,404	3,404
100 fully paid equity shares of CAD 1 each in LTIMindtree Canada Ltd. (Formerly Larsen & Toubro Infotech Canada Limited)	7	7
400,000 (Previous year: 400,000) equity shares at no par value in LTIMindtree Financial Services Technologies Inc. (Formerly L&T Infotech Financial Services Technologies Inc)[1]	1,126	1,126
254,750 equity shares at no par value in LTIMindtree South Africa (Pty.) Ltd. (Formerly Larsen and Toubro Infotech South Africa (Pty.) Ltd.)	2	2
175,000 fully paid equity shares of USD 1 each in L&T Information Technology Services (Shanghai) Co., Ltd. (China)	11	11
50,000 fully paid equity shares of EUR 1 each in L&T Information Technology Spain, SL	4	4
30,000 fully paid shares of NOK 1 each in LTIMindtree Norge AS (Formerly Larsen & Toubro Infotech Norge AS)	0	0
1,145,421 fully paid equity shares of INR 10 each in Lymbyc Solutions Private Limited	324	324
17,328 fully paid equity shares of INR 10 each in Powerupcloud Technologies Private Limited	1,056	1,056
1,000 fully paid equity shares of GBP 1 each in LTIMindtree UK Limited (Formerly Larsen & Toubro Infotech UK Limited)	0	0
1,860 shares of AED 1,000 each in LTIMindtree Middle East FZ-LLC (Formerly Larsen & Toubro Infotech Middle East FZ-LLC)	37	37
10,000 fully paid equity shares of INR 10 each in Cuelogic Technologies Private Limited[2]	639	639
Mindtree Software (Shanghai) Co., Ltd. ('MSSCL')	14	14
1 fully paid equity share of MYR 100,000 each in Bluefin Solutions Sdn. Bhd. ('Bluefin Malaysia')[4]	-	2
Other:		
Membership interest of MXN 2,970 in LTIMindtree S.De. RL.De. C.V (Formerly L&T Infotech, S. DE R.L. DE C.V.)	0	0
Investments measured at Amortized Cost:		
Quoted		
Corporate Bonds / Debentures	5,125	3,438
Government Securities	510	-
Unquoted		
Treasury Notes Philippines Govt.[3]	2	2
Corporate Deposits	972	2,750
Investments measured at FVTPL:		
Quoted		
Perpetual Bonds	205	314
Unquoted		
Equity Instruments		
- 2,500 equity shares of USD 1 each in Larsen and Toubro LLC[5]	-	1
Investments measured at FVTOCI:		
Unquoted		
Equity Instruments		
- 950,000 equity shares of ₹1 each in NuvePro Technologies Private Limited	1	1
Preference Shares		
- 643,790 Series A Convertible Preferred Stock at USD 0.0001 each fully paid at premium of USD 0.2557 each in 30 Second Software Inc.	7	7
- 18,880 Series A Preferred stock at USD 0.0001 each fully paid at premium of USD 238.3474 each in COPE Healthcare Consulting Inc[6].	343	-
	13,789	**13,139**
Other Disclosures:		
(i) Aggregate amount of quoted investments	5,840	3,752
Market Value of quoted investments	5,741	3,689
(ii) Aggregate amount of unquoted investments	7,949	9,387

1. On June 14, 2021, L&T Infotech Financial Services Technologies Inc. ("LTIFST") bought back 33.33% of its total equity capital (i.e. 200,000 shares) from its Shareholder (the Company) for a consideration of ₹1,732 Million against cost of ₹560 Million.
2. The Company acquired "Cuelogic Technologies Private Limited" on July 1, 2021 (refer note 44(II)).
3. The Company has invested in Philippines Govt. Treasury notes and have deposited same with local Securities and Exchange Commission, as per Corporation Code of Philippines-126. The Company has not held this investment primarily for the purpose of being traded and does not intend to sell or consume for normal business operation. The Company intends to keep the deposit till the existence of its operations in Philippines.
4. Liquidated w.e.f. January 25, 2023.
5. Liquidated w.e.f. September 13, 2022.
6. During the quarter ended June 30, 2022, the Company has acquired a 6.64% stake in COPE Healthcare Consulting Inc. ('COPE') for a consideration of ₹343 Million pursuant to a Stock Purchase Agreement entered on April 4, 2022 to expand its healthcare business. COPE is a healthcare consulting, implementation and co-management leader in population health management, value-based care and payment, workforce development and data analytics. The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of this investment as this is strategic investment and is not held for trading.
7. Impairment up to March 31, 2023 – Nil (Previous year: Nil)

5. NON-CURRENT TRADE RECEIVABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, undisputed & considered good		
Due from others	39	-
Less: Allowance for expected credit loss	0	-
	39	**-**

6. NON-CURRENT LOANS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to subsidiary* (refer note 43)		
Unsecured, considered good	-	1,145
	-	**1,145**

*Advance given to wholly-owned subsidiary "LTIMindtree Middle East FZ-LLC (Formerly Larsen & Toubro Infotech Middle East FZ-LLC)" for working capital requirements.

7. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative contracts receivables	267	3,744
Security deposits	1,462	1,212
Bank deposits with more than 12 months maturity	-	319
Lease receivables	19	77
	1,748	**5,352**

8. DEFERRED TAX ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax asset / (liability)	3,614	310
	3,614	**310**

8. (I) Deferred tax liabilities / assets as at March 31, 2023

(₹ in Million)

Particulars	Deferred tax asset / (liability) as at March 31, 2022	Current year (charge)/credit to Statement of Profit & Loss	(Charge)/ credit to Other Comprehensive Income	Deferred Tax asset / (liability) as at March 31, 2023
Deferred tax assets / (liabilities)				
Deferred taxes on derivative instruments	(2,150)	(10)	2,789	629
Branch profit tax	(575)	171	-	(404)
Unrealized (gains) / losses on investments	(633)	97	-	(536)
Provision for doubtful debts & advances	303	167	-	470
Provision for employee benefits	1,570	68	-	1,638
Depreciation / amortization	1,046	(257)	-	789
ROU assets net of lease liabilities	504	6	-	510
Others	245	273	-	518
Net deferred tax assets / (liabilities)	**310**	**515**	**2,789**	**3,614**

8. (II) Deferred tax liabilities / assets as at March 31, 2022

(₹ in Million)

Particulars	Deferred tax asset / (liability) as at March 31, 2021	Current year (charge) / credit to Statement of Profit & Loss	(Charge)/ credit to Other Comprehensive Income	Deferred Tax asset/(liability) as at March 31, 2022
Deferred tax assets / (liabilities)				
Deferred taxes on derivative instruments	(1,445)	(17)	(688)	(2,150)
Branch profit tax	(683)	108	-	(575)
Unrealized (gains) / losses on investments	(596)	(37)	-	(633)
Provision for doubtful debts & advances	233	70	-	303
Provision for employee benefits	1,302	268	-	1,570
Depreciation / amortization	1,130	(84)	-	1,046
ROU assets net of lease liabilities	499	5	-	504
Others	390	(145)	-	245
Net deferred tax assets / (liabilities)	**830**	**168**	**(688)**	**310**

The Company has not created deferred tax asset on accumulated losses of ₹64 Million and ₹432 Million as at March 31, 2023 and March 31, 2022 respectively as it is probable that future taxable profit will not be available against which the unused tax losses can be utilized in the foreseeable future.

9. OTHER NON-CURRENT ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances receivable from government authorities	806	689
Advance recoverable other than cash	335	288
Prepaid expenses	255	162
Capital advances	282	312
Deferred contract costs*	151	348
	1,829	**1,799**

*Includes unamortized cost to obtain the contract ₹2 Million (Previous year: Nil) and unamortized cost to fulfill the contract ₹149 Million (Previous year: ₹348 Million).

10. INVENTORIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Project-related inventories	33	41
	33	**41**

11. CURRENT INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments measured at Amortized Cost:		
Quoted		
Corporate Bonds	3,734	3,522
Commercial Papers	4,407	495
Certificate of Deposits	2,765	-
Treasury Bills	98	-
Unquoted		
Corporate Deposits	8,599	6,990
Commercial Papers	247	1,379
Investments measured at FVTPL:		
Quoted		
Mutual funds	27,568	41,585
	47,418	**53,971**
Other Disclosures:		
(i) Aggregate amount of quoted investments	38,572	45,602
Market Value of quoted investments	38,582	45,572
(ii) Aggregate amount of unquoted investments	8,846	8,369

12. TRADE RECEIVABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	54,741	44,343
Less: Allowance for expected credit loss	(1,556)	(1,067)
	53,185	**43,276**

Allowance for expected credit loss movement

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,067	985
Additions during the year, net	608	267
Uncollectable receivables charged against allowances (refer note 32)	(125)	(194)
Exchange (gain) / loss	6	9
Balance at the end of the year	**1,556**	**1,067**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.

Trade Receivables ageing schedule as at March 31, 2023

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	36,733	13,773	2,693	1,000	136	307	54,642
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	72	27	99
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	36,733	**13,773**	**2,693**	**1,000**	**208**	**334**	**54,741**
Less: Loss allowance	-	-	-	-	-	-	(1,556)
							53,185

Trade Receivables ageing schedule as at March 31, 2022

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	32,322	9,829	1,294	295	141	347	44,228
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	66	25	-	91
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	24	24
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	32,322	**9,829**	**1,294**	**361**	**166**	**371**	**44,343**
Less: Loss allowance	-	-	-	-	-	-	(1,067)
							43,276

13. UNBILLED REVENUE

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unbilled revenue*	15,566	9,881
	15,566	**9,881**

*Unbilled revenue has been classified as financial asset where the contractual right to consideration is unconditional upon passage of time.

14. CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0
Balances with bank		
- in current accounts	19,838	12,390
- in deposit accounts	140	410
Remittance in transit	517	463
Cash and bank balance not available for immediate use	68	27
Earmarked balances with banks (unclaimed dividend)	45	40
	20,608	**13,330**

15. OTHER BANK BALANCES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits	5,763	3,850
	5,763	**3,850**

16. CURRENT LOANS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to subsidiary* (refer note 43)		
Unsecured, considered good	824	29
	824	**29**

*Loans to subsidiaries (Lymbyc Solutions Private Limited and LTIMindtree Middle East FZ-LLC (Formerly Larsen & Toubro Infotech Middle East FZ-LLC)) towards their working capital requirements.

17. OTHER CURRENT FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative contracts receivables	968	3,795
Advances to employees	556	629
Security deposits	132	204
Lease receivable	64	102
Others	81	18
	1,801	**4,748**

18. OTHER CURRENT ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unbilled revenue*	12,663	9,798
Prepaid expenses	4,828	3,527
Balances receivable from government authorities	1,429	1,131
Advances recoverable other than in cash	718	170
Deferred contract costs#	261	350
	19,899	**14,976**

*Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

#Includes unamortized cost to obtain the contract ₹3 Million (Previous year: Nil) and unamortized cost to fulfill the contract ₹258 Million (Previous year: ₹350 Million)

19. EQUITY SHARE CAPITAL

I) Share capital authorized, issued, subscribed and fully paid up:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized[1]:		
8,274,500,000 equity shares of ₹1 each	8,275	275
(Previous year: 274,500,000 of ₹1 each)		
	8,275	**275**
Issued, subscribed and fully paid up:		
295,806,721 equity shares for ₹1 each	296	176
(Previous year: 175,270,156 of ₹1 each)		
Shares pending issuance:		
120,328,654 equity shares of ₹1 each, pursuant to amalgamation of Mindtree Limited with the Company (refer note 44(I)(i))	-	120
Total	**296**	**296**

1.Pursuant to the Scheme of amalgamation being effective, authorized share capital ₹8,000 Million of Amalgamating Company stands reclassified and amalgamated with the authorized share capital of the Company with deemed effect from the Appointed Date. (refer note 44(I)(i)).

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 the Shareholder	Number of Shares	Shareholding %	% Change during the year
	As at March 31, 2023		
Larsen & Toubro Limited (Promoter)	203,169,279	68.68%	-0.06%
	As at March 31, 2022		
Larsen & Toubro Limited (Promoter)			
Issued, subscribed and fully paid up	129,784,034	43.91%	
Shares pending issuance	73,385,245	24.83%	
	203,169,279	**68.74%**	**-0.13%**

IV) Reconciliation of the number of equity shares and share capital:

Movement in share capital for the year ended March 31, 2023 and March 31, 2022 as given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Issued, subscribed and fully paid up equity shares outstanding at the beginning	175,270,156	174,750,608
Add: Issue of shares pursuant to amalgamation of Mindtree Limited with the Company (refer note 44(I)(i))	120,397,266	-
Add: Shares issued on exercise of employee stock options	139,299	519,548
Issued, subscribed and fully paid up equity shares	**295,806,721**	**175,270,156**
Add: Shares pending issuance (refer note 44(I)(i))	-	120,328,654
Total	**295,806,721**	**295,598,810**

V) Stock option plans:

Employee Stock Option Scheme 2015 ('ESOP Scheme – 2015')

On September 14, 2015, the shareholders of the Company have approved the administration and supervision of Employee Stock Ownership Scheme 2015 ('ESOP 2015') by the Board. Shares under this program are granted to employees at an exercise price of not less than ₹1 per equity share or such higher price as determined by the Board but shall not exceed the market price as defined in the Regulations. Shares shall vest over such term as determined by the Nomination and Remuneration Committee not exceeding five years from the date of the grant. These options are exercisable within 7 years from the date of grant.

Sr. No.	Particulars	ESOP Scheme - 2015	
		2022-23	2021-22
i	Grant price	₹1	₹1
ii	Grant dates	June 10, 2016 onwards	
iii	Vesting commences on	June 10, 2017 onwards	
iv	Options granted and outstanding at the beginning of the year	325,915	882,606
v	Options reinstated during the year	-	-
vi	Options granted during the year	766,815	45,285
vii	Options allotted / exercised during the year	135,016	519,548
viii	Options lapsed / cancelled during the year	29,772	82,428
ix	Options granted & outstanding at the end of the year	927,942	325,915
x	Options vested at the end of the year out of (ix)	73,565	143,122
xi	Options unvested at the end of the year out of (ix)	854,377	182,793
xii	Weighted average remaining contractual life of options (in years)	6.0	3.5

Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

Employee Restricted Stock Purchase Plan ('ERSP') 2012 was instituted with effect from July 16, 2012 to issue equity shares of nominal value of ₹10 each. Shares under this program are granted to employees at an exercise price of not less than ₹10 per equity share or such higher price as determined by the Nomination and Remuneration Committee. Shares shall vest over such term as determined by the Nomination and Remuneration Committee not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

The Company has granted letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the outstanding options / units as at March 31, 2023 and March 31, 2022 are given below:

Sr. No.	Particulars	ERSP 2012	
		2022-23	2021-22
i	Grant price	₹10	₹10
ii	Grant Dates	July 24, 2019 onwards	
iii	Vesting commences on	July 24, 2020 onwards	
iv	Options granted under letter of intent and outstanding at the beginning of the year	53,771	144,077
v	Options reinstated during the year	-	-
vi	Options granted during the year	-	-
vii	Options allotted / exercised during the year	41,347	83,224
viii	Options lapsed / cancelled during the year	5,015	7,082
ix	Options granted & outstanding at the end of the year	7,409	53,771
x	Options vested at the end of the year out of (ix)	7,409	6,158
xi	Options unvested at the end of the year out of (ix)	-	47,613
xii	Weighted average remaining contractual life of options (in years)	0.0	0.6

Employee Stock Option Plan 2021 ('ESOP 2021')

On May 22, 2021, the shareholders of the Company have approved the Employee Stock Option Plan 2021 ('ESOP 2021') for the issue of up to 2,000,000 options (including the unutilized options under ERSP 2012) to employees of the Company. The Nomination and Remuneration Committee ('NRC') administers the plan through a trust established specifically for this purpose, called the LTIMindtree Employee Welfare Trust (Formerly Mindtree Employee Welfare Trust) ('ESOP Trust').

The ESOP Trust shall subscribe to the equity shares of the Company using the proceeds from loans obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan, to the extent of number of shares as is necessary for transferring to the employees. The NRC shall determine the exercise price which will not be less than the face value of the shares. Options under this program are granted to employees at an exercise price periodically determined by the NRC. All stock options have a four-year vesting term. The options vest and become fully exercisable at the rate of 25% each over a period of 4 years from the date of grant. Each option is entitled to 1 equity share of ₹10 each. These options are exercisable within 6 years from the date of vesting.

On May 22, 2021, the shareholders of the Company, through postal ballot, have approved the grant of loan to LTIMindtree Employee Welfare Trust (Formerly Mindtree Employee Welfare Trust) ('ESOP Trust'), the value of which, shall not exceed the statutory ceiling of five (5%) percent of the paid-up capital and free reserves of the Company as on March 31, 2021. Further, the Company has obtained in-principle approval for listing of up to a maximum of 2,000,000 equity shares of ₹10 each to be issued under ESOP 2021 from NSE and BSE on June 10, 2021 and June 14, 2021 respectively. The trust deed was executed effective May 25, 2021 and registered on August 24, 2021.

Sr. No.	Particulars	ESOP 2021 – Series A	
		2022-23	2021-22
i	Grant price	₹10	₹10
ii	Grant Dates	August 9, 2021 onwards	
iii	Vesting commences on	August 9, 2022 onwards	
iv	Options granted & outstanding at the beginning of the year	227,736	-
v	Options reinstated during the year	-	-
vi	Options granted during the year	29,104	239,533
vii	Options allotted / exercised during the year	28,292	-
viii	Options lapsed / cancelled during the year	56,924	11,797
ix	Options granted & outstanding at the end of the year	171,624	227,736
x	Options vested at the end of the year out of (ix)	41,004	-
xi	Options unvested at the end of the year out of (ix)	130,620	227,736
xii	Weighted average remaining contractual life of options (in years)	7.0	7.9

Sr. No.	Particulars	ESOP 2021 – Series B	
		2022-23	2021-22
i	Weighted average grant price	₹3,268	₹3,268
ii	Grant Dates	August 9, 2021 onwards	
iii	Vesting commences on	August 9, 2022 onwards	
iv	Options granted & outstanding at the beginning of the year	124,100	-
v	Options reinstated during the year	-	-
vi	Options granted during the year	-	136,510
vii	Options allotted / exercised during the year	3,256	-
viii	Options lapsed / cancelled during the year	19,703	12,410
ix	Options granted & outstanding at the end of the year	101,141	124,100
x	Options vested at the end of the year out of (ix)	26,564	-
xi	Options unvested at the end of the year out of (ix)	74,577	124,100
xii	Weighted average remaining contractual life of options (in years)	7.0	8.0

VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2023 are Nil (previous period of five years ended March 31, 2022 – Nil)

VII) An aggregate of 120,397,266 equity shares of ₹1 each were issued pursuant to amalgamation, without payment being received in cash in immediately preceding five years ended March 31, 2023 (previous period of five years ended March 31, 2022 – Nil). (Refer note 44(I)(i))

VIII) During the year ended March 31, 2023, the Company has distributed interim dividend of ₹20 per share (Previous year: ₹25 per share) and no special dividend (Previous year: ₹10 per share).

IX) Weighted average share price at the date of exercise for stock options exercised during the year is ₹4,761 per share (Previous year: ₹ 4,960 per share).

X) The fair value has been calculated using the Black-Scholes Option Pricing model and significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Employee Stock Option Scheme 2015 ('ESOP Scheme – 2015')

Sr. No.	Particulars	2022-23	2021-22
i	Weighted average risk-free interest rate	6.79%	5.00%
ii	Weighted average expected life of options	2.5 Years	3 Years
iii	Weighted average expected volatility	37.71%	27.67%
iv	Weighted average expected dividends over the life of option	₹181.54	₹189.16
v	Weighted average share price	₹4,776	₹4,668
vi	Weighted average exercise price	₹1	₹1
vii	Weighted average fair value of options	₹4,775	₹4,668
viii	Method used to determine expected volatility	The expected volatility has been calculated based on historic company share price.	The expected volatility has been calculated based on historic company share price.

Employee Stock Option Plan 2021 ('ESOP 2021') – Series A

Sr. No.	Particulars	2022-23	2021-22
i	Weighted average risk-free interest rate	6.28%	4.78%
ii	Weighted average expected life of options	2.5 Years	2.5 Years
iii	Weighted average expected volatility	36.39%	33.67%
iv	Weighted average expected dividends over the life of option	₹9.07	₹9.66
v	Weighted average share price	₹4,518	₹4,073
vi	Weighted average exercise price	₹10	₹10
vii	Weighted average fair value of options	₹4,508	₹4,063
viii	Method used to determine expected volatility	The expected volatility has been calculated based on historic company share price.	The expected volatility has been calculated based on historic company share price.

Employee Stock Option Plan 2021 ('ESOP 2021') – Series B

Sr. No.	Particulars	2022-23	2021-22
i	Weighted average risk-free interest rate	-	4.87%
ii	Weighted average expected life of options	-	2.5 Years
iii	Weighted average expected volatility	-	33.99%
iv	Weighted average expected dividends over the life of option	-	₹9.70
v	Weighted average share price	-	₹4,630
vi	Weighted average exercise price	-	₹3,268
vii	Weighted average fair value of options	-	₹1,262
viii	Method used to determine expected volatility	-	The expected volatility has been calculated based on historic company share price.

20. OTHER EQUITY

(₹ in Million)

	Particulars		As at March 31, 2023	As at March 31, 2022
I)	**Capital reserve on business combination[1]**			
	Opening balance		1,468	(60)
	Reserve taken over on Amalgamation		-	87
	Reserve created due to Amalgamation		-	1,527
	Restated Balance as on April 1, 2021		**-**	**1,554**
	Add: Additions during the year (refer note 44(I)(i))		1	1
	Less: Deductions during the year (refer note 44(I)(ii))		-	(87)
			1,469	**1,468**
II)	**Capital Redemption Reserve[2]**			
	Opening balance		42	-
	Reserve taken over on Amalgamation		-	42
	Restated Balance as on April 1, 2021		**-**	**42**
	Add: Additions during the year		-	-
	Less: Deductions during the year		-	-
			42	**42**
III)	**Share premium[3]**			
	Opening balance		3,655	2,862
	Reserve taken over on Amalgamation		-	399
	Restated Balance as on April 1, 2021		**-**	**3,261**
	Add: Additions during the year		346	394
	Less: Deductions during the year		(10)	-
			3,991	**3,655**
IV)	**General reserve[4]**			
	Opening balance		3,697	3,471
	Reserve taken over on Amalgamation		-	226
	Restated Balance as on April 1, 2021		**-**	**3,697**
	Add: Additions to general reserve		17	-
			3,714	**3,697**
V)	**Employee stock option outstanding[5]**			
	Opening balance		1,766	795
	Reserve taken over on Amalgamation		-	215
	Restated Balance as on April 1, 2021		**-**	**1,010**
	Add: Additions during the year		3,793	1,360
	Less: Deductions during the year		(719)	(604)
		(a)	**4,840**	**1,766**
	Deferred employee compensation expense[5]			
	Opening balance		(1,016)	(288)
	Reserve taken over on Amalgamation		-	(117)
	Restated Balance as on April 1, 2021		**-**	**(405)**
	Add: Additions during the year		(3,793)	(1,360)
	Less: Deductions during the year		1,503	749
		(b)	**(3,306)**	**(1,016)**
		(a) + (b)	**1,534**	**750**
VI)	**Special Economic Zone reinvestment reserve[6]**			
	Opening balance		2,272	-
	Reserve taken over on Amalgamation		-	1,482
	Restated Balance as on April 1, 2021		**-**	**1,482**
	Add: Additions during the year		-	2,717
	Less: Deductions during the year		(2,272)	(1,927)
			-	**2,272**

(₹ in Million)

	Particulars	As at March 31, 2023	As at March 31, 2022
VII)	**Hedging reserve[7]**		
	Opening balance (net of taxes)	5,064	2,200
	Reserve taken over on Amalgamation	-	1,352
	Restated Balance as on April 1, 2021	**-**	**3,552**
	Add / (Less): Movement in forward contracts receivable	(10,653)	5,434
	Add / (Less): Amount reclassified to profit or loss	913	(3,234)
	Add / (Less): Deferred tax related to above	2,789	(688)
		(1,887)	**5,064**
VIII)	**Foreign currency translation reserve (refer note 2.p)**		
	Opening Balance	(416)	-
	Reserve taken over on Amalgamation	-	(416)
	Restated Balance as on April 1, 2021	**-**	**(416)**
	Add: Additions during the year	-	-
	Less: Deductions during the year	-	-
		(416)	**(416)**
IX)	**OCI – Remeasurements of net defined benefit plans (net of tax)**		
	Opening balance	(55)	129
	Reserve taken over on Amalgamation	-	(291)
	Restated Balance as on April 1, 2021	**-**	**(162)**
	Add: Movement during the year	117	107
		62	**(55)**
A)	**Other Reserves Total (A)**	**8,509**	**16,477**
B)	**Retained Earnings[8]**		
	Opening balance	121,978	60,134
	Restatement due to amalgamation	-	38,560
	Restated Balance as on April 1, 2021	**-**	**98,694**
	Less: Impact on account of business combination (refer note 44(I)(ii))	-	(1,769)
	Add: Profit for the year	42,563	39,123
	Less: Dividend	(15,627)	(13,280)
	Less: Transfer from / to Special Economic Zone reinvestment reserve (net)	2,272	(790)
	Retained Earnings Total (B)	**151,186**	**121,978**
	Total (A+B)	**159,695**	**138,455**

1. Capital reserve on business combination represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years. It also represents capital reserve on business combination which arises on transfer of business between entities under common control.
2. It represents a sum equal to the nominal value of the share capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.
3. Share premium includes.
   a) The difference between the face value of the equity shares and the consideration received in respect of shares issued;
   b) The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme;
   c) Incremental directly attributable costs incurred in issuing or acquiring an entity's own equity instruments.
4. The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act, 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.
5. It represents the fair value of services received against employees stock options.
6. The Company has created Special Economic Zone reinvestment reserve out of the profit of eligible SEZ units in terms of the provisions of Section 10AA(1)(II) of the Income Tax Act, 1961.
7. The hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.
8. Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.

21. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative contracts payable	1,703	113
Payable for acquisition of business	70	133
Others	1	3
	1,774	**249**

22. NON-CURRENT PROVISIONS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Post retirement medical benefits (refer note 37)	350	282
	350	**282**

23. TRADE PAYABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	154	170
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Due to others	4,308	4,543
Accrued expenses	8,354	8,480
	12,662	**13,023**

Trade Payables ageing schedule as at March 31, 2023

(₹ in Million)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	154	-	-	-	-	154
(ii) Others	8,354	3,518	672	11	89	18	12,662
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	8,354	**3,672**	**672**	**11**	**89**	**18**	**12,816**

Trade Payables ageing schedule as at March 31, 2022

(₹ in Million)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	170	-	-	-	-	170
(ii) Others	8,480	3,747	681	90	20	5	13,023
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	8,480	**3,917**	**681**	**90**	**20**	**5**	**13,193**

24. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities for employee benefits	12,523	12,402
Derivative contracts payable	1,885	83
Payable for acquisition of business	59	533
Deferred consideration for common control business transfer	-	990
Capital Creditors*	784	261
Liability towards credit support agreements	-	594
Unclaimed dividend	44	40
Book overdrafts	12	0
Others	583	80
	15,890	**14,983**

*Includes ₹71 Million (Previous year: ₹9 Million) outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT 2006.

25. OTHER CURRENT LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unearned and deferred revenue	3,075	2,782
Balance payable to government authorities	4,399	3,966
Liability for gratuity	953	592
Others	2,474	2,187
	10,901	**9,527**

26 CURRENT PROVISIONS

(₹ in Million)

26.(I) Particulars	As at March 31, 2023	As at March 31, 2022
Compensated absences	6,677	5,066
Post-retirement medical benefits (refer note 37)	5	4
Provision for post contract support services	22	22
Provision for foreseeable losses on contracts	122	42
Provision for disputed dues*#	866	812
Others	4	11
	7,696	**5,957**

*Includes disputed dues provided pursuant to unfavorable orders received from the tax authorities of ₹108 Million (Previous year: ₹103 Million) against which the Company has preferred an appeal with the relevant authority. In respect of the provisions of Ind AS 37, the disclosures required have not been provided pursuant to the limited exemption provided under paragraph 92 of Ind AS 37.

#During the year ended March 31, 2018, the Company received an order passed under Section 7A of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 from Employees Provident Fund Organization (EPFO) claiming provident fund contribution aggregating to ₹250 Million for dues up to June 2016, and excludes any additional interest that may be determined by the authorities from that date till resolution of the dispute, on (a) full salary paid to International Workers and (b) special allowance paid to employees. Based on a legal advice obtained, the Company has assessed that it has a legitimate ground for appeal, and has contested the order by filing an appeal with the Employees' Provident Funds Appellate Tribunal. In view of the changes in the regulations with the new wage code and social security code, the Company, supported by legal advice, continues to re-estimate the probability of any liability arising from this matter and has accordingly recognized a provision of ₹758 Million (Previous year: ₹709 Million), including estimated interest, as on the date of the balance sheet.

26.(II) Disclosure pursuant to Accounting Standard (Ind AS) 37 "Provisions, Contingent Liabilities and Contingent Assets" movement in provisions

Particulars	Provision for post contract support services	Provision for foreseeable losses on contracts	Provision for disputed dues	Other Provisions
Balance as at April 1, 2021	**15**	**40**	**759**	**11**
Additional provision during the year	8	108	53	-
Provision reversed / utilized during the year	(1)	(106)	-	-
Balance as at March 31, 2022	**22**	**42**	**812**	**11**
Additional provision during the year	1	230	58	-
Provision reversed / utilized during the year	(1)	(150)	(4)	(7)
Balance as at March 31, 2023	**22**	**122**	**866**	**4**

27. REVENUE FROM OPERATIONS

Revenue consists of the following:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Time & Material	109,482	83,028
Fixed Price, Maintenance & others*	210,272	165,426
	319,754	**248,454**

*Includes Fixed Price contracts of ₹33,339 Million (Previous year: ₹29,768 Million)

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023, other than those meeting the exclusion criteria mentioned above, is ₹224,518 Million (Previous year: ₹191,597 Million). Out of this, the Company expects to recognize revenue of around 67% (Previous year: 66%) within the next one year and the remaining thereafter.

Changes in contract assets is as follows:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	9,798	6,812
Less: Invoices raised during the year	(6,731)	(5,272)
Add: Revenue recognized during the year	9,579	8,253
Add: Translation exchange difference	17	5
Balance at the end of the year	**12,663**	**9,798**

Changes in contract liabilities is as follows:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	2,782	2,548
Less: Revenue recognized during the year from opening balance	(2,302)	(2,115)
Add: Invoices raised during the year	2,595	2,349
Balance at the end of the year	**3,075**	**2,782**

Reconciliation of revenue recognized with the contracted price is as follows:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contracted Price	325,497	252,967
Reductions towards variable consideration components*	(5,743)	(4,513)
Revenue Recognized	**319,754**	**248,454**

*Represents variable consideration towards volume discounts, rebates and other similar allowances

28. OTHER INCOME

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on financial assets designated at fair value through profit or loss[1]	1,670	2,040
Interest income on financial assets at amortized cost	1,738	882
Interest income on financial assets at fair value through profit or loss	15	24
Foreign exchange gain, net[2]	989	4,449
Gain on buy-back of shares by subsidiary	-	1,171
Miscellaneous income[3]	596	320
	5,008	**8,886**

1. Includes net gain / (loss) on sale of investments of ₹1,997 Million (Previous year: ₹1,799 Million)
2. The Company hedges its operational business exposure on a net basis (i.e. expected revenue in foreign currency less expected expenditure in related currency). The foreign exchange gain reported above includes loss on Derivative financial instrument which are designated as cash flow hedges of ₹913 Million (Previous year: Gain of ₹3,234 Million) and as fair value hedges of loss ₹900 Million (Previous year: Gain of ₹136 Million).
3. Miscellaneous income includes change in fair value of contingent consideration amounting to credit of ₹45 Million (Previous year: charge of ₹113 Million).

29. EMPLOYEE BENEFITS EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries*	180,704	138,656
Share based payments to employees	1,140	546
Staff welfare	352	624
Contribution to social security and other funds	11,015	8,281
Contribution to gratuity fund	1,063	728
	194,274	**148,835**

*Government incentives:

1. The Company undertakes R&D activities and incurs qualifying revenue expenditure which is entitled to an additional deduction under UK corporation tax rules. During the year, the Company has claimed R&D tax relief under UK corporation tax rules amounting to ₹24 Million (Previous year: ₹30 Million) accounted as a credit to employee benefits expense.
2. During the year, the Company received government grants amounting to ₹37 Million (Previous year: ₹6 Million) from governments of various countries on compliance of several employment-related conditions and accordingly, accounted as a credit to employee benefits expense.

30. FINANCE COSTS

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on lease liabilities	1,082	1,078
Interest on financial liabilities*	11	57
Interest on deposits with respect to credit support agreement	5	30
Others	342	22
	1,440	**1,187**

*includes contingent consideration payable on business acquisitions.

31. DEPRECIATION & AMORTIZATION EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	3,232	2,329
Amortization of other intangible assets (refer note 3)	675	673
Depreciation of right-of-use assets (refer note 40)	2,485	2,299
	6,392	**5,301**

32. OTHER EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cost of equipment, hardware and software packages	11,037	8,470
Travelling and conveyance	4,434	2,058
Repairs and maintenance	1,813	1,506
Lease rentals and establishment expenses*	1,325	1,080
Recruitment expenses	2,231	2,161
Rates and taxes	1,848	1,054
Communication expenses	1,007	978
Advertisement expenses	940	595
Power and fuel	498	393
Allowance for doubtful debts and advances	769	348
Bad debts	125	194
Less: Provision written back	(125)	(194)
Insurance charges	220	193
Legal and professional charges	2,787	2,740
Corporate social responsibility expenses (refer note 48)	660	546
Directors fees	52	56
Miscellaneous expenses	3,734	1,760
	33,355	**23,938**

*Includes lease rentals accrued and paid for short term lease ₹1,038 Million (Previous year: ₹916 Million) and low value lease ₹243 Million (Previous year: ₹140 Million).

33. (I) CURRENT TAX

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	14,878	13,190
Provision for earlier year written (back)/off	(1,046)	(76)
	13,832	**13,114**

33. (II) DEFERRED TAX

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax charge / (credit)	(515)	(168)
	(515)	**(168)**

33. (III) 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 Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before income taxes	55,880	52,069
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	14,064	13,105
Tax effect due to non-taxable income	(6)	(2,234)
Overseas taxes	9	91
Effect of differential tax rates	(36)	(267)
Impact of change in tax regime*	130	2,192
Effect of non-deductible expenses	189	159
Tax pertaining to prior years	(1,046)	(76)
Others	13	(24)
Tax expense as per statement of profit and loss	**13,317**	**12,946**

*The Government of India, vide Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019, introduced Section 115 BAA in the Income Tax Act, 1961, providing domestic companies an irrevocable option to adopt reduced corporate tax rate, subject to certain conditions. The Company adopted reduced corporate tax rate in FY 21-22.

The Amalgamating Company (erstwhile Mindtree Limited) decided to adopt reduced corporate tax rate in FY 22-23.

34. STATEMENT OF OTHER COMPREHENSIVE INCOME

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Items that will not be reclassified subsequently to profit or loss		
Defined benefit plan actuarial gain / (loss)	156	140
Income tax on defined benefit plan actuarial gain / (loss)	(39)	(33)
(I)	**117**	**107**
Items that will be reclassified subsequently to profit or loss		
Net changes in fair value of cash flow hedges	(9,740)	2,200
Income tax on net changes in fair value of cash flow hedges	2,789	(688)
(II)	**(6,951)**	**1,512**
(I+II)	**(6,834)**	**1,619**

35. CONTINGENT LIABILITIES

(₹ in Million)

35.(I) Claims against the Company not acknowledged as Debts	Year ended March 31, 2023	Year ended March 31, 2022
Income tax liability that may arise in respect of which the Company is in appeal	4,067	3,739
Indirect tax liability, in respect of which the Company is in the appeal	117	124
	4,184	**3,863**

Major matters in relation to Income Tax

The Company has received tax demand of ₹3,095 Million including interest of ₹212 Million (Previous year: ₹2,750 Million including interest of ₹141 Million), on account of disallowance of exemption u/s 10A/10AA on profits earned by STPI Units / SEZ units on onsite export revenue. Further the Company has received tax demand of ₹782 Million (Previous year: ₹782 Million) primarily on account of transfer pricing adjustments.

Major matters in relation to Indirect taxes

The Company has received demands of ₹98 Million (Previous year: ₹103 Million) on account of disallowance of certain portion of refund applications with respect to accumulated service tax credit in accordance with relevant CENVAT Credit Rules considering them ineligible and not related with output services.

In respect of the above matters, the Company is in appeal against these disallowances before the relevant 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.

(₹ in Million)

35.(II) Corporate guarantee given on behalf of subsidiary	Year ended March 31, 2023	Year ended March 31, 2022
Guarantee issued to HSBC on behalf of wholly-owned subsidiary LTI Middle East FZ-LLC towards working capital facility availed by the subsidiary	828	764

36. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹995 Million (Previous year: ₹4,801 Million).

37. EMPLOYEE BENEFITS

I) General descriptions of defined benefit plans:

i) Gratuity plan

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible Indian employees of LTIMindtree. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company contributes gratuity liabilities to the LTIMindtree Employees' Group Gratuity Assurance Scheme and Mindtree Limited Employees Gratuity Fund Trust. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India, ICICI Prudential Life Insurance Company and SBI Life Insurance Company as permitted by Indian law.

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 of the Company 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 recognized immediately in the statement of profit and loss. Any loss arising out of the investment risk and actuarial risk associated with the plan is also recognized as actuarial loss in the period in which such loss occurs. Further, Nil has been provided for year ending March 31, 2023 and March 31, 2022 based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

In respect of employees of erstwhile Mindtree Limited monthly contributions were contributed to Employees' Provident Fund Organization (EPFO) till November 30, 2022. From December 1, 2022, the amount is contributed to the Trust.

II) The amounts recognized in balance sheet are as follows:

(₹ in Million)

Particulars	Gratuity plan	
	As at March 31, 2023	**As at March 31, 2022**
a) Present value of defined benefit obligation		
- Wholly funded	3,915	3,216
- Wholly unfunded	-	-
b) Fair value of plan assets	2,962	2,624
Amount to be recognized as liability or (asset) (a-b)	953	592
Net liability / (asset) – current	953	592
Net liability / (asset) – non-current	-	-

(₹ in Million)

Particulars	Post-retirement medical benefit plan – Unfunded	
	As at March 31, 2023	**As at March 31, 2022**
Net liability – current	5	4
Net liability – non-current	350	282

(₹ in Million)

Particulars	Provident fund plan	
	As at March 31, 2023	**As at March 31, 2022**
A.		
a) Present value of defined benefit obligation		
- Wholly funded	20,444	14,228
- Wholly unfunded	-	-
b) Fair value of plan assets	20,909	15,310
Amount to be recognized as liability or (asset) (a-b) *	(465)	(1,082)
B.		
Amounts reflected in the balance sheet		
Liability	644	255
Assets	-	-
Net liability / (asset)#	644	255
Net liability / (asset) – current	644	255
Net liability / (asset) – non-current	-	-

#Employer's and employee's contribution for March 2023 paid in April 2023.

*Net asset is not recognized in the balance sheet.

III) The amounts recognized in statement of profit and loss are as follows:

(₹ in Million)

Particulars	Gratuity plan	
	2022-23	**2021-22**
i. Current service cost	1,023	713
ii. Past service cost	-	-
iii. Administration expenses	-	-
iv. Interest on net defined benefit liability / (asset)	40	15
v. (Gains) / losses on settlement	-	-
Total expense charged to statement of profit and loss	**1,063**	**728**

(₹ in Million)

Particulars	Post-retirement medical benefit plan	
	2022-23	2021-22
i. Current service cost	95	66
ii. Past service cost	-	-
iii. Administration expenses	-	-
iv. Interest on net defined benefit liability / (asset)	19	17
v. (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	**114**	**83**

(₹ in Million)

Particulars	Provident fund plan	
	2022-23	2021-22
i. Current service cost	2,001	956
ii. Interest cost	1,274	983
iii. Expected return on plan assets	(1,274)	(983)
Total expense for the year included in Employee benefit expense	**2,001**	**956**

The Company expensed ₹1,286 Million towards provident fund plan which is a defined contribution plan for the year ended March 31, 2023 (For the year ended March 31, 2022 ₹1,367 Million).

IV) The amounts recognized in statement of other comprehensive income (OCI) are as follows:

(₹ in Million)

Particulars	Gratuity plan		Post-retirement medical benefit plan	
	2022-23	2021-22	2022-23	2021-22
Remeasurements (gain) / loss during the period due to:				
Changes in financial assumptions	(39)	(102)	(3)	(21)
Changes in demographic assumptions	(75)	12	34	-
Experience adjustments	(17)	10	(75)	(27)
Actual return on plan assets less interest on plan assets	19	(12)	-	-

V) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in Million)

Particulars	Gratuity plan	
	2022-23	2021-22
Opening balance of defined benefit obligation	3,216	2,837
Current service cost	1,023	713
Interest on defined benefit obligation	223	167
Remeasurements due to		
Actuarial loss / (gain) arising from change in financial assumptions	(39)	(102)
Actuarial loss / (gain) arising from change in demographic assumptions	(75)	12
Actuarial loss / (gain) arising on account of experience changes	(17)	10
Benefits paid	(416)	(446)
Liabilities assumed / (settled)*	-	25
Closing balance of defined benefit obligation	**3,915**	**3,216**

*On account of business combination or inter-company transfer.

(₹ in Million)

Particulars	Post-retirement medical benefit plan	
	2022-23	2021-22
Opening balance of defined benefit obligation	286	253
Current service cost	95	66
Past service cost	-	-
Interest on defined benefit obligation	19	17
Remeasurements due to		
Actuarial loss / (gain) arising from change in financial assumptions	(3)	(21)
Actuarial loss / (gain) arising from change in demographic assumptions	34	-
Actuarial loss / (gain) arising on account of experience changes	(75)	(27)
Benefits paid	(1)	(2)
Closing balance of defined benefit obligation	**355**	**286**

(₹ in Million)

Particulars	Provident fund plan	
	2022-23	2021-22
Opening balance of defined benefit obligation	14,228	11,117
Add: Interest cost	1,274	983
Add: Current service cost	2,001	956
Add: Contribution by plan participants	3,216	1,764
Add / (Less): Actuarial (gains) / losses	-	-
Liabilities assumed on acquisition / (settled on divestiture)*	2,383	1,195
Less: Benefits paid	(2,658)	(1,787)
Closing balance of defined benefit obligation	**20,444**	**14,228**

*On account of business combination or inter-company transfer.

VI) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in Million)

Particulars	Gratuity plan		Provident fund plan	
	2022-23	2021-22	2022-23	2021-22
Opening balance of the fair value of the plan assets	2,624	2,494	15,310	12,142
Employer's contributions	590	403	1,839	915
Expected return on plan assets	183	152	1,274	983
Actuarial gains / (loss)	-	-	(97)	243
Remeasurements due to:				
Actual return on plan assets less interest on plan assets	(19)	12	-	-
Contribution by plan participants	-	-	2,858	1,619
Benefits paid	(416)	(446)	(2,658)	(1,787)
Assets acquired / (settled)*	-	9	2,383	1,195
Closing balance of plan assets	**2,962**	**2,624**	**20,909**	**15,310**

*On account of business combination or inter-company transfer.

The Company expects to contribute ₹953 Million towards its gratuity, in the next financial year.

VII) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan	2022-23	2021-22
		Provident fund plan	
Government of India securities	Scheme with Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company and SBI Life Insurance Company	11.35%	17.47%
State government securities		34.02%	27.81%
Corporate bonds		32.22%	30.50%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds		2.92%	3.29%
Public sector bonds		6.44%	10.38%
Mutual funds		8.39%	5.23%
Others		4.66%	5.32%

VIII) Principal actuarial assumptions at the balance sheet date:

Particulars	2022-23	2021-22
i. Discount rate		
For gratuity	7.20% - 7.35%	6.50% - 6.65%
For post-retirement medical benefits	7.35%	6.65%
ii. Annual increase in healthcare costs	7.00%	5.00%
iii. Attrition rate	5.00% - 20.00%	8.00% - 19.00%
iv. Salary growth rate *	7.00% - 7.50%	6.00% - 7.50%

*Salary growth rate assumption reflects the Company's average salary growth rate and current market conditions.

IX) The average duration (in years) of the defined benefit plan obligations at the end of the reporting period is as follows:

Particulars	2022-23	2021-22
i. Gratuity plan	5.00 - 7.23	6.00 - 6.89
ii. Post-retirement medical benefit plan	18.85	19.19

X) 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 March 31, 2023

(₹ in Million)

Maturity profile	Gratuity	Post-retirement medical benefit liability
Expected benefits for year 1	547	5
Expected benefits for year 2	467	6
Expected benefits for year 3	461	8
Expected benefits for year 4	516	9
Expected benefits for year 5	497	10
Expected benefits for years 6 - 10	1,703	56
Expected benefits for year 10 and above	2,642	2,160

As on March 31, 2022

(₹ in Million)

Maturity profile	Gratuity	Post-retirement medical benefit liability
Expected benefits for year 1	428	4
Expected benefits for year 2	376	5
Expected benefits for year 3	383	6
Expected benefits for year 4	377	8
Expected benefits for year 5	377	9
Expected benefits for years 6 - 10	1,319	45
Expected benefits for year 10 and above	2,131	1,484

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.

XI) 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 recognized 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 on the reported defined benefit obligation at the end of the reporting period arising on account of changes in these three key parameters:

(₹ in Million)

Particulars	2022-23	2021-22
Discount Rate		
Impact of increase in 100 bps on defined benefit obligation	(59)	(48)
Impact of decrease in 100 bps on defined benefit obligation	77	64
Healthcare costs rate		
Impact of increase in 100 bps on defined benefit obligation	49	36
Impact of decrease in 100 bps on defined benefit obligation	(40)	(29)
Life expectancy		
Impact of increase by 1 year on defined benefit obligation	4	4
Impact of decrease by 1 year on defined benefit obligation	(4)	(4)

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, future salary escalation rate and withdrawal rate. The following table summarizes the impact 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 as below:

(₹ in Million)

Particulars	2022-23			2021-22		
	Discount rate	Salary escalation rate	Withdrawal rate	Discount rate	Salary escalation rate	Withdrawal rate
Impact of increase in 100 bps on defined benefit obligation	(231)	257	(32)	(198)	222	(21)
Impact of decrease in 100 bps on defined benefit obligation	259	(234)	33	223	(200)	21

38. FINANCIAL INSTRUMENTS BY CATEGORY

I) Carrying value and fair value of financial instruments by categories are as follows:

(₹ in Million)

Assets	As at March 31, 2023					As at March 31, 2022				
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortized cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortized cost	Total carrying value	Total fair value
Financial assets										
Investments	27,773	351	26,459	**54,583**	**54,494**	41,900	8	18,576	**60,484**	**60,390**
Trade receivables	-	-	53,224	**53,224**	**53,224**	-	-	43,276	**43,276**	**43,276**
Unbilled revenue*	-	-	15,566	**15,566**	**15,566**	-	-	9,881	**9,881**	**9,881**
Cash and cash equivalents	-	-	20,608	**20,608**	**20,608**	-	-	13,330	**13,330**	**13,330**
Bank deposits (Current + Non-Current)	-	-	5,763	**5,763**	**5,763**	-	-	4,169	**4,169**	**4,169**
Derivative financial instruments	82	1,153	-	**1,235**	**1,235**	38	7,501	-	**7,539**	**7,539**
Other financial assets	-	-	3,138	**3,138**	**3,138**	-	-	3,416	**3,416**	**3,416**
Total	**27,855**	**1,504**	**124,758**	**154,117**	**154,028**	**41,938**	**7,509**	**92,648**	**142,095**	**142,001**

*Excludes unbilled revenue on fixed price contracts.

(₹ in Million)

Liabilities	As at March 31, 2023					As at March 31, 2022				
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortized cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortized cost	Total carrying value	Total fair value
Financial liabilities										
Trade payables	-	-	12,816	**12,816**	**12,816**	-	-	13,193	**13,193**	**13,193**
Lease liabilities	-	-	13,591	**13,591**	**13,591**	-	-	12,909	**12,909**	**12,909**
Derivative financial instruments	16	3,572	-	**3,588**	**3,588**	9	187	-	**196**	**196**
Other financial liabilities	129	-	13,947	**14,076**	**14,076**	666	-	14,370	**15,036**	**15,036**
Total	**145**	**3,572**	**40,354**	**44,071**	**44,071**	**675**	**187**	**40,472**	**41,334**	**41,334**

The Management assessed that fair value of cash and trade receivables, unbilled revenue, other current financial assets, borrowings, lease liabilities, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

II) Fair value hierarchy:

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 (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

Particulars	As at March 31, 2023				As at March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Investments	27,773	-	351	**28,124**	41,899	-	9	**41,908**
Derivative financial instruments	-	1,235	-	**1,235**	-	7,539	-	**7,539**
Total	**27,773**	**1,235**	**351**	**29,359**	**41,899**	**7,539**	**9**	**49,447**
Liabilities								
Derivative financial instruments	-	3,588	-	**3,588**	-	196	-	**196**
Payable for acquisition of business	-	-	129	**129**	-	-	666	**666**
Total	**-**	**3,588**	**129**	**3,717**	**-**	**196**	**666**	**862**

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended March 31, 2023 and March 31, 2022.

Reconciliation of Level 3 fair value measurement of financial assets and financial liabilities is as follows:

Particulars	Investment in equity instruments (FVTPL)	Investment in equity instruments (FVTOCI)*	Investment in preference shares (FVTOCI)*[1]	Payable for acquisition of business (FVTPL)
As at April 1, 2021	**1**	**1**	**7**	**500**
Additions during the year	-	-	-	187
Finance cost recognized in profit and loss	-	-	-	27
Remeasurement recognized	-	-	-	113
Disposal / settlement during the year	-	-	-	(164)
Foreign exchange difference	-	-	-	3
As at March 31, 2022	**1**	**1**	**7**	**666**
Additions during the year	-	-	343	-
Finance cost recognized in profit and loss	-	-	-	9
Remeasurement recognized	-	-	-	(45)
Disposal / settlement during the year	-	-	-	(501)
Foreign exchange difference	-	-	-	-
As at March 31, 2023	**1**	**1**	**350**	**129**

*The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of these investments as these are strategic investments and are not held for trading.

One percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact on the value.

The following methods and assumptions were used to estimate the fair values:

i) The fair value of the quoted bonds and mutual funds are based on price quotations at reporting date.

ii) The fair values of the unquoted equity and preference shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility / the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

iii) Mark to market on forward covers and embedded derivative instruments is based on forward exchange rates at the end of reporting period and discounted using G-sec rate plus applicable spread.

III) Financial risk management

The Company's activities expose it to a variety of financial risks - currency risk, interest rate risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize the potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate the risks arising out of foreign exchange related exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

i) Currency risk

The Company operates in multiple geographies and contracts in currencies other than the domestic currency exposing it to risks arising from fluctuation in the foreign exchange rates. 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. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

The Company's revenues are principally in foreign currencies and the maximum exposure is in US dollars.

The Board of Directors of the Company has approved the financial risk management policy covering management of foreign currency exposures. The treasury department monitors the foreign currency exposures and enters into appropriate hedging instruments to mitigate its risk. The Company hedges its exposure on a net basis (i.e., expected revenue in foreign currency less expected expenditure in related currency). Consequently, the Company uses derivative financial instruments, such as foreign exchange forward contracts and option contracts, designated as cash flow hedges and fair value hedges to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and on balance sheet exposures.

The details in respect of the outstanding foreign exchange forward contracts and option contracts are given under the derivative financial instruments section below.

In respect of the Company's forward and options contracts, a 1% decrease / increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

a) an approximately ₹363 Million increase and ₹363 Million decrease in the Company's net profit in respect of its fair value hedges and ₹3,284 Million increase and ₹3,284 Million decrease in the Company's effective portion of cash flow hedges as at March 31, 2023;

b) an approximately ₹226 Million increase and ₹226 Million decrease in the Company's net profit in respect of its fair value hedges and ₹2,594 Million increase and ₹2,594 Million decrease in the Company's effective portion of cash flow hedges as at March 31, 2022.

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2023:

(₹ in Million)

Particulars	US Dollar	Euro	Pound Sterling	Saudi Riyal	Swedish Krona	Other currencies*	Total
Net assets / (liabilities)	50,420	5,718	3,121	1,765	915	3,090	65,029

*Other currencies include currencies such as Emirati Dirham, Australian $, Canadian $, South African Rand, Singapore $, Norwegian Krone, etc.

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2022:

(₹ in Million)

Particulars	US Dollar	Euro	Pound Sterling	Saudi Riyal	Swedish Krona	Other currencies*	Total
Net assets / (liabilities)	31,750	5,134	1,463	493	1,009	4,054	43,903

*Other currencies include currencies such as Emirati Dirham, Australian $, Canadian $, South African Rand, Singapore $, Norwegian Krone, etc.

As at March 31, 2023, every 1% increase / decrease in the respective foreign currencies compared to functional currency of the Company would result in increase / decrease in the Company's profit before taxes for the year by approximately 1.16% and (1.16)% respectively.

As at March 31, 2022, every 1% increase / decrease in the respective foreign currencies compared to functional currency of the Company would result in increase / decrease in the Company's profit before taxes for the year by approximately 0.84% and (0.84)% respectively.

A) Derivative Financial Instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and certain Highly Probable Forecast Exposures (HPFE) denominated in foreign currency. The Company follows established risk management policies, including the use of derivatives to hedge foreign currency assets / liabilities and HPFE. The Company regularly reviews its foreign exchange forward and option positions both on a standalone basis and in conjunction with its underlying foreign currency related exposures. The Company monitors the potential risk arising out of the market factors like exchange rates on a regular basis. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material. The Company has considered the effect of changes, if any, in both counterparty credit risk and its own credit risk in assessing hedge effectiveness and measuring hedge ineffectiveness.

(i) The details in respect of outstanding foreign currency forward and options contracts are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	In Million	In ₹ Million	In Million	In ₹ Million
Instruments designated as cash flow hedges				
Forward contracts				
In US Dollar	3,840	325,512	3,249	266,354
In Euro	62	5,551	45	3,897
In Swedish Krona	-	-	60	482
In United Kingdom Pound Sterling	-	-	2	225
In Australian Dollar	-	-	3	167
In Canadian Dollar	-	-	2	135
In Norwegian Krone	-	-	12	103
Options Contracts				
In Euro	93	8,649	106	9,594
In US Dollar	-	-	6	18
Instruments designated as fair value hedges				
In US Dollar	441	36,379	297	22,628
In Euro	12	1,048	8	634
In Australian Dollar	4	201	2	108
In Canadian Dollar	1	66	1	46
In Norwegian Krone	4	31	2	16
In Emirati Dirham	-	-	56	1,158
In United Kingdom Pound Sterling	-	-	1	132
In Danish Krone	-	-	5	61
Total Forward and Options Contracts		**377,437**		**305,758**

(ii) The foreign exchange forward and option contracts designated as cash flow hedges mature over a maximum period of 60 months. The Company manages its exposures normally for a period of up to 5 years based on the estimated exposure over that period.

The table below analyzes the derivative financial instrument into relevant maturity based on the remaining period as at balance sheet date. 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 Million)

Maturity profile	As at March 31, 2023	As at March 31, 2022
Not later than twelve months	182,389	143,121
Later than twelve months	195,048	162,637
Total	**377,437**	**305,758**

(iii) During the year ended March 31, 2023 and March 31, 2022, the Company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions which form a part of hedge reserve as at March 31, 2023 and March 31, 2022 will occur and be reclassified to the statement of profit and loss over a period of 60 months.

The reconciliation for the cash flow hedge reserve for the years ended March 31, 2023 and March 31, 2022 is as follows:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	5,064	3,552
Gain / (loss) recognized in other comprehensive income during the year	(10,653)	5,434
Amount reclassified to profit and loss during the year	913	(3,234)
Tax impact on the above	2,789	(688)
Balance at the end of the year	**(1,887)**	**5,064**

Actual future gains and losses associated with forward contracts designated as cash flow hedge may differ materially from the sensitivity analysis performed as at March 31, 2023 and March 31, 2022 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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest rate risk with respect to borrowings as at March 31, 2023 and March 31, 2022.

iii) Credit risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The carrying amount of all financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹154,117 Million and ₹142,095 Million as at March 31, 2023 and March 31, 2022 respectively being the total of the carrying amount of investments, trade receivables, unbilled revenue, cash and other bank balances and all other financial assets.

The principal credit risk that the Company exposed to is non-collection of trade receivable and late collection of receivable and on unbilled revenue 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 and unbilled receivables. Further, the Company has not suffered significant payment defaults by its customers. The Company has considered the latest available credit-ratings of customers to ensure the adequacy of allowance for expected credit loss towards trade and other receivables.

In addition, for delay in collection of receivable, the Company has made a provision for Expected Credit loss ('ECL') based on an ageing analysis of its trade receivable and unbilled revenue. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables and unbilled revenue based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and the percentage of revenue from its top five customers is 25.97% for 2022-23 (25.38% for 2021-22). No customer accounted for more than 10% of the trade receivables as at March 31, 2023 and March 31, 2022.

ECL allowance for non-collection and delay in collection of receivable and unbilled revenue, on a combined basis was ₹1,961 Million and ₹1,311 Million for the financial years 2022-23 and 2021-22 respectively. The movement in allowance for doubtful debts comprising provision for both non-collection and delay in collections of receivable and unbilled revenue is as follows:

(₹ in Million)

Particulars	2022-23	2021-22
Balance at the beginning of the year	1,311	1,149
Allowance for expected credit losses	769	348
Amounts written-off	(125)	(194)
Foreign exchange impact	6	8
Balance at the end of the year	**1,961**	**1,311**

The Company is also exposed to counter-party risk in relation to financial instruments taken to hedge its foreign currency risks. The counter-parties are 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 limit counter party risk where necessary.

The Company's investments primarily include investment in mutual fund units, quoted bonds, commercial papers, non-convertible debentures, deposits with banks and financial institutions. The Company mitigates the risk of counter-party failure by investing in mutual fund schemes with large assets under management, investing in debt instruments issued with sound credit rating and placing corporate deposits with banks and financial institutions with high credit ratings assigned by domestic and international credit rating agencies. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies and analyzing market information on a continuous and evolving basis. Ratings are monitored periodically and the Company has considered the latest available credit ratings as well any other market information which may be relevant at the date of approval of these financial statements.

iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's treasury department is responsible for liquidity, funding, investment as well as settlement management. Surplus funds are invested in non-speculative financial instruments that include highly liquid funds and corporate deposits. Also, the Company has unutilized credit limits with banks.

Liquidity position of the Company is given below:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents*	20,540	13,303
Other bank balances	5,763	3,850
Investments in mutual funds	27,568	41,585
Investments in non-convertible bonds / debentures	3,734	3,522
Investments in corporate deposits	8,599	6,989
Investments in treasury bills	98	-
Investments in certificate of deposits	2,765	-
Investments in commercial paper	4,654	1,874
Total	**73,721**	**71,123**

*Excludes cash and bank balances not available for immediate use.

The contractual maturities of financial liabilities is as follows:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Trade payables	12,816	-	**12,816**	13,193	-	**13,193**
Lease liabilities	3,198	14,485	**17,683**	2,933	14,450	**17,383**
Derivative financial instruments	1,885	1,703	**3,588**	83	114	**197**
Other financial liabilities	14,005	76	**14,081**	14,904	146	**15,050**
Total	**31,904**	**16,264**	**48,168**	**31,113**	**14,710**	**45,823**

39. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Total equity attributable to the equity shareholders of the Company	159,992	138,749
As a percentage of total capital	92%	91%
Total lease liabilities	13,591	12,909
Total borrowings and lease liabilities	13,591	12,909
As a percentage of total capital	8%	9%
Total capital (Equity and lease liabilities)	**173,583**	**151,658**

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash company with cash and bank balances along with investment which is predominantly investment in short term mutual funds and debt instruments being far in excess of debt. The Company is not subject to any externally imposed capital requirements.

40. LEASES

40.(I)Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2023

(₹ in Million)

Particulars	Category of ROU Asset				Total
	Leasehold Land	Office Premises	Furniture & Fixtures	Vehicles	
Balance as at April 1, 2022	**51**	**10,602**	**34**	**2**	**10,689**
Additions during the year	1,000	3,208	-	-	4,208
Deletions during the year	-	(349)	-	(2)	(351)
Depreciation for the year	(5)	(2,463)	(17)	(0)	(2,485)
Balance as at March 31, 2023	**1,046**	**10,998**	**17**	**-**	**12,061**

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2022

(₹ in Million)

Particulars	Category of ROU Asset				Total
	Leasehold Land	Office Premises	Furniture & Fixtures	Vehicles	
Balance as at April 1, 2021	**53**	**10,615**	**51**	**3**	**10,722**
Additions during the year	-	2,381	-	-	2,381
Deletions during the year	-	(115)	-	-	(115)
Depreciation for the year	(2)	(2,279)	(17)	(1)	(2,299)
Balance as at March 31, 2022	**51**	**10,602**	**34**	**2**	**10,689**

40.(II) The following is the break-up of current and non-current lease liabilities as at March 31, 2023

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	11,401	10,961
Current lease liabilities	2,190	1,948
	13,591	**12,909**

40.(III) The following is the movement in lease liabilities during the year ended March 31, 2023

(₹ in Million)

Particulars	2022-23	2021-22
Balance at the beginning of the year (refer note 2.k)	12,909	12,605
Additions during the year	3,072	2,280
Finance cost accrued during the year	1,082	1,078
Deletions during the year	(466)	(130)
Payment of lease liabilities	(3,239)	(3,023)
Translation difference	233	99
Balance at the end of the year	**13,591**	**12,909**

40.(IV) The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2023

(₹ in Million)

Particulars	2022-23	2021-22
Balance at the beginning of the year	7	15
Interest income accrued during the year	0	1
Lease receipts during the year	(7)	(11)
Translation difference	-	2
Balance at the end of the year	**-**	**7**

40.(V) The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2023 on an undiscounted basis:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	-	7
One to five years	-	-
Total	**-**	**7**

Leases not yet commenced to which the Company is committed, amounts to ₹384 Million as at March 31, 2023 for a lease term of 3 to 5.25 years (Previous Year: ₹610 Million for a lease term of 1.5 to 5.5 years).

40.(VI) Leasing arrangements

Finance lease receivables consist of assets that are leased to customers for contract terms ranging from 3 to 4 years, with lease payments due in monthly installments. Details of finance lease receivables are given below:

(₹ in Million)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2023	2022	2023	2022
Not later than one year	67	101	64	97
Later than one year but not later than five years	19	80	19	79
Gross investment in lease	**86**	**181**	**83**	**176**
Less: Unearned finance income	(3)	(5)	-	-
Present value of minimum lease payment receivables	83	176	83	176

Included in the balance sheet as follows:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current finance lease receivables	19	79
Current finance lease receivables	64	97
Total	**83**	**176**

Finance income on Finance Lease Receivables was ₹7 Million for the year ended March 31, 2023 (Previous year: ₹11 Million).

Selling profit on Finance Lease Receivables has been recognized amounting to Nil for the year ended March 31, 2023 (Previous year: ₹11 Million).

The Company has sublet few of the leased premises. Lease rental income under such non-cancellable operating lease during the year ended March 31, 2023 ₹30 Million (Previous year: ₹30 Million).

40.(VII) The following is the cashflows of operating lease on an undiscounted basis:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable – Not later than one year	24	28
Receivable – Later than one year and not later than five years	6	27
Total	**30**	**55**

41. AUDITOR'S REMUNERATION (Excluding Taxes)

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees[1]	27	23
Taxation matters	3	2
Other services[2]	7	6
Expense reimbursement	1	0
Total	**38**	**31**

1. Includes remuneration paid to statutory auditors of amalgamating company (erstwhile Mindtree Limited) (refer note 44(I)(i)) for Audit fees ₹10 Million (Previous year: ₹20 Million), Taxation matters Nil (Previous year: ₹1 Million) and Other services ₹1 Million (Previous year: ₹3 Million).
2. Excludes amounts paid to a firm affiliated to the statutory auditors firm through a networking arrangement as registered with the Institute of Chartered Accountants of India for the year ended March 31, 2023 Nil (Previous year: ₹3 Million).

42. BASIC AND DILUTED EARNINGS PER SHARE

Particulars	2022-23	2021-22
Profit after tax (₹ in Million)	42,563	39,123
Weighted average number of shares outstanding	295,721,895	295,362,359
Basic EPS (₹)	**143.93**	**132.46**
Weighted average number of shares outstanding	295,721,895	295,362,359
Add: Weighted average number of potential equity shares on account of employee stock options	470,820	715,969
Weighted average number of shares outstanding	296,192,715	296,078,328
Diluted EPS (₹)	**143.70**	**132.14**

43. RELATED PARTY DISCLOSURE

(I) Parent company / Ultimate holding company: Larsen & Toubro Limited

(II) List of related parties over which control exists / exercised:

Name	Relationship
LTIMindtree GmbH (Formerly Larsen & Toubro Infotech GmbH)	Wholly-owned subsidiary
LTIMindtree Canada Limited (Formerly Larsen & Toubro Infotech Canada Limited)	Wholly-owned subsidiary
LTIMindtree LLC (Formerly Larsen & Toubro Infotech LLC)	Wholly-owned subsidiary
LTIMindtree Financial Services Technologies Inc (Formerly L&T Infotech Financial Services Technologies Inc)	Wholly-owned subsidiary
LTIMindtree South Africa (Pty.) Limited (Formerly Larsen And Toubro Infotech South Africa (Pty.) Limited)	Subsidiary
L&T Information Technology Services (Shanghai) Co. Limited	Wholly-owned subsidiary
L&T Information Technology Spain, Sociedad Limitada	Wholly-owned subsidiary
LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable (Formerly L&T Infotech S. DE R.L. DE C.V.)	Wholly-owned subsidiary
Syncordis S.A.	Wholly-owned subsidiary
Syncordis France SARL	Wholly-owned subsidiary
Syncordis Limited	Wholly-owned subsidiary
Syncordis Software Services S.A.	Wholly-owned subsidiary
LTIMindtree Norge AS (Formerly Larsen & Toubro Infotech Norge AS)	Wholly-owned subsidiary
Ruletronics Limited[1]	Wholly-owned subsidiary
Ruletronics Systems Inc[2]	Wholly-owned subsidiary
Nielsen + Partner Unternehmensberater GmbH	Wholly-owned subsidiary
Nielsen + Partner Unternehmensberater AG	Wholly-owned subsidiary
Nielsen + Partner Pte. Limited	Wholly-owned subsidiary
Nielsen & Partner Pty. Limited	Wholly-owned subsidiary
Nielsen & Partner Company Limited	Wholly-owned subsidiary
Lymbyc Solutions Private Limited	Wholly-owned subsidiary
Lymbyc Solutions Inc.	Wholly-owned subsidiary
Powerupcloud Technologies Private Limited	Wholly-owned subsidiary
LTIMindtree UK Limited (Formerly Larsen & Toubro Infotech UK Limited)	Wholly-owned subsidiary
LTIMindtree Middle East FZ-LLC (Formerly LTI Middle East FZ-LLC)	Wholly-owned subsidiary
Mindtree Software (Shanghai) Co., Limited ('MSSCL'), Republic of China	Wholly-owned subsidiary
Bluefin Solutions Sdn Bhd[3]	Wholly-owned subsidiary
Cuelogic Technologies Inc. (w.e.f. July 1, 2021)	Wholly-owned subsidiary
Cuelogic Technologies Private Limited (w.e.f. July 1, 2021)	Wholly-owned subsidiary

1. Liquidated w.e.f. May 10, 2022.
2. Liquidated w.e.f. February 16, 2023.
3. Liquidated w.e.f. January 25, 2023.

(III) Key Management Personnel:

Name	Status
Mr. A. M. Naik	Non-Executive Chairman
Mr. S. N. Subrahmanyan	Non-Executive Vice Chairman
Mr. R. Shankar Raman	Non-Executive Director
Mr. M. M. Chitale[1]	Independent Director
Mr. Sanjeev Aga	Independent Director
Ms. Aruna Sundararajan[2]	Independent Director
Mr. Sudip Banerjee[3]	Independent Director
Mr. Rajnish Kumar[4]	Independent Director
Mr. James Abraham[5]	Independent Director
Mr. Vinayak Chatterjee[6]	Independent Director
Ms. Apurva Purohit	Independent Director
Mr. Bijou Kurien	Independent Director
Mr. Chandrasekaran Ramakrishnan	Independent Director
Mr. Debashis Chatterjee	Chief Executive Officer (CEO) & Managing Director (MD)
Mr. Sanjay Jalona[7]	Chief Executive Officer (CEO) & Managing Director (MD)
Mr. Sudhir Chaturvedi	President – Sales & Whole-time Director (WTD)
Mr. Venugopal Lambu[8]	President – Sales & Whole-time Director (WTD)
Mr. Nachiket Deshpande	Chief Operating Officer (COO) & Whole-time Director (WTD)
Mr. Vinit Ajit Teredesai	Chief Financial Officer (CFO)
Mr. Anil Rander[9]	Chief Financial Officer (CFO)

1. Ceased to be an Independent director w.e.f. March 31, 2022.
2. Ceased to be an Independent Director w.e.f. November 14, 2022.
3. Ceased to be an Independent Director on May 19, 2022.
4. Appointed as an Independent Director w.e.f. August 26, 2021.
5. Appointed as an Independent Director w.e.f. July 18, 2021.
6. Appointed as an Independent Director w.e.f. April 1, 2022.
7. Resigned as CEO & MD w.e.f. June 3, 2022.
8. Ceased to be a Whole-time Director w.e.f. January 10, 2023.
9. Appointed as CFO w.e.f. April 14, 2021 and resigned w.e.f. November 14, 2022.

(IV) List of other related parties with whom there were transactions during the year:

Name	Relationship
L&T Technology Services Limited	Fellow Subsidiary
L&T Valves Limited	Fellow Subsidiary
L&T Investment Management Limited[1]	Fellow Subsidiary
L&T Thales Technology Services Private Limited	Fellow Subsidiary
L&T Construction Equipment Limited	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow Subsidiary
Larsen & Toubro (East Asia) SDN BHD.	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T Saudi Arabia LLC	Fellow Subsidiary
L&T Infrastructure Engineering Limited	Fellow Subsidiary
L&T Realty Developers Limited	Fellow Subsidiary
Larsen & Toubro LLC[2]	Fellow Subsidiary
L&T Geostructure Private Limited	Fellow Subsidiary
L&T-STEC JV Mumbai	Joint operation of Holding Company
L&T-Powerchina JV	Joint operation of Holding Company
L&T Chiyoda Limited	Joint venture of Holding Company
L&T Sargent & Lundy Limited	Joint venture of Holding Company
L&T Infrastructure Development Projects Limited	Joint venture of Holding Company
L&T MHI Power Turbine Private Limited	Joint venture of Holding Company
L&T MHI Power Boilers Private Limited	Joint venture of Holding Company
Mindtree Foundation	Entity with common key managerial person

Name	Relationship
Manipal Health Enterprises Private Limited[3]	Entity with common key managerial person
LTIMindtree Employee Welfare Trust[4] (Formerly Mindtree Employee Welfare Trust)	Controlled Trust
LTIMindtree Employees' Group Gratuity Assurance Scheme (Formerly Larsen & Toubro Infotech Employees' Group Gratuity Assurance Scheme)	Post employment benefit plans
LTIMindtree Limited Employees Gratuity Fund Trust (Formerly Mindtree Limited Employees Gratuity Fund Trust)	Post employment benefit plans
The Larsen & Toubro Officers & Supervisory Staff Provident Fund	Post employment benefit plans

1. Ceased to be a related party w.e.f. November 25, 2022.
2. Liquidated w.e.f. September 13, 2022.
3. Ceased to be a related party w.e.f. February 14, 2022.
4. The financial position and results of the Trust are included in the standalone financial statements of the Company, in accordance with SEBI guidelines and hence, the related party transactions and balances are excluded in the below disclosure.

(V) Details of transactions and balances between the Company and other related parties are disclosed below.

(₹ in Million)

A. Transaction	Holding company	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services / product	2,533	2,105
Purchases of services / products	152	123
Purchases of assets	3,388	3,789
Overheads charged by	672	671
Overheads charged to	207	138
Trademark fees	754	531
Corporate Social Responsibility Expense (refer note 48)	-	29
Security Deposit refund received	-	1
Capital advances given	280	700
Guarantee Charges	15	16
Security Deposit paid	-	112
Purchase consideration towards transfer of business (refer note 44(I)(ii))	-	2,065
Interim dividend paid	4,063	4,250
Final dividend paid	6,608	5,004

(₹ in Million)

Outstanding Balances	Holding company	
	As at March 31, 2023	As at March 31, 2022
Trade receivables	964	730
Unbilled revenue	230	229
Trade payables	678	133
Liability towards transfer of business (refer note 44(I)(ii))	-	990
Capital commitments	46	3,115
Guarantee*	5,343	5,039
Security deposits	113	113

*Performance guarantee given on behalf of the Company.

(₹ in Million)

B. Transaction	Joint venture of Holding Company	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services / products	**16**	**49**
- L&T Infrastructure Development Projects Limited	14	22
- L&T MHI Power Boilers Private Limited	2	3
- L&T Chiyoda Limited	-	24
- L&T Sargent & Lundy Limited	-	0
- L&T MHI Power Turbine Private Limited	-	0
Overheads charged to	**0**	**0**
- L&T MHI Power Boilers Private Limited	0	0

(₹ in Million)

Outstanding Balances	Joint venture of Holding Company	
	As at March 31, 2023	As at March 31, 2022
Trade receivables	**1**	**5**
- L&T-MHI Power Boilers Private Limited	0	2
- L&T MHI Power Turbine Private Limited	-	0
- L&T Sargent & Lundy Limited	-	0
- L&T Infrastructure Development Projects Limited	1	3
Unbilled revenue	**4**	**2**
- L&T Infrastructure Development Projects Limited	1	1
- L&T-MHI Power Boilers Private Limited	3	1
Trade payables	**(0)**	**-**
- L&T-MHI Power Boilers Private Limited	(0)	-

(₹ in Million)

C. Transaction	Joint Operation of Holding Company	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services / products	**(1)**	**3**
- L&T-Powerchina JV	-	2
- L&T-STEC JV Mumbai	(1)	1

(₹ in Million)

Outstanding Balances	Joint Operation of Holding Company	
	As at March 31, 2023	As at March 31, 2022
Trade receivables	**-**	**3**
- L&T-Powerchina JV	-	1
- L&T-STEC JV Mumbai	-	2

(₹ in Million)

D. Transaction	Post employment benefit plans	
	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Post employment benefit plans	**2,117**	**1,360**
- LTIMindtree Employees' Group Gratuity Assurance Scheme	379	260
- LTIMindtree Limited Employees Gratuity Fund Trust	211	143
- The Larsen & Toubro Officers & Supervisory Staff Provident Fund	1,527	957

(₹ in Million)

Outstanding Balances	Post employment benefit plans	
	As at March 31, 2023	As at March 31, 2022
Contribution to Post employment benefit plans	**1,299**	**841**
- LTIMindtree Employees' Group Gratuity Assurance Scheme	577	379
- LTIMindtree Limited Employees Gratuity Fund Trust	369	207
- The Larsen & Toubro Officers & Supervisory Staff Provident Fund	353	255

(₹ in Million)

E.	Transaction	Fellow subsidiaries	
		Year ended March 31, 2023	**Year ended March 31, 2022**
	Sale of services / products	**954**	**694**
	- L&T Technology Services Limited	805	552
	- L&T Thales Technology Services Private Limited	61	65
	- L&T Geostructure Private Limited	2	3
	- L&T Infrastructure Engineering Limited	2	7
	- L&T Realty Developers Limited	(0)	-
	- Nabha Power Limited	5	6
	- L&T Finance Limited	45	10
	- L&T Metro Rail (Hyderabad) Limited	15	14
	- L&T Construction Equipment Limited	7	9
	- Larsen & Toubro LLC	1	14
	- L&T Valves Limited	11	13
	- L&T Investment Management Limited	0	1
	Purchases of services / products	**1,053**	**912**
	- L&T Technology Services Limited	1,053	911
	- Larsen & Toubro (East Asia) SDN BHD.	0	1
	Overheads charged by	**30**	**25**
	- Larsen & Toubro (East Asia) SDN BHD.	3	8
	- L&T Technology Services Limited	12	14
	- L&T Technology Services LLC	3	2
	- L&T Metro Rail (Hyderabad) Limited	12	1
	Overheads charged to	**61**	**32**
	- L&T Technology Services Limited	48	31
	- L&T Valves Limited	12	0
	- Larsen & Toubro LLC	-	1
	- L&T Saudi Arabia LLC	0	-
	- L&T Technology Services LLC	1	-
	Security Deposit paid	**30**	**6**
	- L&T Metro Rail (Hyderabad) Limited	30	6
	Interest Income on Debt Securities	**65**	**19**
	- L&T Finance Limited	65	19

(₹ in Million)

Outstanding Balances	Fellow subsidiaries	
	As at March 31, 2023	**As at March 31, 2022**
Trade receivables	**154**	**38**
- L&T Metro Rail (Hyderabad) Limited	1	1
- L&T Technology Services Limited	86	4
- L&T Thales Technology Services Private Limited	57	17
- L&T Valves Limited	-	3
- L&T Infrastructure Engineering Limited	3	9
- L&T Geostructure Private Limited	-	2
- Larsen & Toubro LLC	-	0
- L&T Investment Management Limited	-	0
- L&T Finance Limited	7	1
- L&T Realty Developers Limited	0	-
- L&T Construction Equipment Limited	0	1
Unbilled revenue	**44**	**34**
- L&T Technology Services Limited	17	7
- L&T Thales Technology Services Private Limited	-	15
- L&T Valves Limited	2	2
- L&T Infrastructure Engineering Limited	0	-
- L&T Construction Equipment Limited	0	0
- L&T Finance Limited	18	0

(₹ in Million)

Outstanding Balances	Fellow subsidiaries As at March 31, 2023	Fellow subsidiaries As at March 31, 2022
- L&T Metro Rail (Hyderabad) Limited	7	10
- L&T Investment Management Limited	-	0
Trade payables	**296**	**198**
- L&T Technology Services Limited	298	196
- L&T Technology Services LLC	0	1
- Larsen & Toubro Kuwait Construction	0	0
- L&T Metro Rail (Hyderabad) Limited	1	-
- L&T Valves Limited	(3)	-
- Larsen & Toubro (East Asia) SDN BHD.	(0)	1
Security Deposits	**36**	**6**
- L&T Metro Rail (Hyderabad) Limited	36	6
Investment (Principal amount) in debt securities	**696**	**996**
- L&T Finance Limited	696	996
Interest accrued in Debt Securities	**39**	**112**
- L&T Finance Limited	39	112

(₹ in Million)

F. Transaction	Subsidiaries Year ended March 31, 2023	Subsidiaries Year ended March 31, 2022
Sale of services / products	**7,241**	**5,793**
- LTIMindtree GmbH	1,393	1,142
- LTIMindtree Financial Services Technologies Inc	810	506
- LTIMindtree Canada Limited	1,171	1,059
- L&T Information Technology Spain, Sociedad Limitada	111	113
- LTIMindtree UK Limited	1,779	1,112
- LTIMindtree South Africa (Pty.) Limited	271	245
- LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable	(11)	106
- L&T Information Technology Services (Shanghai) Co. Limited	61	11
- LTIMindtree Norge AS	456	434
- Syncordis S.A.R.L, France	6	0
- Syncordis S.A	302	170
- Syncordis Software Services S.A.	14	2
- Syncordis Limited	-	14
- Nielsen + Partner Unternehmensberater AG	23	2
- Nielsen + Partner Pte. Limited	18	35
- Nielsen & Partner Pty Limited	7	26
- Nielsen & Partner Company Limited	-	2
- Ruletronics Systems INC	-	49
- Powerupcloud Technologies Private limited	1	8
- LTIMindtree Middle East FZ-LLC	811	479
- Cuelogic Technologies Private Limited	10	278
- LTIMindtree LLC	8	-
Purchases of services / products	**8,129**	**4,726**
- LTIMindtree Canada Limited	3,508	2,057
- Nielsen + Partner Pte. Limited	139	227
- LTIMindtree UK Limited	2,005	1,586
- L&T Information Technology Services (Shanghai) Co. Limited	275	72
- LTIMindtree LLC	34	62
- LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable	686	450
- LTIMindtree Financial Services Technologies Inc	16	6
- Syncordis Limited	17	52
- Syncordis S.A.	0	3
- LTIMindtree Norge AS	88	145

(₹ in Million)

F. Transaction	Subsidiaries Year ended March 31, 2023	Subsidiaries Year ended March 31, 2022
- Nielsen + Partner Unternehmensberater AG	0	2
- Nielsen & Partner Pty Limited	9	6
- Powerupcloud Technologies Private limited	-	12
- Cuelogic Technologies Private Limited	0	1
- LTIMindtree South Africa (Pty.) Limited	30	40
- L&T Information Technology Spain, Sociedad Limitada	58	-
- LTIMindtree GmbH	68	-
- Mindtree Software (Shanghai) Co., Limited ('MSSCL'), Republic of China	11	5
- LTIMindtree Middle East FZ-LLC	1,185	-
Overheads charged by	**460**	**736**
- L&T Information Technology Spain, Sociedad Limitada	13	45
- L&T Information Technology Services (Shanghai) Co. Limited	36	264
- Powerupcloud Technologies Private Limited	2	28
- LTIMindtree UK Limited	256	326
- LTIMindtree LLC	-	0
- LTIMindtree GmbH	0	27
- LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable	0	0
- LTIMindtree Financial Services Technologies Inc	0	0
- Syncordis Limited	5	3
- Syncordis S.A.	24	14
- LTIMindtree Norge AS	29	17
- Nielsen + Partner Unternehmensberater AG	9	9
- LTIMindtree Middle East FZ-LLC	20	0
- Cuelogic Technologies Private Limited	2	3
- LTIMindtree South Africa (Pty.) Limited	62	-
- Nielsen + Partner Unternehmensberater GmbH	2	-
- Syncordis Software Services S.A	0	-
Overheads charged to	**302**	**730**
- LTIMindtree GmbH	5	102
- LTIMindtree Norge AS	30	25
- LTIMindtree UK Limited	62	265
- LTIMindtree Middle East FZ-LLC	4	207
- LTIMindtree Canada Limited	73	57
- L&T Information Technology Services (Shanghai) Co. Limited	2	1
- L&T Information Technology Spain, Sociedad Limitada	1	1
- LTIMindtree Financial Services Technologies Inc	8	12
- LTIMindtree LLC	4	26
- LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable	8	1
- Syncordis Limited	-	15
- Syncordis France SARL	18	18
- Syncordis S.A	-	0
- Nielsen + Partner Unternehmensberater GmbH	0	0
- Nielsen + Partner Unternehmensberater AG	-	0
- Nielsen + Partner Pte. Limited	0	0
- Powerupcloud Technologies Private limited	-	0
- LTIMindtree South Africa (Pty.) Limited	11	-
- Syncordis Software Services S.A	76	-
Guarantee Commission charged to	**10**	**9**
- LTIMindtree Middle East FZ-LLC	10	9
Interest income on Loans given to subsidiaries	**59**	**48**
- LTIMindtree Middle East FZ-LLC	57	46
- Lymbyc India Solutions Private Limited	2	2
- Powerupcloud Technologies Private Limited	-	0
Buyback of Shares	**-**	**1,732**
- LTIMindtree Financial Services Technologies Inc	-	1,732

(₹ in Million)

F. Transaction	Subsidiaries	
	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of Assets	**2**	**0**
- Cuelogic Technologies Private Limited	2	-
- Powerupcloud Technologies Private Limited	-	0
Sale of Assets	**10**	**45**
- LTIMindtree Middle East FZ-LLC	10	-
- LTIMindtree GmbH	0	-
- LTIMindtree Norge AS	0	-
- LTIMindtree UK Limited	-	45
Loan Repaid by Subsidiary	**446**	**10**
- LTIMindtree Middle East FZ-LLC	446	-
- Powerupcloud Technologies Private Limited	-	8
- Lymbyc India solutions private Limited	-	2
Guarantees given on behalf of Subsidiary	**-**	**770**
- LTIMindtree Middle East FZ-LLC	-	770

(₹ in Million)

Outstanding Balances	Subsidiaries	
	As at March 31, 2023	As at March 31, 2022
Trade receivables	**1,669**	**1,916**
- LTIMindtree GmbH	562	642
- LTIMindtree Norge AS	130	113
- LTIMindtree Middle East FZ-LLC	170	392
- LTIMindtree UK Limited	85	302
- LTIMindtree South Africa (Pty.) Limited	-	30
- L&T Information Technology Services (Shanghai) Co. Limited	116	10
- L&T Information Technology Spain, Sociedad Limitada	-	34
- Syncordis France SARL	27	2
- Syncordis S.A.	243	157
- Syncordis Limited	-	31
- Nielsen + Partner Pte. Limited	10	42
- Nielsen + Partner Unternehmensberater GmbH	-	1
- Nielsen & Partner Pty. Limited	36	25
- Lymbyc Solutions Private Limited	-	0
- Powerupcloud Technologies Private Limited	12	17
- Syncordis Software Services S.A.	88	2
- Nielsen & Partner Company Limited	-	2
- Cuelogic Technologies Private Limited	-	114
- LTIMindtree Financial Services Technologies Inc.	173	-
- Nielsen + Partner Unternehmensberater AG	17	-
Unbilled revenue	**50**	**111**
- LTIMindtree Financial Services Technologies Inc.	26	66
- Nielsen & Partner Pty Limited	-	4
- Powerupcloud Technologies Private Limited	-	1
- Syncordis S.A.	18	9
- Cuelogic Technologies Private Limited	-	30
- Syncordis Software Services S.A.	1	0
- Nielsen + Partner Unternehmensberater AG	4	1
- Nielsen + Partner Pte. Limited	1	-
Trade payables	**349**	**375**
- LTIMindtree Canada Limited	224	325
- LTIMindtree LLC	27	18
- LTIMindtree South Africa (Pty.) Limited	5	-
- Syncordis Limited	14	-
- Nielsen + Partner Unternehmensberater GmbH	1	-
- L&T Information Technology Spain, Sociedad Limitada	9	-
- LTIMindtree Financial Services Technologies Inc	-	10
- Nielsen + Partner Pte. Limited	13	-
- Nielsen & Partner Pty Limited	1	-

(₹ in Million)

Outstanding Balances	Subsidiaries	
	As at March 31, 2023	As at March 31, 2022
- Powerupcloud Technologies Private Limited	0	-
- Mindtree Software (Shanghai) Co., Limited ('MSSCL'), Republic of China	4	-
- LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable	51	22
Loan outstanding	**824**	**1,174**
- LTIMindtree Middle East FZ-LLC	794	1,145
- Lymbyc Solutions Private Limited	30	29
Guarantees given on behalf of Subsidiary	**828**	**764**
- LTIMindtree Middle East FZ-LLC	828	764

All balances are unsecured and to be settled in cash.

(₹ in Million)

G. Transaction	Entity with common key managerial person	
	Year ended March 31, 2023	Year ended March 31, 2022
Corporate Social Responsibility expenses	**241**	**166**
- Mindtree Foundation	241	166

(₹ in Million)

Outstanding Balances	Entity with common key managerial person	
	As at March 31, 2023	As at March 31, 2022
Provision towards unspent CSR expenses	**42**	**77**
- Mindtree Foundation	42	77

(VI) Managerial remuneration

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Short-term employee benefits	433	486
(ii) Share-based payments (on employee stock options granted)*	545	41
(iii) Others	45	42

*Share based payments on employee stock options granted (if any) are charged to P&L over vesting period of ESOPs.

Note: The above figures do not include provisions for compensated absences, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Dividends paid to key managerial personnel during the year ended March 31, 2023 amounts to ₹24 Million. (Previous Year: ₹24 Million).

44. BUSINESS COMBINATION AND ACQUISITIONS

44.(I)Business Combination under Common Control

(i) Amalgamation of Mindtree Limited ('Amalgamating Company') with the Company

The Board of Directors of the Company, in its meeting held on May 6, 2022, approved The Scheme of Amalgamation and Arrangement under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of Mindtree Limited ('Amalgamating Company') with the Company ('Scheme').

The aforesaid Scheme was sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated September 19, 2022 and Bengaluru Bench vide order dated November 4, 2022 and November 10, 2022. The Scheme has become effective on November 14, 2022 upon filing of the certified copy of the orders passed by NCLT with the relevant Registrar of Companies. In terms of the Scheme, the name of the Company has been changed from 'Larsen & Toubro Infotech Limited' to 'LTIMindtree Limited' w.e.f., November 15, 2022 and all the assets, liabilities, reserves and surplus of the Amalgamating Company have been transferred to and vested in the Company. The Appointed Date of the Scheme is April 1, 2022.

Accounting Treatment

The amalgamation has been accounted in accordance with "Pooling of interest method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as specified in the scheme, such that:

(a) All assets and liabilities of the Amalgamating Company are stated at the carrying values as appearing in the standalone financial statements of Amalgamating Company.

(b) The identity of the reserves have been preserved and are recorded in the same form and at the carrying amount as appearing in the standalone financial statements of Amalgamating Company.

(c) The inter-company balances between both the companies have been eliminated.

(d) Comparative financial information in the financial statements of the Amalgamated Company has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

The difference, if any, between the amount recorded as share capital issued and the amount of share capital of the Amalgamating Company has been transferred to capital reserve and presented separately from other capital reserves.

Consequent on the Scheme coming into effect and in accordance with the Share Exchange Ratio enshrined in the Scheme, on November 25, 2022 the Company has allotted its 120,417,607 equity shares of ₹1/- each (fully paid-up) (including 20,341 treasury shares alloted to LTIMindtree Employee Welfare Trust) to the equity shareholders of erstwhile Mindtree Limited as on the 'Record Date' fixed for the said purpose.

Details of assets and liabilities of Erstwhile Mindtree added to the opening balances of the Company (i.e., April 1, 2021) and consequential adjustment to Capital Reserve:

(₹ in Million)

Particulars	Total
Non-current Assets	
PPE and Intangible assets	8,208
Right-of-Use assets	4,773
Non-current Investments	1,177
Other Financial Assets	1,701
Deferred Tax Assets (Net)	351
Income Tax Assets (Net)	1,532
Other Non-current assets	72
Current Assets	
Trade receivables	12,742
Unbilled Revenue	1,859
Cash and cash equivalents	7,575
Investments	19,307
Other Financial Assets	1,105
Other Current Assets	3,085
Total Assets	**63,487**
Non-current Liabilities	
Other Financial liabilities	6
Lease Liabilities	4,492
Current Liabilities	
Trade payables	2,673
Lease Liabilities	885
Other Financial liabilities	5,249
Provisions	2,226
Other current liabilities	2,467
Current income tax Liabilities (Net)	2,303
Reserves & Surplus	**41,539**
Total Liabilities and Reserves	**61,840**
Net Assets (A)	**1,647**
Allotment of Equity Shares to equity shareholders of Erstwhile Mindtree Limited (B)	**120**
Capital Reserve on account of Amalgamation (A)-(B)	**1,527**

(ii) Common Control Business Combination- L&T NXT

The Company entered into a Business Transfer Agreement on May 20, 2021 to acquire the digital transformation business undertaking, incubated and conducted under L&T-NxT ('NxT Digital Business') from Larsen & Toubro Limited (L&T). The Company consummated the above transfer of business on July 1, 2021.

The transaction was recorded in the books of the Company in previous year using the pooling of interests method. Accordingly, the assets and liabilities transferred have been accounted at the carrying amounts as reflected in the books of L&T as at June 30, 2021 and no adjustments have been made to reflect the fair values, or recognize any new assets or liabilities. The difference between the purchase consideration of ₹2,065 Million and the carrying amounts of the net assets transferred of ₹209 Million has been adjusted against retained earnings (including capital reserve of ₹87 Million). The financial information pertaining to the transfer of business is not material and accordingly, financial statements of the Company in respect of the prior periods had not been restated.

(₹ in Million)

Particulars	Total
Present value of consideration (A)	2,065
Total Net Assets acquired (B)	209
Excess of consideration over net assets transferred	**1,856**
Adjusted against:	
a) Capital reserve	87
b) Retained earnings	1,769
Total	**1,856**

(iii) Amalgamation of Syncordis Software Services India Private Limited and Ruletronics Systems Private Limited with Larsen & Toubro Infotech Limited

The Scheme of Arrangement ("the Scheme") for amalgamation between Syncordis Software Services India Private Limited and Ruletronics Systems Private Limited ('Transferor Companies'), wholly-owned subsidiaries, with the Company ('Transferee Company') was approved by the Mumbai Bench of National Company Law Tribunal and the Company received the certified true copy of the order on September 6, 2021. The Company has filed the same with Registrar of Companies, Mumbai on September 8, 2021 which is the effective date of amalgamation. The Appointed date of the Scheme is April 1, 2021.

The amalgamation has been accounted under the 'pooling of interests' method, on the carrying value of the assets and liabilities of the Transferor Companies as included in the Standalone Balance Sheet of the Company. Accordingly, the financial information pertaining to amalgamation in respect of the prior periods was restated and goodwill of ₹26 million was recognized in the Standalone Financial Statements of the Company during the previous year.

44. (II) Acquisitions

During the previous year on July 1, 2021, the Company has acquired 100% stake in Cuelogic Technologies Private Limited ('Cuelogic'), along with its 100% subsidiary Cuelogic Technologies Inc for a total enterprise value of USD 8.4 million.

45. GOODWILL

Following is a summary of changes in the carrying amount of goodwill:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	4,757	4,757
Add: Additions on account of Bluefin Solutions Sdn Bhd (refer note 5)	2	-
Balance at the end of the year	**4,759**	**4,757**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Units (CGU) or groups of CGUs, which benefit from the synergies of the acquisition.

The recoverable amount of a CGU is determined based on value-in-use. Value-in-use is present value of future cash flows expected to be derived from the CGU. The growth rate for forecast period of 5 years is based on historical trend and an appropriate annual growth rate is considered for periods subsequent to the forecast period. The pre-tax discount rate ranges from 16.4% to 18.9 % based on Weighted Average cost of Capital for the Company.

The Group does its impairment evaluation on an annual basis and based on such evaluation the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered as at reporting date. The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount. These estimates are likely to differ from future actual results of operations and cash flows.

46. SEGMENT REPORTING

In accordance with Ind AS 108 'Operating Segment', the Company has disclosed Segment information on consolidated basis for the year ended March 31, 2023 which is available as part of the audited consolidated financial statements of the Company.

47. DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES (MSME)

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	154	170
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 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 dues to 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.

48. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year 2022-23 was ₹675 Million (for year 2021-22 ₹560 Million) and the actual amount spent is ₹680 Million (for year 2021-22 ₹564 Million, including a provision amount of ₹77 Million for unspent CSR).

The CSR initiatives are primarily in relation to major thrust areas of Education, Empowerment, Health & wellness, Environment, support for Natural Calamities and Covid relief related support initiatives.

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Amount required to be spent by the company during the year	675	560
ii) Amount of expenditure incurred		
- Other expenses (refer note 32)	660	546 (Refer note below)
- Salary cost (refer note 29)	20	18
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	NA	NA
vi) Details of related party transactions		
- Entity: Mindtree Foundation (Contribution)	241	166
- Entity: Larsen and Toubro Limited (Covid Relief Support - Donation of Oxygen Plant to Government Hospitals)	-	29
vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	Refer note below	

Note: Includes a provision amount of ₹77 Million for unspent CSR expenses for FY22, of which ₹35 Million has been unutilized in the year ended March 31, 2023.

49. ANALYTICAL RATIOS

Ratio	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022	Variance %
Current Ratio	Total current assets	Total current liabilities	3.2	3.0	8%
Debt-Equity Ratio	Debt consists of lease liabilities	Total equity	0.1	0.1	-9%
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service= Lease payments	15.9	15.3	4%
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	28.5%	31.1%	-8%
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	6.6	6.5	2%
Trade payables turnover ratio	Adjusted expenses*	Average trade payables	5.0	4.1	22%
Net capital turnover ratio	Revenue from operations	Average working capital (i.e., Total current assets less Total current liabilities)	3.0	2.8	9%
Net profit ratio	Profit for the year	Revenue from operations	13.3%	15.7%	-15%
EBITDA %	Earnings before interest, taxes, depreciation and amortization.	Revenue from operations	18.4%	20.0%	-8%
EBIT %	Earnings before interest and taxes.	Revenue from operations	16.4%	17.9%	-8%
Return on Capital employed	Profit before tax and Interest on lease	Average capital employed (Capital employed = Net worth + Lease liabilities)	35.0%	38.4%	-9%
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	5.5%	4.7%	18%

*Adjusted expenses = Sub-contracting expenses + Other expenses - CSR - Non-cash expenses (Expected credit losses, provision for foreseeable losses, provision for warranties)

50. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Board of Directors at its meeting held on April 27, 2023, has recommended final dividend of ₹40 per equity share (Face value ₹1) for the financial year ended March 31, 2023.

51. The Company has transferred ₹ 1 Million to Investor Education and Protection Fund during the year ended March 31, 2023.

52. In case of figures mentioned as ‘0’ in the financial statements, it denotes figures less than 0.5 million.

53. Previous year’s figures have been regrouped / reclassified wherever applicable to facilitate comparability.

54. The financial statements were approved by the Board of Directors on April 27, 2023.

Independent Auditor's Report

To The Members of LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited)
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **LTIMindtree Limited** (formerly known as Larsen & Toubro Infotech Limited) ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue recognition - Fixed price contracts using the percentage of completion method** Revenue from fixed price contracts including software development and system integration contracts is recognized using a percentage of completion method. Use of the percentage-of completion method requires the Company to determine the actual costs expended to date as a proportion of the estimated total costs to be incurred. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since – • High inherent risk around accuracy of revenue, given the customized and complex nature of these contracts. • High inherent uncertainty and requires consideration of progress of the contract, costs incurred to-date and estimates of costs required to complete the remaining contract performance obligations over the term of the contract.	Principal audit procedures performed: Our audit procedures included the following, among others: • We tested the effectiveness of controls relating to (1) recording of costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred. • We selected a sample of fixed price contracts with customers measured using the percentage-of-completion method and performed the following: – Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time using percentage of completion method was appropriate, and the contract was included in management's calculation of revenue over time.

Sr. No.	Key Audit Matter	Auditor's Response
	• At year-end, significant amount of work-in-progress (Unbilled revenue), related to these contracts is recognized on the balance sheet. This required a high degree of auditor judgment in evaluating the audit evidence and a higher extent of audit effort to evaluate the reasonableness of the total estimated amount of revenue and unbilled revenue recognized on these fixed-price contracts. Refer Note 28 to the consolidated financial statements.	– Compared costs incurred with Company's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. – Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations. – Evaluated other information that supports or contradicts the estimates of the progress towards satisfying the performance obligation.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

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 Group 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 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 Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 25 subsidiaries, whose financial statements reflect total assets of ₹9,754 Million as at March 31, 2023, total revenues of ₹15,374 Million and net cash flows amounting to ₹1,546 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of 4 subsidiaries whose financial statements / financial information reflect total assets of ₹2,578 Million as at March 31, 2023, total revenues of ₹3,996 Million and net cash flows amounting to ₹57 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

(c) The consolidated comparative financial information of the Group for the year ended March 31, 2022 prepared prior to effective date of the business combination of entities under common control referred to in Note 45 (I)(i) of the financial statements were audited by the predecessor auditor (whose reports dated April 19, 2022 expressed an unmodified opinion). These previously issued financial information have been restated to comply with Ind AS 103 Appendix C for Business combinations of entities under common control and included in this financial statements as comparative financial information. The adjustments made to the previously issued financial information to comply with the said Ind AS have been audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the 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 March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid / provided by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.

   h) 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, as amended 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 financial statements;

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 27 to the consolidated financial statements;

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

      iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) (a) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Parent during the year and until the date of this report is in accordance with Section 123 of the Companies Act 2013.

(c) As stated in note 48 to the consolidated financial statements, the Board of Directors of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such subsidiaries at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f., April 1, 2023 to the Parent and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W/W-100739)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDEP9482

Date: April 27, 2023
Place: Mumbai

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited) of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated Ind AS financial statements of LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited) as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited) (hereinafter referred to as the "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W/W-100739)

Gurvinder Singh
Partner
(Membership No. 110128)
UDIN: 23110128BGRDEP9482

Date: April 27, 2023
Place: Mumbai

Consolidated Balance Sheet

(₹ in Million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	9,697	9,183
(b) Right-of-use assets	41	12,539	11,124
(c) Capital work-in-progress	4	8,126	4,589
(d) Goodwill	5	11,892	11,632
(e) Other intangible assets	4	2,663	2,790
(f) Intangible assets under development	4	897	439
(g) Financial assets			
(i) Investments	6	7,165	6,513
(ii) Trade receivables	7	39	-
(iii) Other financial assets	8	1,924	5,505
(h) Deferred tax assets (net)	9	3,809	387
(i) Income tax assets (net)		2,334	2,218
(j) Other non-current assets	10	2,018	2,058
Total Non-current Assets		**63,103**	**56,438**
Current assets			
(a) Inventories	11	33	41
(b) Financial assets			
(i) Investments	12	47,418	53,971
(ii) Trade receivables	13	56,234	45,574
(iii) Unbilled revenue	14	16,011	10,697
(iv) Cash and cash equivalents	15	23,389	14,462
(v) Other bank balances	16	5,931	3,911
(vi) Other financial assets	17	1,830	4,807
(c) Income tax assets (net)		0	-
(d) Other current assets	18	21,012	15,923
Total Current Assets		**171,858**	**149,386**
TOTAL ASSETS		**234,961**	**205,824**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	296	296
(b) Other equity			
(i) Other reserves	20	11,124	18,803
(ii) Retained earnings	20	154,501	123,773
(c) Non-controlling interests	20	71	57
Total Equity		**165,992**	**142,929**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	41	11,872	11,336
(ii) Other financial liabilities	21	1,774	249
(b) Deferred tax liabilities (net)	9	147	105
(c) Provisions	22	350	282
Total Non-current Liabilities		**14,143**	**11,972**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1,253	519
(ii) Trade payables			
- Due to micro and small enterprises	24	154	170
- Due to other than micro and small enterprises	24	12,784	13,080
(iii) Other financial liabilities	25	16,437	15,981
(iv) Lease liabilities	41	2,287	2,056
(b) Other current liabilities	26	12,070	10,462
(c) Provisions	27	8,134	6,292
(d) Income tax liabilities (net)		1,707	2,363
Total Current Liabilities		**54,826**	**50,923**
TOTAL EQUITY AND LIABILITIES		**234,961**	**205,824**
Significant accounting policies	2		
Other notes to accounts	36-52		

As per our report attached

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No.: 117364W/W-100739

Gurvinder Singh
Partner
Membership No.: 110128
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of LTIMindtree Limited

Debashis Chatterjee
Chief Executive Officer
& Managing Director
(DIN: 00823966)
Mumbai

Nachiket Deshpande
Chief Operating Officer
& Whole-time Director
(DIN: 08385028)
Mumbai

Vinit Ajit Teredesai
Chief Financial Officer

Mumbai
April 27, 2023

Tridib Barat
Company Secretary
& Compliance Officer
Mumbai

Consolidated Statement of Profit and Loss

(₹ in Million)

Particulars	Note No.	April 22-March 23	April 21-March 22
Revenue from operations	28	331,830	261,087
Other income	29	5,569	7,658
Total Income		**337,399**	**268,745**
Expenses:			
Employee benefit expenses	30	208,799	159,892
Sub-contracting expenses		28,286	23,591
Finance costs	31	1,504	1,234
Depreciation & amortization expenses	32	7,227	5,971
Other expenses	33	33,668	25,118
Total Expenses		**279,484**	**215,806**
Profit before tax		**57,915**	**52,939**
Tax expense			
Current tax	34 (I)	14,391	13,598
Deferred tax	34 (II)	(579)	(159)
		13,812	**13,439**
NET PROFIT AFTER TAX		**44,103**	**39,500**
Other Comprehensive Income / (Loss)	35		
A. Items that will not be reclassified subsequently to profit or loss (net of tax)		117	107
B. Items that will be reclassified subsequently to profit or loss (net of tax)		(6,668)	1,656
Total Other Comprehensive income / (Loss)		(6,551)	1,763
TOTAL COMPREHENSIVE INCOME		**37,552**	**41,263**
Profit Attributable to:			
Shareholders of the Company		44,083	39,483
Non-controlling interests		20	17
		44,103	**39,500**
Total Comprehensive Income Attributable to:			
Shareholders of the Company		37,538	41,243
Non-controlling interests		14	20
		37,552	**41,263**
Basic earning per equity share (₹)	42	149.07	133.67
Diluted earning per equity share (₹)	42	148.83	133.35
Significant accounting policies	2		
Other notes to accounts	36-52		

As per our report attached

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No.: 117364W/W-100739

Gurvinder Singh
Partner
Membership No.: 110128
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of LTIMindtree Limited

Debashis Chatterjee
Chief Executive Officer
& Managing Director
(DIN: 00823966)
Mumbai

Nachiket Deshpande
Chief Operating Officer
& Whole-time Director
(DIN: 08385028)
Mumbai

Vinit Ajit Teredesai
Chief Financial Officer

Mumbai
April 27, 2023

Tridib Barat
Company Secretary
& Compliance Officer
Mumbai

Consolidated Cash Flow Statement

(₹ in Million)

Particulars	April 22-March 23	April 21-March 22
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	44,103	39,500
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization expense	7,227	5,971
Income tax expense	13,812	13,439
Expense recognized in respect of equity settled stock option	1,136	538
Income from Investments	(1,670)	(2,040)
Interest income	(1,736)	(868)
Finance costs	1,504	1,234
Unrealized foreign exchange gain (net)	(606)	(94)
Provision for doubtful debts (net)	695	470
Change in fair value of contingent consideration	(556)	71
Gain from lease short close	(83)	(21)
Unrealized gain from finance lease	-	(11)
Gain on sale of property, plant and equipment	(18)	(16)
Operating profit before working capital changes	**63,808**	**58,173**
Changes in working capital		
Decrease in inventories	8	5
Increase in trade receivables & unbilled revenue	(19,690)	(18,238)
Increase in other receivables	(2,085)	(1,864)
Increase in trade & other payables	4,122	7,909
Increase in working capital	**(17,645)**	**(12,188)**
Cash generated from operations	**46,163**	**45,985**
Income taxes paid (net)	(15,217)	(13,478)
Net cash generated from operating activities	**30,946**	**32,507**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,393)	(10,573)
Sale of property, plant and equipment	47	44
Sale of Investments	206,385	143,904
Purchase of Investments	(200,128)	(148,547)
Payment towards contingent consideration pertaining to acquisition of business	(496)	(427)
Payment towards transfer of business under common control (net of cash)	(990)	(1,428)
Interest received	1,266	574
Net cash used in investing activities	**(3,309)**	**(16,453)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	12	2
Share Issue Expenses paid	(10)	-
Proceeds from borrowings (net of repayment)	665	105
Deposit under Credit support agreement paid	(594)	(475)
Payment towards lease liabilities (net)	(2,271)	(2,004)
Interest paid on lease liabilities	(1,117)	(1,095)
Interest paid	(375)	(60)
Dividend paid	(15,627)	(13,277)
Net cash used in financing activities	**(19,317)**	**(16,804)**
Net increase / (decrease) in cash and cash equivalents	**8,320**	**(750)**
Cash and cash equivalents at the beginning of the year	**14,462**	**15,191**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	595	21
Cash and cash equivalents at the end of the year	**23,377**	**14,462**
Book overdraft used for Cash and cash management purpose	12	0
Cash and cash equivalents as per Consolidated Balance Sheet (Refer Note 15)	**23,389**	**14,462**

As per our report attached

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No.: 117364W/W-100739

Gurvinder Singh
Partner
Membership No.: 110128
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of LTIMindtree Limited

Debashis Chatterjee
Chief Executive Officer
& Managing Director
(DIN: 00823966)
Mumbai

Nachiket Deshpande
Chief Operating Officer
& Whole-time Director
(DIN: 08385028)
Mumbai

Vinit Ajit Teredesai
Chief Financial Officer

Mumbai
April 27, 2023

Tridib Barat
Company Secretary
& Compliance Officer
Mumbai

Consolidated Statement of Changes in Equity

A. Equity Share Capital

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Million)

Balance as on April 1, 2022	Changes in equity share capital during the year			Balance as on March 31, 2023
	Shares pending issuance	Shares issued pursuant to amalgamation	Shares issued on exercise of stock options and restricted shares	
296	(120)	120	0	296

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

Balance as on April 1, 2021	Changes in equity share capital during the year			Balance as on March 31, 2022
	Shares pending issuance	Restated balance as on April 1, 2021	Shares issued on exercise of stock options and restricted shares	
175	120	295	1	296

B. Other Equity

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Million)

Particulars	Share application money pending allotment	Reserves and Surplus								Other Components of Equity			Equity attributable to equity holders of the Company	Non-controlling interest	Total
		Capital reserve	Capital redemption reserve	Share Premium	General Reserve	Employee Stock options outstanding	Deferred employee compensation expense	Special Economic Zone reinvestment reserve	Retained Earnings	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve (FCTR)	Other items of Other Comprehensive Income			
Balance as on April 1, 2022	0	1,528	42	3,655	4,734	1,765	(1,016)	2,272	123,773	5,064	815	(56)	142,576	57	142,633
Net Profit for the year	-	-	-	-	-	-	-	-	44,083	-	-	-	44,083	20	44,103
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(6,951)	289	117	(6,545)	(6)	(6,551)
Dividends	-	-	-	-	-	-	-	-	(15,627)	-	-	-	(15,627)	-	(15,627)
Employee Stock Compensation Expense	-	-	-	-	-	3,793	(3,793)	-	-	-	-	-	-	-	-
Transferred from SEZ Reinvestment Reserve	-	-	-	-	-	-	-	(2,272)	2,272		-	-	-	-	-
Impact on account of common control business combination (refer note 45(I)(i))	-	1	-	-	-	-	-	-	-	-	-	-	1	-	1
Other changes/ Transfer to general reserve	0	-	-	336	17	(719)	1,503	-	-	-	-	-	1,137	-	1,137
Balance as on March 31, 2023	**0**	**1,529**	**42**	**3,991**	**4,751**	**4,839**	**(3,306)**	**-**	**154,501**	**(1,887)**	**1,104**	**61**	**165,625**	**71**	**165,696**

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Million)

Particulars	Share application money pending allotment	Reserves and Surplus								Other Components of Equity			Equity attributable to equity holders of the Company	Non-controlling interest	Total
		Capital reserve	Capital redemption reserve	Share Premium	General Reserve	Employee Stock options outstanding	Deferred employee compensation expense	Special Economic Zone reinvestment reserve	Retained Earnings	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve (FCTR)	Other items of Other Comprehensive Income			
Balance as on April 1, 2021	-	0	-	2,862	4,508	794	(288)	-	61,565	2,200	1,090	128	72,859	37	72,896
Reserves taken over on Amalgamation (refer note 45(I)(i))	0	87	42	399	226	215	(117)	1,482	38,564	1,352	(416)	(291)	41,543	-	41,543
Reserves created due to Amalgamation (refer note 45(I)(i))	-	1,527	-	-	-	-	-	-	-	-	-	-	1,527		1,527
Restated balance as on April 1, 2021	**0**	**1,614**	**42**	**3,261**	**4,734**	**1,009**	**(405)**	**1,482**	**100,129**	**3,552**	**674**	**(163)**	**115,929**	**37**	**115,966**
Net Profit for the year	-	-	-	-	-	-	-	-	39,483	-	-	-	39,483	17	39,500
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	1,512	141	107	1,760	3	1,763
Dividends	-	-	-	-	-	-	-	-	(13,280)	-	-	-	(13,280)	-	(13,280)
Employee Stock Compensation Expense	-	-	-	-	-	1,360	(1,360)	-	-	-	-	-	-	-	-
Transferred to SEZ Reinvestment Reserve	-	-	-	-	-	-	-	2,717	(2,717)		-	-	-		-
Transferred from SEZ Reinvestment Reserve	-	-	-	-	-	-	-	(1,927)	1,927		-	-	-		-
Impact on account of common control business combination (Refer note 45(I)-(i) &(ii))	-	(86)	-	-	-	-	-	-	(1,769)	-	-	-	(1,855)		(1,855)
Other changes / Transfer to general reserve	0	-	-	394	-	(604)	749	-	-	-	-	-	539	-	539
Balance as on March 31, 2022	**0**	**1,528**	**42**	**3,655**	**4,734**	**1,765**	**(1,016)**	**2,272**	**123,773**	**5,064**	**815**	**(56)**	**142,576**	**57**	**142,633**

As per our report attached

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No.: 117364W/W-100739

Gurvinder Singh
Partner
Membership No.: 110128
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of LTIMindtree Limited

Debashis Chatterjee
Chief Executive Officer
& Managing Director
(DIN: 00823966)
Mumbai

Nachiket Deshpande
Chief Operating Officer
& Whole-time Director
(DIN: 08385028)
Mumbai

Vinit Ajit Teredesai
Chief Financial Officer

Mumbai
April 27, 2023

Tridib Barat
Company Secretary
& Compliance Officer
Mumbai

Notes Forming Part of Consolidated Financial Statements

1. GROUP OVERVIEW

LTIMindtree Limited (formerly known as Larsen & Toubro Infotech Limited) ('the Company') together with its subsidiaries is collectively referred to as 'the Group'. The Group offers extensive range of IT services like agile, analytics and information management, 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 – 400 001, Maharashtra, India. The Company's equity shares are listed on the National Stock Exchange of India Limited and BSE Limited in India.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation and Statement of compliance

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 (as amended from time to time).

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.

Amounts in the consolidated financial statements are presented in Indian Rupees in Million [10 Lakh = 1 Million] as permitted by Schedule III to the Companies Act, 2013. Per share data is presented in Indian Rupees.

Preparation of the financial statements in conformity with Ind AS 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 estimated cost of completion, useful lives of property, plant and equipment and intangible assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, considering the extension period for determination of lease term etc. Actual results could vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and by giving prospective impact in the consolidated financial statements.

As fully described in Note 45(I)(i), during the year, erstwhile Mindtree Limited has merged with the Company based on the Scheme sanctioned by NCLT. Accordingly, the previously published consolidated financial statement of the Group has been restated for accounting of merger as the entities are under common control.

b) Presentation of consolidated financial statements

The consolidated financial statements (including balance sheet, statement of profit and loss and the statement of changes in equity) are prepared and presented in the accordance with the format prescribed in Division II of Schedule III to the Companies Act, 2013, as amended from time to time. The consolidated 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 consolidated financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

c) Operating cycle for current and non-current classification

The Group identifies asset / liabilities as current if the same are receivable/payable within twelve months else the same are considered as non-current.

d) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (subsidiaries). Control is achieved when the Company is exposed to or has rights to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company 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.

The financial statements of the subsidiary companies are consolidated on a line-by-line basis and intra-group balances and transactions, including unrealized gain / loss from such transactions, are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

e) Business Combination

Business combinations other than the common control transactions are accounted for using the purchase (acquisition) method. The purchase price is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of obtaining control. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs incurred in connection with a business acquisition are expensed as incurred. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognized in the statement of profit and loss.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased.

Business combinations through common control transactions are accounted on a pooling of interest method. No adjustments are made to reflect the fair values, or recognize any new assets or liabilities, except to harmonise accounting policies. The identity of the reserves are preserved and the reserves of the transferor becomes the reserves of the transferee. The difference between consideration paid and the net assets acquired, if any, is recorded under capital reserve / retained earnings, as applicable.

f) Revenue from Contracts with Customers

Revenue is recognized upon transfer of control of promised services to customers. Revenue is measured based on the transaction price as per the contract with a customer net of variable consideration on account of volume discounts, rebates and other similar allowances.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation.

The Group allocates the transaction price (net of variable consideration) to separately identifiable performance obligations based on their relative standalone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the stand-alone selling price the Group uses third-party prices for similar deliverables or the Group uses expected cost-plus margin approach in estimating the stand-alone selling price.

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

Revenue related to fixed price maintenance and support services contracts where the Group provides services is recognized based on time elapsed mode and revenue is straight-lined over the period of performance.

Revenue from services performed on fixed-price basis is recognized using the input method as defined in Ind AS 115 – Revenue from Contracts with customers. The Group uses cost expended to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenue in arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Revenue from sale of licenses / hardware, where the customer obtains a "right to use" the licenses / hardware is recognized at the point in time when the related license / hardware is made available to the customer. Revenue from licenses / hardware where the customer obtains a "right to access" is recognized over the access period. For allocating the transaction price to sale of licenses / hardware and related implementation and maintenance services, the Group measures the revenue in respect of each performance obligation of a contract as its relative standalone selling price. In case, where the licenses are required to be substantially customized as part of implementation service, the entire arrangement fee is considered as single performance obligation and revenue is recognized as per input method.

Revenue for supply of third party products or services are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

The Company accounts for variable considerations like, volume discounts, rebates, pricing incentives to customers and penalties as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Group may be entitled and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The Company accrues the estimated cost of post contract support services at the time when the revenue is recognized. The accruals are based on the Group's historical experience of material usage and service delivery costs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. Contract modifications involving services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively as a separate contract.

'Unbilled revenues' (contract asset) represent revenue earned in excess of billings as at the end of the reporting period. Where right to consideration is unconditional upon passage of time is classified as a financial asset however, for fixed price development contracts, where milestone is not due as per contract terms as on date of reporting, the same is classified as non-financial asset.

'Unearned & deferred revenue' (contract liabilities) represent billing in excess of revenue recognized.

Deferred contract costs consist of:

i) Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset when the Group expects to recover these costs and amortized over the contract term.

ii) Fulfillment cost specifically relating to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognized is amortized on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Use of significant judgments in revenue recognition:

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate costs expended to date as a proportion of the total costs to be expended. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Group uses significant judgments while determining the transaction price to be allocated to performance obligations.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

g) Other income

Other Income comprises primarily of interest income, dividend income, gain / loss on investment and foreign exchange gain / loss.

i) Interest income is recognized using effective interest method.

ii) Dividend income is accounted in the period in which the right to receive the same is established.

h) 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, 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) Defined benefit plans:

The provident fund scheme managed by trust, employee's gratuity fund scheme managed by the insurers 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. Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to statement of profit and loss in subsequent periods.

The effect of any plan amendment is 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) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

iv) Long-term employee benefits:

The obligation for long-term employee benefits 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 recognized immediately in statement of profit and loss.

v) Social security plans

Employer's contribution payable with respect to the 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.

The Code on Social Security, 2020 has been enacted by the Indian Parliament, which would impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the corresponding Rules, are yet to be notified. The Group will complete its evaluation and will give appropriate impact in the period in which, the Code and the corresponding Rules become effective.

i) Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

j) 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 or construction of the asset and cost incurred for bringing the asset to its present location and condition.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital advances and capital work-in-progress (CWIP) respectively.

k) Intangible assets

Intangible assets are stated at cost, less accumulated, amortization and impairment. Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired.

l) Impairment

I) Impairment of trade receivables, unbilled receivables and lease receivables:

The Group assesses at each date of Balance Sheet whether a financial asset in form of trade receivables, unbilled receivables and lease receivables 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 receivables and unbilled receivables. 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 receivables and unbilled receivables. ECL impairment loss allowance or reversal is recognized during the period as expense or income respectively in the 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 or immediately when events or changes in circumstances indicate that an impairment loss would have occurred. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The carrying amount of the cash generating unit, including goodwill, is compared with its recoverable amount. When the carrying amount of the cash generating unit exceeds its recoverable amount, a goodwill impairment loss is recognized. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. Goodwill impairment losses are not reversed.

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 impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Recoverable amount is the higher of the value in use or fair value less cost to sell. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

m) Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings, furniture & fixtures and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset throughout the period of the lease and (3) the Group has the right to direct the use of the asset throughout the period of use.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise the option.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the lessee. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

For Finance leases, initially asset held under finance lease is recognized in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on Group's net investment in the lease.

n) Depreciation

i) Property, plant and equipment

Depreciation on assets have been provided on straight-line basis as mentioned in below table except for the leasehold improvements which is depreciated over the lease period or life of asset, whichever is lower. Depreciation on additions and disposals are calculated on pro-rata basis from and to the month of additions and disposals.

Particulars	Useful life
• Buildings	Up to 60 years
• Computers and IT peripherals	Up to 6 years
• Plant and machinery	Up to 10 years
• Office equipment	Up to 5 years
• Vehicles	Up to 8 years
• Furniture and fixtures	Up to 5 years

ii) Intangible assets and amortization

The estimated useful life of an intangible asset is based on 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 cash flows from the asset. The intangible assets are amortised on straight-line basis over the useful life as mentioned in below table :

Particulars	Useful life
• Computer software	Up to 5 years
• Customer contracts	Up to 10 years
• Rights under licensing agreement	Up to 6 years
• Intellectual property	Up to 5 years
• Business alliance relationships	Up to 4 years
• Vendor relationships	Up to 6 years
• Tradename	Up to 6 years
• Technology	Up to 6 years
• Non-compete agreement	Up to 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

o) Inventories

Inventories are valued at lower of cost and net realizable value, including necessary provision for obsolescence. Cost is determined using the weighted average method. Cost comprises of all costs of purchase and other costs incurred in bringing the inventory to its present location and condition.

p) Share-based payments

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 lapse after the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the general reserve. If options granted lapse before the vesting period, the cumulative discount recognized as expense in respect of such options is transferred to the profit and loss.

q) 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 the Group are presented in Indian Rupees.

r) Foreign currency transactions and balances

Foreign currency transactions related to company and its branches 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. Exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss. 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 transactions of foreign subsidiaries into functional currency are treated as under:

- Profit and loss items at the average rate for the period;
- All assets and liabilities at closing rates

Exchange difference on settlement / year end conversion is recognized in foreign currency translation reserve.

Foreign currency gains and losses are reported on a net basis.

s) Financial Instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

I) Initial measurement

Financial assets (excluding trade receivables) and liabilities are initially measured at fair value, i.e., transaction price. 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. Trade receivables that do not contain a significant financing component are measured at transaction price.

II) Subsequent classification and 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

b) the contractual terms of financial assets give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using effective interest method less impairment loss if any.

B. Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments 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 on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling the financial asset. Group recognizes interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Interest earned is recognized under the effective interest rate (EIR) method.

C. Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognized in OCI. On derecognition of the instrument the cumulative gain or loss is not reclassified to the statement of profit and loss but will be transferred to retained earnings.

D. Financial assets at fair value through profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

ii) Non-derivative financial liability

Financial liabilities are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss.

iii) Derivative financial instrument

The Group holds derivative financial instrument such as foreign exchange forward contracts and options contracts including a combination of purchased and written options to mitigate the risk of changes in exchange rates on foreign currency exposures and forecast transactions. The counterparty for these contracts is generally a bank.

The Group uses hedging instruments that are governed by the risk management policy which is approved by the board of directors. The policy provides written principles on the use of such derivative financial instruments. The Group designates such instruments as hedges and performs assessment of hedge effectiveness based on consideration of terms of the hedging instrument, the economic relationship between the hedging instrument and hedged item and the objective of the hedging.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss.

A. Cash flow hedges

The Group designates certain derivative instruments as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

When a derivative is designated as a Cash flow hedge instrument, the effective portion of changes in fair value of the derivative is recognized in other comprehensive income and presented within equity as hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in Cash flow hedge reserve is transferred to the Statement of Profit and Loss upon the occurrence of related forecasted transaction.

B. Fair value hedges

Changes in the fair value of the derivative instruments designated as fair value hedges are recognized in statement of profit and 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 derecognized from the Group's balance sheet where the obligation specified in the contract is discharged or cancelled or expired.

IV) Offsetting

Financial assets and financial liabilities are offset and the net amounts are presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

t) 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 and deferred tax expense is recognized in the 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.

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 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 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 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.

The Group offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is a right and an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

u) Borrowing costs

Borrowing costs include finance costs, commitment charges, interest expense on lease liabilities. Borrowing costs are recognized in the statement of profit and loss using the effective interest rate method.

v) 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.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. 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 and a reliable estimate can be made of the amount of the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

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 the amount of obligation can not be measured with sufficient reliability; or

II) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

w) Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares, if any, issued during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x) 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 the segment.

ii) Expenses that are directly identifiable with or 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 relates to the Group as a whole and is not identifiable with / allocable to segments.

iv) Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably.

y) 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"), whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

z) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 – Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in consolidated financial statements.

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 March 31, 2023 (%)	Proportion of ownership as at March 31, 2022 (%)
1	LTIMindtree Canada Limited (formerly Larsen & Toubro Infotech Canada Limited)	Canada	100	100
2	LTIMindtree GmbH (formerly Larsen & Toubro Infotech GmbH)	Germany	100	100
3	LTIMindtree LLC (formerly Larsen & Toubro Infotech LLC)	USA	100	100
4	LTIMindtree Financial Services Technologies Inc. (formerly L&T Infotech Financial Services Technologies Inc.)	Canada	100	100
5	LTIMindtree South Africa (Pty). Ltd. (formerly Larsen And Toubro Infotech South Africa (Pty.) Limited)	South Africa	69.6	69.6
6	L&T Information Technology Services (Shanghai) Co. Limited	China	100	100
7	L&T Information Technology Spain, Sociedad Limitada	Spain	100	100
8	LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable (formerly L&T Infotech S. DE R.L. DE C.V.)	Mexico	100	100
9	LTIMindtree Norge AS (formerly Larsen & Toubro Infotech Norge AS)	Norway	100	100
10	LTIMindtree Middle East FZ-LLC (formerly LTI Middle East FZ - LLC)	UAE	100	100
11	LTIMindtree UK Limited (formerly L&T Infotech UK Limited)	UK	100	100
12	Syncordis S.A.	Luxembourg	100	100
13	Syncordis France SARL	France	100	100
14	Syncordis Limited	UK	100	100
15	Syncordis Support Services S.A.	Luxembourg	100	100
16	Ruletronics Systems Inc*	USA	-	100
17	Ruletronics Limited#	UK	-	100
18	Nielsen + Partner Unternehmensberator GmbH	Germany	100	100
19	Nielsen + Partner Unternehmensberator AG	Switzerland	100	100
20	Nielsen + Partner PTE. Limited	Singapore	100	100
21	Nielsen & Partner Pty. Limited	Australia	100	100
22	Nielsen & Partner Co. Limited	Thailand	100	100
23	Lymbyc Solutions Private Limited	India	100	100
24	Lymbyc Solutions Inc.	USA	100	100
25	Powerupcloud Technologies Private Limited	India	100	100
26	Cuelogic Technologies Inc (w.e.f., from July 1, 2021 refer note 45 (II))	USA	100	100
27	Cuelogic Technologies Private Ltd (w.e.f., from July 1, 2021 refer note 45(II))	India	100	100
28	Mindtree Software (Shanghai) Co. Ltd.	China	100	100
29	Bluefin Solutions Sdn Bhd**	Malaysia	-	100

*Liquidated w.e.f. February 16, 2023

#Liquidated w.e.f. May 10, 2022

**Liquidated w.e.f. January 25, 2023

3. (II) Additional Disclosure as per Schedule III of Companies Act, 2013:

(₹ in Million)

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								
- LTIMindtree Limited	96.38%	159,991	96.51%	42,563	104.32%	(6,834)	95.15%	35,729
- Subsidiaries								
B - Indian								
1. Lymbyc Solutions Private Limited	0.00%	(7)	(0.03)%	(12)	0.00%	-	(0.03)%	(12)
2. Powerupcloud Technologies Private Limited	0.04%	59	(0.01)%	(5)	0.00%	0	(0.01)%	(5)
3. Cuelogic Technologies Private Limited	0.08%	134	(0.01)%	(3)	0.00%	-	(0.01)%	(3)
Sub-Total	**0.11%**	**186**	**(0.05)%**	**(20)**	**0.00%**	**0**	**(0.05)%**	**(20)**
C - Foreign								
1. LTIMindtree Canada Limited (formerly Larsen & Toubro Infotech Canada Limited)	0.43%	706	0.48%	211	(0.02)%	1	0.57%	212
2. LTIMindtree GmbH (formerly Larsen & Toubro Infotech GmbH)	2.43%	4,034	0.81%	359	(0.09)%	6	0.97%	365
3. LTIMindtree LLC (formerly Larsen & Toubro Infotech LLC)	0.04%	67	(0.01)%	(5)	(0.08)%	5	0.00%	0
4. LTIMindtree Financial Services Technologies Inc. (formerly L&T Infotech Financial Services Technologies Inc.)	2.51%	4,164	2.33%	1,028	(0.12)%	8	2.76%	1,036
5. LTIMindtree South Africa (Pty.) Ltd. (formerly Larsen And Toubro Infotech South Africa (Pty.) Limited)	0.13%	222	0.15%	67	0.34%	(22)	0.12%	45
6. L&T Information Technology Services (Shanghai) Co. Ltd.	0.00%	3	0.04%	20	(0.01)%	0	0.05%	20
7. L&T Information Technology Spain, Sociedad Limitada	0.01%	13	0.02%	7	(0.01)%	1	0.02%	8
8. LTIMindtree, Sociedad De Responsabilidad Limitada De Capital Variable (formerly L&T Infotech S. DE R.L. DE C.V.)	0.05%	87	0.07%	32	(0.19)%	13	0.12%	45
9. LTIMindtree Norge AS (formerly Larsen & Toubro Infotech Norge AS), Norway	0.07%	120	0.08%	37	0.15%	(10)	0.07%	27
10. LTIMindtree Middle East FZ-LLC (formerly LTI Middle East FZ - LLC)	0.20%	325	0.29%	128	(0.28)%	18	0.39%	146
11. LTIMindtree UK Limited (formerly L&T Infotech UK Limited)	0.19%	308	0.39%	170	(0.17)%	11	0.48%	181
12. Syncordis S.A., Luxembourg	0.11%	191	(0.59)%	(261)	(0.11)%	7	(0.68)%	(254)
13. Syncordis France SARL	(0.02)%	(39)	0.09%	38	0.03%	(2)	0.10%	36
14. Syncordis Limited, UK	(0.29)%	(486)	(0.50)%	(220)	0.25%	(16)	(0.63)%	(236)
15. Syncordis Support Services S.A., Luxembourg	0.25%	422	0.69%	305	(0.41)%	27	0.88%	332

(₹ in Million)

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
16. Ruletronics Systems Inc., USA	0.00%	-	0.01%	3	0.01%	(1)	0.01%	2
17. Ruletronics Limited, UK	0.00%	-	0.00%	-	0.00%	-	0.00%	-
18. Nielsen + Partner Unternehmensberator GmbH, Germany	0.04%	74	(0.07)%	(30)	(0.05)%	3	(0.07)%	(27)
19. Nielsen + Partner Unternehmensberator AG, Switzerland	0.00%	5	(0.06)%	(28)	(0.02)%	1	(0.07)%	(27)
20. Nielsen + Partner Pte. Ltd., Singapore	(0.10)%	(165)	(1.00)%	(443)	(0.06)%	4	(1.17)%	(439)
21. Nielsen & Partner Pty. Ltd., Australia	(0.05)%	(80)	(0.07)%	(30)	(0.02)%	2	(0.08)%	(28)
22. Nielsen + Partner Co. Ltd., Thailand	(0.02)%	(27)	0.00%	(1)	0.02%	(1)	(0.01)%	(2)
23. Lymbyc Solutions Inc., USA	0.00%	(5)	0.00%	(0)	(0.03)%	2	0.00%	2
24. Cuelogic Technologies Inc.	0.01%	10	0.00%	(0)	(0.01)%	1	0.00%	1
25. Mindtree Software (Shanghai) Co. Ltd., China	0.01%	19	0.00%	1	0.00%	-	0.00%	1
26. Bluefin Solutions Sdn. Bhd, Malaysia	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub-Total	**6.01%**	**9,968**	**3.15%**	**1,388**	**(0.88)%**	**58**	**3.85%**	**1,446**
Total A+B+C	**102.50%**	**170,145**	**99.61%**	**43,931**	**103.44%**	**(6,776)**	**98.94%**	**37,155**
Less: Consolidation adjustments and eliminations	2.50%	4,153	(0.39)%	(172)	3.44%	(225)	(1.06)%	(397)
Total share	**100.00%**	**165,992**	**100.00%**	**44,103**	**100.00%**	**(6,551)**	**100.00%**	**37,552**
Non-controlling interests		**71**		**20**		**(6)**		**14**
Attributable to equity shareholders		**165,921**		**44,083**		**(6,545)**		**37,538**

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS – AS AT MARCH 31, 2023

(₹ in Million)

Property, Plant and Equipment and Intangible Assets	Gross Block							Depreciation / Amortization						Net Block
	As at April 01, 2022	Pursuant to acquisition of business	Effect of common control business combination	Additions	Deductions	Foreign currency translation reserve	As at March 31, 2023	As at April 01, 2022	Effect of common control business combination	For the year*	On deductions	Foreign currency translation reserve	As at March 31, 2023	As at March 31, 2023
Property, plant and equipment														
Freehold Land	33	-	-	-	-	-	33	-	-	-	-	-	-	33
Buildings	3,029	-	-	10	-	-	3,039	1,558	-	131	-	-	1,689	1,350
Leasehold Improvements	3,556	-	-	439	10	-	3,985	2,633	-	371	10	-	2,994	991
Plant and machinery	2,486	-	-	178	40	-	2,624	1,701	-	255	32	-	1,924	700
Computers	11,666	-	-	2,795	504	15	13,972	6,788	-	2,059	500	13	8,360	5,612
Office Equipments	2,141	-	-	307	30	2	2,420	1,747	-	202	29	1	1,921	499
Furniture and fixtures	1,740	-	-	154	57	1	1,838	1,138	-	313	52	-	1,399	439
Vehicles	254	-	-	14	62	-	206	157	-	25	49	-	133	73
Total of property, plant and equipment	**24,905**	**-**	**-**	**3,897**	**703**	**18**	**28,117**	**15,722**	**-**	**3,356**	**672**	**14**	**18,420**	**9,697**
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-	8,126
Intangible assets														
Software	9,135	-	-	1,056	46	29	10,174	7,544	-	971	46	30	8,499	1,675
Rights under licensing agreement	1,288	-	-	-	-	109	1,397	249	-	228	-	26	503	894
Customer contracts	3,138	-	-	-	-	75	3,213	3,034	-	55	-	75	3,164	49
Technology	325	-	-	-	-	-	325	269	-	11	-	-	280	45
Intellectual Property	67	-	-	-	-	-	67	67	-	-	-	-	67	-
Business alliance relationship	72	-	-	-	-	-	72	72	-	-	-	-	72	-
Non-Compete agreement	57	-	-	-	-	-	57	57	-	-	-	-	57	-
Vendor relationships	746	-	-	-	-	-	746	746	-	-	-	-	746	-
Tradename	305	-	-	-	-	-	305	305	-	-	-	-	305	-
Total of Intangible assets	**15,133**	**-**	**-**	**1,056**	**46**	**213**	**16,356**	**12,343**	**-**	**1,265**	**46**	**131**	**13,693**	**2,663**
Intangible assets under development														**897**

*During the year, the Group has aligned the useful life of certain asset class pursuant to the scheme of amalgamation. Had the Companies continued with the erstwhile useful life of assets, the charge to the depreciation and amortization expense would have been lower by ₹ 7 Million for the year ended March 31, 2023.

The aggregate amount of research and development expense recognized in the statement of profit and loss for the year ended March 31, 2023 is ₹153 Million.

CWIP ageing schedule as at March 31, 2023

(₹ in Million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,896	3,836	49	345	8,126
	3,896	**3,836**	**49**	**345**	**8,126**

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on latest approved plan.

Intangible assets under development (IAUD) ageing schedule as at March 31, 2023

(₹ in Million)

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	617	221	59	-	897
	617	**221**	**59**	**-**	**897**

The balance useful life of intangible asset as on the respective balance sheet dates is as follows:

Particulars	Estimated useful life (in years)	Estimated remaining useful life (in years)
Software	Up to 5 years	0.04-4.97
Rights under licensing agreement	Up to 6 years	3.84
Customer contracts	Up to 10 years	1.44
Technology	Up to 6 years	4.25
Intellectual Property	Up to 5 years	-
Business alliance relationship	Up to 4 years	-
Non-Compete agreement	Up to 5 years	-
Vendor relationships	Up to 6 years	-
Tradename	Up to 6 years	-

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS - AS AT MARCH 31, 2022

(₹ in Million)

Property, Plant and Equipment and Intangible Assets	Gross Block							Depreciation/Amortization						Net Block
	As at April 01, 2021	Pursuant to acquisition of business*	Effect of common control business combination**	Additions	Deductions	Foreign currency translation reserve	As at March 31, 2022	As at April 01, 2021	Effect of common control business combination**	For the year	On deductions	Foreign currency translation reserve	As at April 01, 2022	As at April 01, 2022
Property, plant and equipment														
Freehold Land	33	-	-	-	-	-	33	-	-	-	-	-	-	33
Buildings	2,967	-	-	189	127	-	3,029	1,547	-	138	127	-	1,558	1,471
Leasehold Improvements	3,311	2	-	278	35	0	3,556	2,350	-	316	33	0	2,633	923
Plant and machinery	2,305	-	42	226	87	0	2,486	1,605	5	176	85	0	1,701	785
Computers	8,173	6	21	3,779	328	16	11,667	5,693	5	1,406	328	12	6,788	4,879
Office Equipments	2,040	0	4	124	28	0	2,140	1,562	1	209	25	0	1,747	393
Furniture and fixtures	1,730	0	5	66	62	1	1,740	1,041	1	153	58	1	1,138	602
Vehicles	295	-	-	18	59	-	254	167	-	32	42	-	157	97
Total of property, plant and equipment	**20,854**	**8**	**72**	**4,680**	**726**	**17**	**24,905**	**13,965**	**12**	**2,430**	**698**	**13**	**15,722**	**9,183**
Capital work-in-progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,589**
Intangible assets														
Software	8,881	0	-	1,055	980	179	9,135	7,673	-	683	980	168	7,544	1,591
Rights under licensing agreement	1,243	-	-	-	-	45	1,288	33	-	211	-	5	249	1,039
Customer contracts	2,930	165	-	-	-	43	3,138	2,895	-	93	-	46	3,034	104
Technology	261	-	64	-	-	-	325	261	-	8	-	-	269	56
Intellectual Property	67	-	-	-	-	-	67	67	-	-	-	-	67	-
Business alliance relationship	72	-	-	-	-	-	72	72	-	-	-	-	72	-
Non-Compete agreement	57	-	-	-	-	-	57	57	-	-	-	-	57	-
Vendor relationships	746	-	-	-	-	-	746	577	-	169	-	-	746	-
Tradename	305	-	-	-	-	-	305	305	-	-	-	-	305	-
Total of Intangible assets	**14,562**	**165**	**64**	**1,055**	**980**	**267**	**15,133**	**11,940**	**-**	**1,164**	**980**	**219**	**12,343**	**2,790**
Intangible assets under development														**439**

*Refer Note 45 (II)

**Refer Note 45(I)(ii)

CWIP ageing schedule as at March 31, 2022

(₹ in Million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,195	49	345	-	4,589
	4,195	**49**	**345**	**-**	**4,589**

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on latest approved plan.

Intangible assets under development (IAUD) ageing schedule as at March 31, 2022

(₹ in Million)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	370	69	-	-	439
	370	**69**	**-**	**-**	**439**

The balance useful life of intangible asset as on the respective balance sheet dates is as follows:

Particulars	Estimated useful life (in years)	Estimated remaining useful life (in years)
Software	Up to 5 years	0.08-4.83
Rights under licensing agreement	Up to 6 years	4.84
Customer contracts	Up to 10 years	2.44
Technology	Up to 6 years	5.25
Intellectual Property	Up to 5 years	-
Business alliance relationship	Up to 4 years	-
Non-Compete agreement	Up to 5 years	-
Vendor relationships	Up to 6 years	-
Tradename	Up to 6 years	-

5. GOODWILL

Following is a summary of changes in the carrying amount of goodwill:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying value at the beginning of the year	11,632	11,306
Add: Acquisition during the year (Refer Note 45 (II))	-	374
Add: Translation differences	260	(48)
Carrying value at the end of the year	**11,892**	**11,632**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Units (CGU) or groups of CGUs, which benefit from the synergies of the acquisition.

The recoverable amount of a CGU is determined based on value-in-use. Value-in-use is present value of future cash flows expected to be derived from the CGU. The growth rate for forecast period of 5 years is based on historical trend and an appropriate annual growth rate is considered for periods subsequent to the forecast period. The pre-tax discount rate ranges from 16.4% to 18.9 % based on Weighted Average cost of Capital for the Company.

The Group does its impairment evaluation on an annual basis and based on such evaluation the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered as at reporting date. The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount. These estimates are likely to differ from future actual results of operations and cash flows.

The goodwill has been allocated to CGUs as follows:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Banking, Financial Services & Insurance	6,212	5,964
Hi-Tech, Media & Entertainment	1,752	1,747
Manufacturing & Resources	2,214	2,214
Retail, CPG, Travel, Transport & Hospitality	1,394	1,387
Health, Life Sciences & Public Services	320	320
	11,892	**11,632**

6. NON-CURRENT INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments measured at Amortized Cost:		
Quoted:		
Corporate Bonds/ Debentures	5,125	3,438
Government Securities	510	-
Unquoted:		
Treasury Notes Philippines Government[1]	2	2
Corporate Deposits	972	2,750
Investments measured at FVTPL:		
Quoted:		
Perpetual Bonds	205	314
Unquoted:		
Equity Instruments		
- 2,500 equity shares of USD 1 each in Larsen and Toubro LLC[2]	-	1
Investments measured at FVTOCI:		
Unquoted:		
Equity Instruments		
- 950,000 Equity shares of ₹1 each in NuvePro Technologies Private Limited	1	1
Preference Shares		
- 643,790 Series A Convertible Preferred Stock at USD 0.0001 each fully paid at premium of US $0.2557 each in 30 Second Software Inc.	7	7
- 18,880 Series A Preferred stock at USD 0.0001 each fully paid at premium of USD 238.3474 each in COPE Healthcare Consulting Inc.[3]	343	-
	7,165	**6,513**
Other Disclosures:		
(i) Aggregate amount of quoted investments	5,840	3,752
Market Value of quoted investments	5,741	3,689
(ii) Aggregate amount of unquoted investments	1,325	2,761

1. The Company has invested in Philippines Govt. Treasury notes and have deposited same with local Securities and Exchange Commission, as per Corporation Code of Philippines-126. The Company has not held this investment primarily for the purpose of being traded and does not intend to sale or consume for normal business operation. The Company intends to keep the deposit till the existence of its operations in Philippines.
2. Liquidated w.e.f., September 13, 2022
3. During the quarter ended June 30, 2022, the Company has acquired a 6.64% stake in COPE Healthcare Consulting Inc. ('COPE') for a consideration of ₹343 Million pursuant to a Stock Purchase Agreement entered on April 4, 2022 to expand its healthcare business. COPE is a healthcare consulting, implementation and co-management leader in population health management, value-based care and payment, workforce development and data analytics. The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of this investment as this is strategic investment and is not held for trading.
4. Impairment up to March 31, 2023 - NIL (Previous year: NIL)

7. TRADE RECEIVABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, undisputed considered good		
Due from others – not due	39	-
Less : Allowance for expected credit loss	(0)	-
	39	**-**

8. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative contracts receivables	267	3,744
Security deposits	1,638	1,365
Bank deposits with more than 12 months maturity	-	319
Lease receivable	19	77
	1,924	**5,505**

9. DEFERRED TAX ASSETS / DEFERRED TAX LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax Asset /liability (net)	3,662	282
	3,662	**282**

Deferred tax liabilities or assets for the year ended March 31, 2023

Deferred tax assets

(₹ in Million)

Particulars	Deferred tax asset / (liability) as at March 31, 2022	Current year (charge) / credit to Statement of Profit and loss	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary	Deferred tax asset / (liability) as at March 31, 2023
Deferred tax assets / (liabilities)						
Derivative financial instruments	(2,150)	(10)	2,789	-	-	629
Branch profit tax	(575)	171	-	-	-	(404)
Unrealized (gains) / losses on investments	(633)	97	-	-	-	(536)
Provision for doubtful debts & advances	307	165	-	-	-	472
Provision for employee benefits	1,570	68	-	-	-	1,638
Depreciation / amortization	1,040	(211)	-	3	-	832
ROU assets net of lease liabilities	503	6	-	-	-	509
Others	325	335	-	9	-	669
Net deferred tax assets / (liabilities)(A)	**387**	**621**	**2,789**	**12**	**-**	**3,809**

Deferred tax liabilities

(₹ in Million)

Particulars	Deferred tax asset / (liability) as at March 31, 2022	Current year (charge) / credit to Statement of Profit and loss	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary	Deferred tax asset / (liability) as at March 31, 2023
Deferred tax assets / (liabilities)						
Depreciation / amortization	(122)	(33)	-	(5)	-	(160)
Others	17	(9)	-	5	-	13
Net deferred tax assets / (liabilities)(B)	**(105)**	**(42)**	**-**	**-**	**-**	**(147)**
Net deferred tax assets / (liabilities)(A+B)	**282**	**579**	**2,789**	**12**	**-**	**3,662**

Deferred tax liabilities or assets for the year ended March 31, 2022

Deferred tax assets

(₹ in Million)

Particulars	Deferred tax asset / (liability) as at March 31, 2021	Current year (charge) / credit to Statement of Profit and loss	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary (Refer note 45(II))	Deferred tax asset/ (liability) as at March 31, 2022
Deferred tax assets / (liabilities)						
Derivative financial instruments	(1,445)	(17)	(688)	-	-	(2,150)
Branch profit tax	(683)	108	-	-	-	(575)
Unrealized (gains) / losses on investments	(596)	(37)	-	-	-	(633)
Provision for doubtful debts & advances	236	71	-	-	-	307
Provision for employee benefits	1,302	268	-	-	-	1,570
Depreciation / amortization	1,093	(53)	-	-	-	1,040
ROU assets net of lease liabilities	501	2	-	-	-	503
Others	488	(155)	-	(8)	-	325
Net deferred tax assets/ (liabilities)(A)	**896**	**187**	**(688)**	**(8)**	**-**	**387**

Deferred tax liabilities

(₹ in Million)

Particulars	Deferred tax asset / (liability) as at March 31, 2021	Current year (charge) / credit to Statement of Profit and loss	(Charge) / credit to other comprehensive income	Foreign currency translation reserve	Pursuant to acquisition of subsidiary (Refer note 45(II))	Deferred tax asset/ (liability) as at March 31, 2022
Deferred tax assets / (liabilities)						
Depreciation / amortization	(35)	(40)	-	(9)	(38)	(122)
Others	-	12	-	0	5	17
Net deferred tax assets / (liabilities)(B)	**(35)**	**(28)**	**-**	**(9)**	**(33)**	**(105)**
Net deferred tax assets / (liabilities)(A+B)	**861**	**159**	**(688)**	**(17)**	**(33)**	**282**

The Group has not created deferred tax asset on accumulated losses of ₹813 Million and ₹779 Million as at March 31, 2023 and March 31, 2022, respectively as it is probable that future taxable profit will not be available against which the unused tax losses can be utilized in the foreseeable future.

10. OTHER NON-CURRENT ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances receivable from government authorities	836	734
Advances recoverable other than in cash	335	298
Prepaid expenses	308	222
Capital advances	282	312
Deferred contract costs*	257	492
	2,018	**2,058**

*Includes unamortized cost to obtain the contract ₹2 Million (Previous year: Nil) and unamortized Cost to fulfill the contract ₹255 Million (Previous year: ₹492 Million)

11. INVENTORIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Project related inventories	33	41
	33	**41**

12. CURRENT INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments measured at Amortized Cost:		
Quoted:		
Corporate Bonds	3,734	3,522
Commercial papers	4,407	495
Certificate of Deposits	2,765	-
Treasury Bills	98	-
Unquoted:		
Corporate deposits	8,599	6,990
Commercial papers	247	1,379
Investments measured at FVTPL:		
Quoted:		
Mutual funds	27,568	41,585
	47,418	**53,971**
Other Disclosures:		
(i) Aggregate amount of quoted investments	38,572	45,602
Market Value of quoted investments	38,582	45,572
(ii) Aggregate amount of unquoted investments	8,846	8,369

13. TRADE RECEIVABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	57,889	46,749
Less : Allowance for Expected credit loss	(1,655)	(1,175)
	56,234	**45,574**

Allowance for Expected credit loss movement

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,175	1,090
Additions during the year, net	607	383
Uncollectable receivables charged against allowances	(131)	(201)
Exchange gain / (loss)	4	(97)
Balance at the end of year	**1,655**	**1,175**

The Group determines the Allowance for expected credit Loss based on historical loss experience adjusted to reflect current and estimated future economic conditions.

Trade Receivables ageing schedule as at March 31, 2023

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	39,527	15,105	2,019	772	116	251	57,790
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	72	27	99
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	39,527	**15,105**	**2,019**	**772**	**188**	**278**	**57,889**
Less: Loss allowance	-	-	-	-	-	-	(1,655)
							56,234

Trade Receivables ageing schedule as at March 31, 2022

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	35,503	9,430	1,065	336	139	161	46,634
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	66	25	-	91
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	24	24
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	35,503	**9,430**	**1,065**	**402**	**164**	**185**	**46,749**
Less: Loss allowance	-	-	-	-	-	-	(1,175)
							45,574

14. UNBILLED REVENUE

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unbilled revenue *	16,011	10,697
	16,011	**10,697**

*Unbilled revenue has been classified as financial asset where the contractual right to consideration is unconditional upon passage of time.

15. CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0
Balances with bank		
- in current accounts	20,814	13,143
- in deposit accounts	1,862	729
Remittance in transit	540	463
Cash and bank balance not available for immediate use	128	87
Earmarked balances with banks (Unclaimed Dividend)	45	40
	23,389	**14,462**

16. OTHER BANK BALANCES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits	5,931	3,911
	5,931	**3,911**

17. OTHER CURRENT FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative contracts receivables	968	3,795
Advances to employees	581	660
Security deposits	146	229
Lease receivable	64	102
Others	71	21
	1,830	**4,807**

18. OTHER CURRENT ASSETS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unbilled revenue*	13,353	10,402
Prepaid expenses	5,133	3,789
Balances receivable from government authorities	1,497	1,172
Advances recoverable other than in cash	726	167
Deferred contract costs#	303	393
	21,012	**15,923**

*Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

#Includes unamortized cost to obtain the contract ₹3 Million (Previous year: Nil) and unamortized cost to fulfill the contract ₹300 Million (Previous year: ₹393 Million)

19. EQUITY SHARE CAPITAL

(I) Share capital authorized, issued, subscribed and fully paid up:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized*:		
8,274,500,000 equity shares of ₹1 each	8,275	275
(Previous year: 274,500,000 of ₹1 each)		
	8,275	**275**
Issued, subscribed and fully paid-up:		
295,806,721 equity shares for ₹1 each	296	176
(Previous year: 175,270,156 of ₹1 each)		
Shares pending issuance:		
120,328,654 equity shares of ₹1 each, pursuant to amalgamation of Mindtree Limited with the Company (Refer note 45(I)(i))	-	120
EQUITY SHARE CAPITAL	**296**	**296**

* Pursuant to the Scheme of amalgamation of Mindtree Limited ('Amalgamating Company') with the Company being effective, authorized share capital ₹8,000 Million of Amalgamating Company stands reclassified and amalgamated with the authorized share capital of the Company with deemed effect from the Appointed Date. (Refer note 45 (I)(i)).

(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:

Particulars	Number of Shares	Shareholding %	% Change during the year
	As at March 31, 2023		
Larsen & Toubro Limited (Promoter)	203,169,279	68.68%	-0.06%
	As at March 31, 2022		
Larsen & Toubro Limited (Promoter)			
Issued, subscribed and fully paid-up	129,784,034	43.91%	
Shares pending issuance	73,385,245	24.83%	
	203,169,279	**68.74%**	**-0.13%**

(IV) Reconciliation of the number of equity shares and share capital

Movement in share capital for the year ended March 31, 2023 and March 31, 2022 as given below:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Issued, subscribed and fully paid up equity shares outstanding at the beginning	175,270,156	174,750,608
Add: Issue of shares pursuant to amalgamation of Mindtree Limited with the Company (refer note 45(I)(i))	120,397,266	-
Add: Shares issued on exercise of employee stock options	139,299	519,548
Issued, subscribed and fully paid up equity shares	**295,806,721**	**175,270,156**
Add: Shares pending issuance (refer note 45(I)(i))	-	120,328,654
Total	**295,806,721**	**295,598,810**

(V) Stock option plans:

Employee Stock Option Scheme 2015 ('ESOP Scheme - 2015')

On September 14, 2015, the shareholders of the Company have approved the administration and supervision of Employee Stock Ownership Scheme 2015 ('ESOP 2015') by the Board. Shares under this program are granted to employees at an exercise price of not less than ₹1 per equity share or such higher price as determined by the Board but shall not exceed the market price as defined in the Regulations. Shares shall vest over such term as determined by the Nomination and Remuneration Committee not exceeding five years from the date of the grant. These options are exercisable within 7 years from the date of grant.

Sr. No.	Particulars	ESOP Scheme – 2015	
		2022-23	2021-22
i	Grant price	₹1	₹1
ii	Grant dates	June 10, 2016 onwards	
iii	Vesting commences on	June 10, 2017 onwards	
iv	Options granted and outstanding at the beginning of the year	325,915	882,606
v	Options reinstated during the year	-	-
vi	Options granted during the year	766,815	45,285
vii	Options allotted / exercised during the year	135,016	519,548
viii	Options lapsed / cancelled during the year	29,772	82,428
ix	Options granted & outstanding at the end of the year	927,942	325,915
x	Options vested at the end of the year out of (ix)	73,565	143,122
xi	Options unvested at the end of the year out of (ix)	854,377	182,793
xii	Weighted average remaining contractual life of options (in years)	6.0	3.5

Employee Restricted Stock Purchase Plan ('ERSP 2012')

Employee Restricted Stock Purchase Plan ('ERSP 2012') was instituted with effect from July 16, 2012 to issue equity shares of nominal value of ₹10 each. Shares under this program are granted to employees at an exercise price of not less than ₹10 per equity share or such higher price as determined by the Nomination and Remuneration Committee. Shares shall vest over such term as determined by the Nomination and Remuneration Committee not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

The Company has granted letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the outstanding options/units as at March 31, 2023 and March 31, 2022 are given below:

Sr. No.	Particulars	ERSP 2012	
		2022-23	2021-22
i	Grant price	₹10	₹10
ii	Grant Dates	July 24, 2019 onwards	
iii	Vesting commences on	July 24, 2020 onwards	
iv	Options granted under letter of intent and outstanding at the beginning of the year	53,771	144,077
v	Options reinstated during the year	-	-
vi	Options granted during the year	-	-
vii	Options allotted / exercised during the year	41,347	83,224
viii	Options lapsed / cancelled during the year	5,015	7,082
ix	Options granted & outstanding at the end of the year	7,409	53,771
x	Options vested at the end of the year out of (ix)	7,409	6,158
xi	Options unvested at the end of the year out of (ix)	-	47,613
xii	Weighted average remaining contractual life of options (in years)	0.0	0.6

Employee Stock Option Plan 2021 ('ESOP 2021')

On May 22, 2021, the shareholders of the Company have approved the Employee Stock Option Plan 2021 ('ESOP 2021') for the issue of up to 2,000,000 options (including the unutilized options under ERSP 2012) to employees of the Company. The Nomination and Remuneration Committee ('NRC') administers the plan through a trust established specifically for this purpose, called the LTIMindtree Employee Benefit Trust - formerly Mindtree Employee Welfare Trust ('ESOP Trust').

The ESOP Trust shall subscribe to the equity shares of the Company using the proceeds from loans obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan, to the extent of number of shares as is necessary for transferring to the employees. The NRC shall determine the exercise price which will not be less than the face value of the shares. Options under this program are granted to employees at an exercise price periodically determined by the NRC. All stock options have a four-year vesting term. The options vest and become fully exercisable at the rate of 25% each over a period of 4 years from the date of grant. Each option is entitled to 1 equity share of ₹10 each. These options are exercisable within 6 years from the date of vesting.

On May 22, 2021, the shareholders of the Company, through postal ballot, have approved the grant of loan to LTIMindtree Employee Benefit Trust-formerly Mindtree Employee Welfare Trust ('ESOP Trust'), the value of which, shall not exceed the statutory ceiling of five (5%) percent of the paid-up capital and free reserves of the Company as on March 31, 2021. Further, the Company has obtained in-principle approval for listing of up to a maximum of 2,000,000 equity shares of ₹10 each to be issued under ESOP 2021 from NSE and BSE on June 10, 2021 and June 14, 2021 respectively. The trust deed was executed effective May 25, 2021 and registered on August 24, 2021.

Sr. No.	Particulars	ESOP 2021 – Series A	
		2022-23	2021-22
i	Grant price	₹10	₹10
ii	Grant Dates	August 9, 2021 onwards	
iii	Vesting commences on	August 9, 2022 onwards	
iv	Options granted & outstanding at the beginning of the year	227,736	-
v	Options reinstated during the year	-	-
vi	Options granted during the year	29,104	239,533
vii	Options allotted / exercised during the year	28,292	-
viii	Options lapsed / cancelled during the year	56,924	11,797
ix	Options granted & outstanding at the end of the year	171,624	227,736
x	Options vested at the end of the year out of (ix)	41,004	-
xi	Options unvested at the end of the year out of (ix)	130,620	227,736
xii	Weighted average remaining contractual life of options (in years)	7.0	7.9

Sr. No.	Particulars	ESOP 2021 – Series B	
		2022-23	2021-22
i	Weighted average grant price	₹3,268	₹3,268
ii	Grant Dates	August 9, 2021 onwards	
iii	Vesting commences on	August 9, 2022 onwards	
iv	Options granted & outstanding at the beginning of the year	124,100	-
v	Options reinstated during the year	-	-
vi	Options granted during the year	-	136,510
vii	Options allotted / exercised during the year	3,256	-
viii	Options lapsed / cancelled during the year	19,703	12,410
ix	Options granted & outstanding at the end of the year	101,141	124,100
x	Options vested at the end of the year out of (ix)	26,564	-
xi	Options unvested at the end of the year out of (ix)	74,577	124,100
xii	Weighted average remaining contractual life of options (in years)	7.0	8.0

VI) The aggregate number of equity shares allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2023 are Nil (previous period of five years ended March 31, 2022 – Nil).

VII) An aggregate of 120,397,266 equity shares of ₹1 each were issued pursuant to amalgamation, without payment being received in cash in immediately preceding five years ended March 31, 2023 (previous period of five years ended March 31, 2022 – Nil) (refer note 45 (I)(i)).

VIII) During the year ended March 31, 2023, the Company has distributed interim dividend of ₹20 per share (previous year ₹25 per share) and no special dividend (previous year ₹10 per share).

IX) Weighted average share price at the date of exercise for stock options exercised during the year is ₹4,761 per share (previous year ₹4,960 per share).

X) 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:

Employee Stock Option Scheme 2015 ('ESOP Scheme – 2015')

Sr. No.	Particulars	2022-23	2021-22
i	Weighted average risk-free interest rate	6.79%	5.00%
ii	Weighted average expected life of options	2.5 Years	3 Years
iii	Weighted average expected volatility	37.71%	27.67%
iv	Weighted average expected dividends over the life of option	₹181.54	₹189.16
v	Weighted average share price	₹4,776	₹4,668
vi	Weighted average exercise price	₹1	₹1
vii	Weighted average fair value of options	₹4,775	₹4,668
viii	Method used to determine expected volatility	The expected volatility has been calculated based on historic company share price.	The expected volatility has been calculated based on historic company share price.

Employee Stock Option Plan 2021 ('ESOP 2021') – Series A

Sr. No.	Particulars	2022-23	2021-22
i	Weighted average risk-free interest rate	6.28%	4.78%
ii	Weighted average expected life of options	2.5 Years	2.5 Years
iii	Weighted average expected volatility	36.39%	33.67%
iv	Weighted average expected dividends over the life of option	₹9.07	₹9.66
v	Weighted average share price	₹4,518	₹4,073
vi	Weighted average exercise price	₹10	₹10
vii	Weighted average fair value of options	₹4,508	₹4,063
viii	Method used to determine expected volatility	The expected volatility has been calculated based on historic company share price.	The expected volatility has been calculated based on historic company share price.

Employee Stock Option Plan 2021 ('ESOP 2021') – Series B

Sr. No.	Particulars	2022-23	2021-22
i	Weighted average risk-free interest rate	-	4.87%
ii	Weighted average expected life of options	-	2.5 Years
iii	Weighted average expected volatility	-	33.99%
iv	Weighted average expected dividends over the life of option	-	₹9.70
v	Weighted average share price	-	₹4,630
vi	Weighted average exercise price	-	₹3,268
vii	Weighted average fair value of options	-	₹1,262
viii	Method used to determine expected volatility	-	The expected volatility has been calculated based on historic company share price.

20. OTHER EQUITY

(₹ in Million)

	Particulars		As at March 31, 2023	As at March 31, 2022
I)	**Other Reserves**			
a)	**Capital reserve on business combination[1]**			
	Opening balance		1,528	0
	Reserve taken over on Amalgamation		-	87
	Reserve created due to Amalgamation		-	1,527
	Restated Balance as on April 1, 2021			**1,614**
	Add: Additions during the year (Refer note 45 (I)(i))		1	1
	Less: Deductions during the year (Refer note 45 (I)(ii))		-	(87)
			1,529	**1,528**
b)	**Capital Redemption Reserve[2]**			
	Opening balance		42	-
	Reserve taken over on Amalgamation		-	42
	Restated Balance as on April 1, 2021			**42**
	Add: Additions during the year		-	-
	Less: Deductions during the year		-	-
			42	**42**
c)	**Share Premium[3]**			
	Opening balance		3,655	2,862
	Reserve taken over on Amalgamation		-	399
	Restated Balance as on April 1, 2021			3,261
	Add: Additions during the year		346	394
	Less: Deductions during the year		(10)	-
			3,991	**3,655**
d)	**General Reserve[4]**			
	Opening Balance		4,734	4,508
	Reserve taken over on Amalgamation		-	226
	Restated Balance as on April 1, 2021			**4,734**
	Add: Additions during the year		-	-
	Add: Employee stock compensation outstanding		17	-
			4,751	**4,734**
e)	**Employee Stock Options outstanding[5]**			
	Opening Balance		1,765	794
	Reserve taken over on Amalgamation		-	215
	Restated Balance as on April 1, 2021			**1,009**
	Add:- Additions during the year		3,793	1,360
	Less:- Deductions during the year		(719)	(604)
		(i)	**4,839**	**1,765**
f)	**Deferred employee Compensation Expense[5]**			
	Opening Balance		(1,016)	(288)
	Reserve taken over on Amalgamation		-	(117)
	Restated Balance as on April 1, 2021			**(405)**
	Add: Additions during the year		(3,793)	(1,360)
	Less: Deductions during the year		1,503	749
		(ii)	**(3,306)**	**(1,016)**
		(i)+(ii)	**1,533**	**749**
g)	**Special Economic Zone reinvestment reserve[6]**			
	Opening balance		2,272	-
	Reserve taken over on Amalgamation		-	1,482
	Restated Balance as on April 1, 2021			**1,482**
	Add: Additions during the year		-	2,717
	Less: Deductions during the year		(2,272)	(1,927)
			-	**2,272**

(₹ in Million)

	Particulars		As at March 31, 2023	As at March 31, 2022
h)	**Hedging Reserve[7]**			
	Opening balance (net of taxes)		5,064	2,200
	Reserve taken over on Amalgamation		-	1,352
	Restated Balance as on April 1, 2021			**3,552**
	Add / (Less): Movement in forward contracts receivable		(10,653)	5,434
	Add / (Less): Amount reclassified to profit or loss		913	(3,234)
	Add / (Less): Deferred tax related to above		2,789	(688)
			(1,887)	**5,064**
i)	**Foreign currency translation reserve (refer note 2.q)**			
	Opening Balance		815	1,090
	Reserve taken over on Amalgamation		-	(416)
	Restated Balance as on April 1, 2021			**674**
	Add: Transfer to other comprehensive income		289	141
			1,104	**815**
j)	**OCI – Remeasurement of net defined benefit plans (net of tax)**			
	Opening balance		(56)	128
	Reserve taken over on Amalgamation		-	(291)
	Restated Balance as on April 1, 2021			**(163)**
	Add: Movement during the year		117	107
			61	**(56)**
	Other Reserves Total (a+b+c+d+e+f+g+h+i+j)	(I)	**11,124**	**18,803**
II)	**Retained Earnings[8]**			
	Opening Balance		123,773	61,565
	Reserve taken over on Amalgamation		-	38,564
	Restated Balance as on April 1, 2021			**100,129**
	Less: Impact on account of business combination (Refer note 45(I)(ii))		-	(1,769)
	Add: Profit for the year		44,083	39,483
	Less: Dividend		(15,627)	(13,280)
	Less: Transfer to / from SEZ Reinvestment Reserve (net)		2,272	(790)
		(II)	154,501	123,773
	Equity attributable to shareholders of the Company	(I)+(II)	**165,625**	**142,576**
III)	**Non-Controlling Interests**			
	Opening Balance		57	37
	Reserve taken over on Amalgamation		-	-
	Restated Balance as on April 1, 2021		**-**	**37**
	Add: Net profit for the year		20	17
	Add: Transfer from / (to) other comprehensive income		(6)	3
		(III)	**71**	**57**
	Total Other Equity	**(I+II+III)**	**165,696**	**142,633**

1. Capital reserve on business combination represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions. It also represents capital reserve on business combination which arises on transfer of business between entities under common control.

2. It represents a sum equal to the nominal value of the share capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.

3. Share premium includes:

   i. The difference between the face value of the equity shares and the consideration received in respect of shares issued;

   ii. The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

   iii. Incremental directly attributable costs incurred in issuing or acquiring an entity's own equity instruments.

4. The Group created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act, 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Group.
5. It represents the fair value of services received against employees stock options.
6. The Group has created Special Economic Zone reinvestment reserve out of the profit of eligible SEZ units in terms of the provisions of Section 10AA(1)(II) of the Income Tax Act, 1961.
7. The hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.
8. Retained earnings represents the undistributed profits of the Group accumulated as on Balance Sheet date.

21. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative contracts payable	1,703	113
Payable for acquisition of business	70	133
Others	1	3
	1,774	**249**

22. NON-CURRENT PROVISIONS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Post-retirement medical benefit (Refer Note 38)	350	282
	350	**282**

23. CURRENT BORROWINGS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured loans		
Other loans from banks*	1,253	519
	1,253	**519**

*Loan repayable on demand from bank outside India which is a fund based working capital facility carrying a rate of interest between 2% to 6.68% p.a (previous year 1% to 2.5% p.a.)

24. TRADE PAYABLES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	154	170
Total outstanding dues of creditors other than micro enterprises and small enterprises :		
Due to others	4,103	4,264
Accrued expenses	8,681	8,816
	12,784	**13,080**

Trade Payables ageing schedule as at March 31, 2023

(₹ in Million)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	154	-	-	-	-	154
(ii) Others	8,681	3,519	440	29	95	20	12,784
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	8,681	**3,673**	**440**	**29**	**95**	**20**	**12,938**

Trade Payables ageing schedule as at March 31, 2022

(₹ in Million)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	170	-	-	-	-	170
(ii) Others	8,816	3,453	686	99	21	5	13,080
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
	8,816	**3,623**	**686**	**99**	**21**	**5**	**13,250**

25. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities for employee benefits	13,056	12,876
Derivative contracts payable	1,885	83
Payable for acquisition of business	59	1,055
Deferred consideration for common control business transfer	-	990
Capital creditors*	807	261
Liability towards credit support agreements	-	594
Unclaimed dividend	45	40
Book overdrafts	12	0
Others	573	82
	16,437	**15,981**

*Includes ₹71 Million (Previous year: ₹9 Million) outstanding towards principal and interest provision on dues of micro enterprises and small enterprises as per MSMED ACT, 2006.

26. OTHER CURRENT LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Unearned & deferred revenue	3,273	3,057
Liability for gratuity	953	592
Balance payable to government authorities	5,313	4,579
Other payables	2,531	2,234
	12,070	**10,462**

27. CURRENT PROVISIONS

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Compensated absences	7,115	5,401
Post retirement medical benefits (Refer Note 38)	5	4
Provision for post contract support services	22	22
Provision for foreseeable losses on contracts	122	42
Provision for disputed dues*#	866	812
Other provisions	4	11
	8,134	**6,292**

*Includes disputed dues provided pursuant to unfavorable orders received from the tax authorities of ₹108 Million (Previous year: ₹103 Million) against which the Group has preferred an appeal with the relevant authority. In respect of the provisions of Ind AS 37, the disclosures required have not been provided pursuant to the limited exemption provided under paragraph 92 of Ind AS 37.

#During the year ended March 31, 2018, the Company received an order passed under Section 7A of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 from Employees Provident Fund Organization (EPFO) claiming provident fund contribution aggregating to ₹250 Million for dues up to June 2016, and excludes any additional interest that may be determined by the authorities from that date till resolution of the dispute, on (a) full salary paid to International Workers and (b) special allowance paid to employees. Based on a legal advice obtained, the Company has assessed that it has a legitimate ground for appeal, and has contested the order by filing an appeal with the Employees' Provident Funds Appellate Tribunal. In view of the changes in the regulations with the new wage code and social security code, the Company, supported by legal advice, continues to re-estimate the probability of any liability arising from this matter and has accordingly recognized a provision of ₹758 Million (Previous year: ₹709 Million), including estimated interest, as on the date of the balance sheet.

Disclosure pursuant to Accounting Standard (Ind- AS) 37 "Provisions, Contingent Liabilities and Contingent Assets" movement in provisions:

Particulars	Provision for post contract support services	Provision for foreseeable losses on contracts	Provision for disputed dues	Other Provisions
Balance as at March 31, 2021	**15**	**40**	**759**	**11**
Additional provision during the year	8	108	53	-
Provision reversed / utilized during the year	(1)	(106)	-	-
Balance As at March 31, 2022	**22**	**42**	**812**	**11**
Additional provision during the year	1	230	58	-
Provision reversed / utilized during the year	(1)	(150)	(4)	(7)
Balance As at March 31, 2023	**22**	**122**	**866**	**4**

28. REVENUE FROM OPERATIONS

Revenue consists of the following:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Time & Material	112,484	86,203
Fixed Price, Maintenance & Others*	219,346	174,884
	331,830	**261,087**

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 44).

*This includes Fixed Price contracts of ₹40,640 Million (Previous year: ₹35,762 Million)

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023, other than those meeting the exclusion criteria mentioned above, is ₹252,412 Million (Previous year: ₹221,697 Million). Out of this, the Company expects to recognize revenue of around 64% (previous year 61%) within the next one year and the remaining thereafter.

Changes in contract assets is as follows:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**10,402**	**7,029**
Less: Invoices raised during the year	(7,128)	(5,441)
Add: Revenue recognized during the year	10,039	8,814
Add: Translation exchange difference	40	(0)
Balance at the end of the year	**13,353**	**10,402**

Changes in contract liabilities is as follows:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**3,057**	**2,750**
Less: Revenue Recognized during the year from opening	(2,568)	(2,318)
Add: Invoices raised during the year	2,784	2,625
Balance at the end of the year	**3,273**	**3,057**

Reconciliation of revenue recognized with the contracted price is as follows:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contracted Price	337,698	265,716
Reductions towards variable consideration components*	(5,868)	(4,629)
Revenue Recognized	**331,830**	**261,087**

*Represents variable consideration towards volume discounts, rebates and other similar allowances

29. OTHER INCOME

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on financial assets designated at fair value through profit or loss[1]	1,670	2,040
Interest income on financial assets at amortized cost	1,721	844
Interest income on financial assets at fair value through profit or loss	15	24
Foreign exchange gain, net[2]	1,025	4,384
Miscellaneous income[3]	1,138	366
	5,569	**7,658**

1. Includes net gain/(loss) on sale of investments of ₹1,997 Million (Previous year: gain of ₹1,799 Million)
2. The Company hedges its operational business exposure on a net basis (i.e., expected revenue in foreign currency less expected expenditure in related currency). The foreign exchange gain reported above includes loss on Derivative financial instrument which are designated as cash flow hedges of ₹913 Million (Previous year: gain of ₹3,234 Million) and as fair value hedges of ₹900 Million (Previous year: gain of ₹136 Million).
3. Miscellaneous income includes change in fair value of contingent consideration amounting to credit of ₹556 Million (Previous year: charge of ₹71 Million).

30. EMPLOYEE BENEFIT EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries*	194,093	148,871
Share based payments to employees	1,140	546
Staff welfare	365	632
Contribution to Social Security & other funds	12,138	9,115
Contribution to gratuity fund	1,063	728
	208,799	**159,892**

*Government incentives –

1. The Group undertakes R&D activities and incurs qualifying revenue expenditure which is entitled to an additional deduction under UK corporation tax rules. During the year, the Group has claimed R&D tax relief under UK corporation tax rules amounting to ₹86 Million (Previous year: ₹30 Million) accounted as a credit to employee benefits expense.
2. During the year ended March 31, 2023, the Group received government grants amounting to ₹43 Million (Previous year: ₹110 Million) from governments of various countries on compliance of several employment-related conditions and accordingly, accounted as a credit to employee benefits expense.

31. FINANCE COSTS

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on lease liabilities	1,117	1,095
Interest on financial liabilities*	12	51
Interest on deposits with respect to credit support agreement	5	30
Interest on Borrowings	25	7
Others	345	51
	1,504	**1,234**

*includes interest on contingent consideration payable on business acquisitions.

32. DEPRECIATION AND AMORTIZATION

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 4)	3,356	2,430
Amortization of other intangible assets (refer note 4)	1,265	1,164
Depreciation of right-of-use assets (refer note 41)	2,606	2,377
	7,227	**5,971**

33. OTHER EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cost of equipment, hardware and software packages	11,393	8,707
Travelling and conveyance	4,776	2,226
Repairs and maintenance	1,946	1,603
Lease Rentals and establishment expenses*	1,431	1,250
Recruitment expenses	2,380	2,267
Miscellaneous expenses	2,595	1,720
Rates and taxes	1,884	1,069
Communication expenses	1,049	1,007
Advertisement expenses	978	609
Power and fuel	508	398
Insurance charges	247	204
Allowance for doubtful debts and advances	695	470
Bad debts	130	201
Less: Provision written back	(130)	(201)
Legal and professional charges	3,072	2,985
Corporate social responsibility expenses (refer note 47)	660	546
Director's fees	54	57
	33,668	**25,118**

*Includes Lease rentals accrued and paid for short-term lease – ₹1,099 Million (Previous year: ₹977 Million) and low value lease – ₹243 Million (Previous year: ₹140 Million)

34. (I) CURRENT TAX

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	15,409	13,686
Provision for earlier year written (back)/off	(1,018)	(88)
	14,391	**13,598**

34. (II) DEFERRED TAX

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax charge/(credit)	(579)	(159)
	(579)	**(159)**

34. (III) 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 Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before income taxes	57,915	52,939
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	14,576	13,324
Tax effect due to non-taxable income	(89)	(2,234)
Overseas taxes	36	96
Effect of differential tax rates	(37)	31
Impact of change in tax regime*	130	2,192
Effect of non-deductible expenses	170	151
Tax pertaining to prior years	(1,018)	(88)
Others	44	(33)
Tax expense as per statement of profit and loss	**13,812**	**13,439**

*The Government of India, vide Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019, introduced Section 115 BAA in the Income Tax Act, 1961, providing domestic companies an irrevocable option to adopt reduced corporate tax rate, subject to certain conditions. The Company and its Indian subsidiaries adopted reduced corporate tax rate in FY 21-22.

The Amalgamating Company (erstwhile Mindtree Limited) decided to adopt reduced corporate tax rate in FY 22 -23.

35. STATEMENT OF OTHER COMPREHENSIVE INCOME

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Items that will not be reclassified to profit or loss		
Defined benefit plan actuarial gain/(loss)	156	140
Income tax on defined benefit plan actuarial gain/(loss)	(39)	(33)
	117	**107**
Items that will be reclassified to profit or loss		
Net changes in fair value of cash flow hedges	(9,740)	2,200
Income tax on net changes in fair value of cash flow hedges	2,789	(688)
Foreign currency translation reserve	283	144
	(6,668)	**1,656**
	(6,551)	**1,763**

36. CONTINGENT LIABILITIES

(₹ in Million)

Claims against the Group not acknowledged as Debts	As at March 31, 2023	As at March 31, 2022
Income tax liability that may arise in respect of which the Group is in appeal	4,067	3,739
Indirect tax liability, in respect of which the Group is in the appeal	117	124
	4,184	**3,863**

Major matters in relation to Income Tax

The Group has received tax demand of ₹3,095 Million including interest of ₹212 Million (Previous year: ₹2,750 Million including interest of ₹141 Million), on account of disallowance of exemption u/s 10A/10AA on profits earned by STPI Units/SEZ units on onsite export revenue.

Further the Group has received tax demand of ₹782 Million (Previous year: ₹782 Million) primarily on account of transfer pricing adjustments.

Major matters in relation to Indirect taxes

The Group has received demands of ₹98 Million (Previous year: ₹103 Million) on account of disallowance of certain portion of refund applications with respect to accumulated service tax credit in accordance with relevant CENVAT Credit Rules considering them ineligible and not related with output services.

In respect of the above matters, the Group is in appeal against these disallowances before the relevant Authorities.

The Group 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.

37. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for: ₹995 Million (Previous year: ₹4,801 Million).

38. EMPLOYEE BENEFITS

I) General descriptions of defined benefit plans:

i) Gratuity plan

The Group provides for gratuity, a defined benefit retirement plan (“the Gratuity Plan”) covering eligible Indian employees of LTIMindtree. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment with the Group. The Group contributes gratuity liabilities to the Trusts set up by the Group. Trustees administer contributions made to the Trusts and contributions are invested in schemes with Insurers as permitted by Indian law.

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 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 of the Group 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 recognized immediately in the statement of profit and loss. Any loss arising out of the investment risk and actuarial risk associated with the plan is recognized as actuarial loss in the period in which such loss occurs. Further, ₹ Nil has been provided for year ending March 31, 2023 and March 31, 2022 based on actuarial valuation towards the future obligation arising out of interest rate guarantee associated with the plan.

In respect of employees of erstwhile Mindtree Limited monthly contributions were contributed to Employees’ Provident Fund Organization (EPFO) till November 30, 2022. From December 1, 2022, the amount is contributed to the Trust.

II) The amounts recognized in balance sheet are as follows:

(₹ in Million)

Particulars	Gratuity plan	
	As at March 31, 2023	As at March 31, 2022
a) Present value of defined benefit obligation		
- Wholly funded	3,915	3,216
- Wholly unfunded	-	-
b) Fair value of plan assets as on	2,962	2,624
Amount to be recognized as liability or (asset) (a-b)	953	592
Net liability / (asset) – current	953	592
Net liability / (asset) – non-current	-	-

(₹ in Million)

Particulars	Post-retirement medical benefit plan – Unfunded	
	As at March 31, 2023	As at March 31, 2022
Net liability – current	5	4
Net liability – non-current	350	282

(₹ in Million)

Particulars	Provident fund plan	
	As at March 31, 2023	As at March 31, 2022
A.		
a) Present value of defined benefit obligation		
- Wholly funded	20,444	14,228
- Wholly unfunded	-	-
b) Fair value of plan assets	20,909	15,310
Amount to be recognized as liability or (asset) (a-b) *	(465)	(1,082)
B.		
Amounts reflected in the balance sheet		
Liability	644	255
Assets	-	-
Net liability / (asset)#	644	255
Net liability / (asset) – current	644	255
Net liability / (asset) – non-current		-

#Employer's and employee's contribution for March 2023 paid in April 2023

*Net asset is not recognized in the balance sheet

III) The amounts recognized in statement of profit and loss are as follows:

(₹ in Million)

Particulars	Gratuity plan	
	As at March 31, 2023	As at March 31, 2022
i. Current service cost	1,023	713
ii. Past service cost	-	-
iii. Administration expenses	-	-
iv. Interest on net defined benefit liability / (asset)	40	15
v. (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	**1,063**	**728**

(₹ in Million)

Particulars	Post-retirement medical benefit plan	
	2022-23	2021-22
i. Current service cost	95	66
ii. Past service cost	-	-
iii. Administration expenses	-	-
iv. Interest on net defined benefit liability / (asset)	19	17
v. (Gains) / losses on settlement	-	-
Total expense charged to profit and loss account	**114**	**83**

(₹ in Million)

Particulars	Post-retirement medical benefit plan	
	2022-23	2021-22
i. Current service cost	2,001	956
ii. Interest cost	1,274	983
iii. Expected return on plan assets	(1,274)	(983)
Total expense for the year included in Employee benefit expense	**2,001**	**956**

The Group expensed ₹1,286 Million towards provident fund plan which is a defined contribution plan for the year ended March 31, 2023 (For the year ended March 31, 2022 ₹1,367 Million).

IV) The amounts recognized in statement of other comprehensive income (OCI) are as follows:

(₹ in Million)

Particulars	Gratuity plan		Post retirement medical benefit plan	
	2022-23	2021-22	2022-23	2021-22
Remeasurements (gain) / loss during the year due to:				
Changes in financial assumptions	(39)	(102)	(3)	(21)
Changes in demographic assumptions	(75)	12	34	-
Experience adjustments	(17)	10	(75)	(27)
Actual return on plan assets less interest on plan assets	19	(12)	-	-

V) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹ in Million)

Particulars	Gratuity plan	
	2022-23	2021-22
Opening balance of defined benefit obligation	3,216	2,837
Current service cost	1,023	713
Interest on defined benefit obligation	223	167
Remeasurements due to		
Actuarial loss / (gain) arising from change in financial assumption	(39)	(102)
Actuarial loss / (gain) arising from change in demographic assumptions	(75)	12
Actuarial loss / (gain) arising on account of experience changes	(17)	10
Benefits paid	(416)	(446)
Liabilities assumed / (settled)*	-	25
Closing balance of defined benefit obligation	**3,915**	**3,216**

*On account of business combination or inter-company transfer

(₹ in Million)

Particulars	Post-retirement medical benefit plan	
	2022-23	2021-22
Opening balance of defined benefit obligation	286	253
Current service cost	95	66
Past service cost	-	-
Interest on defined benefit obligation	19	17
Re-measurements due to		
Actuarial loss / (gain) arising from change in financial assumption	(3)	(21)
Actuarial loss / (gain) arising from change in demographic assumptions	34	-
Actuarial loss / (gain) arising on account of experience changes	(75)	(27)
Benefits paid	(1)	(2)
Closing balance of defined benefit obligation	**355**	**286**

(₹ in Million)

Particulars	Provident fund plan	
	2022-23	2021-22
Opening balance of defined benefit obligation	14,228	11,117
Add: Interest cost	1,274	983
Add: Current service cost	2,001	956
Add: Contribution by plan participants	3,216	1,764
Add / (Less): Actuarial (gains)/losses	-	-
Liabilities assumed on acquisition/ (settled on divestiture)*	2,383	1,195
Less: Benefits paid	(2,658)	(1,787)
Closing balance of defined benefit obligation	**20,444**	**14,228**

*On account of business combination or inter-company transfer

VI) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in Million)

Particulars	Gratuity plan		Provident fund plan	
	2022-23	2021-22	2022-23	2021-22
Opening balance of the fair value of the plan assets	2,624	2,494	15,310	12,142
Employer's contributions	590	403	1,839	915
Expected return on plan assets	183	152	1,274	983
Actuarial gains / (loss)	-	-	(97)	243
Re-measurements due to:				
Actual return on plan assets less interest on plan assets	(19)	12	-	-
Contribution by plan participants	-	-	2,858	1,619
Benefits paid	(416)	(446)	(2,658)	(1,787)
Assets acquired / (settled)*	-	9	2,383	1,195
Closing balance of plan assets	**2,962**	**2,624**	**20,909**	**15,310**

*On account of business combination or inter-company transfer

The Group expects to contribute ₹953 Million towards its gratuity, in the next financial year.

VII) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	Gratuity plan	2022-23	2021-22
		Provident fund plan	
Government of India securities	Scheme with Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company and SBI Life Insurance Company	11.35%	17.47%
State government securities		34.02%	27.81%
Corporate bonds		32.22%	30.50%
Fixed deposits under Special Deposit Scheme framed by central government for provident funds		2.92%	3.29%
Public sector bonds		6.44%	10.38%
Mutual Funds		8.39%	5.23%
Others		4.66%	5.32%

VIII) Principal actuarial assumptions at the balance sheet date :

Particulars	2022-23	2021-22
i. Discount rate		
For gratuity	7.20% - 7.35%	6.50% - 6.65%
For post -retirement medical benefits	7.35%	6.65%
ii. Annual increase in healthcare costs	7.00%	5.00%
iii. Attrition rate	5.00% - 20.00%	8.00% - 19.00%
iv. Salary growth rate *	7.00% - 7.50%	6.00% - 7.50%

*Salary growth rate assumption reflects the Group's average salary growth rate and current market conditions.

IX) The average duration (in years) of the defined benefit plan obligations at the end of the reporting period is as follows:

Particulars	2022-23	2021-22
i. Gratuity plan	5.00 - 7.23	6.00 - 6.89
ii. Post-retirement medical benefit plan	18.85	19.19

X) 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 March 31, 2023

(₹ in Million)

Maturity profile	Gratuity	Post-retirement medical benefit liability
Expected benefits for year 1	547	5
Expected benefits for year 2	467	6
Expected benefits for year 3	461	8
Expected benefits for year 4	516	9
Expected benefits for year 5	497	10
Expected benefits for years 6-10	1,703	56
Expected benefits for year 10 and above	2,642	2,160

As on March 31, 2022

(₹ in Million)

Maturity profile	Gratuity	Post-Retirement medical benefit liability
Expected benefits for year 1	428	4
Expected benefits for year 2	376	5
Expected benefits for year 3	383	6
Expected benefits for year 4	377	8
Expected benefits for year 5	377	9
Expected benefits for years 6-10	1,319	45
Expected benefits for year 10 and above	2,131	1,484

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.

XI) 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 recognized 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 on the reported defined benefit obligation at the end of the reporting period arising on account of changes in these three key parameters:

(₹ in Million)

Particulars	2022-23	2021-22
Discount Rate		
Impact of increase in 100 bps on defined benefit obligation	(59)	(48)
Impact of decrease in 100 bps on defined benefit obligation	77	64
Healthcare costs rate		
Impact of increase in 100 bps on defined benefit obligation	49	36
Impact of decrease in 100 bps on defined benefit obligation	(40)	(29)
Life expectancy		
Impact of increase by 1 year on defined benefit obligation	4	4
Impact of decrease by 1 year on defined benefit obligation	(4)	(4)

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, future salary escalation rate and withdrawal rate. The following table summarizes the impact 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 as below:

(₹ in Million)

Particulars	2022-23			2021-22		
	Discount rate	Salary escalation rate	Withdrawal rate	Discount rate	Salary escalation rate	Withdrawal rate
Impact of increase in 100 bps on defined benefit obligation	(231)	257	(32)	(198)	222	(21)
Impact of decrease in 100 bps on defined benefit obligation	259	(234)	33	223	(200)	21

39. FINANCIAL INSTRUMENTS BY CATEGORY

I) Carrying value and fair value of financial instruments by categories are as follows:

(₹ in Million)

Assets	As at March 31, 2023					As at March 31, 2022				
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Total carrying value	Total fair value
Financial assets										
Investments	27,773	351	26,459	**54,583**	**54,494**	41,900	8	18,576	**60,484**	**60,390**
Trade receivables	-	-	56,273	**56,273**	**56,273**	-	-	45,574	**45,574**	**45,574**
Unbilled revenue*	-	-	16,011	**16,011**	**16,011**	-	-	10,697	**10,697**	**10,697**
Cash and cash equivalents	-	-	23,389	**23,389**	**23,389**	-	-	14,462	**14,462**	**14,462**
Bank deposits (Current + Non-current)	-	-	5,931	**5,931**	**5,931**	-	-	4,230	**4,230**	**4,230**
Derivative financial instruments	82	1,153	-	**1,235**	**1,235**	38	7,501	-	**7,539**	**7,539**
Other financial assets	-	-	2,519	**2,519**	**2,519**	-	-	2,454	**2,454**	**2,454**
Total	**27,855**	**1,504**	**130,582**	**159,941**	**159,852**	**41,938**	**7,509**	**95,993**	**145,440**	**145,346**

*Excludes unbilled revenue on fixed-price contracts.

(₹ in Million)

Liabilities	As at March 31, 2023					As at March 31, 2022				
	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Fair value through OCI (FVTOCI)	Amortised cost	Total carrying value	Total fair value
Financial liability										
Borrowings	-	-	1,253	**1,253**	**1,253**	-	-	519	**519**	**519**
Trade payables	-	-	12,938	**12,938**	**12,938**	-	-	13,250	**13,250**	**13,250**
Lease Liabilities	-	-	14,159	**14,159**	**14,159**	-	-	13,392	**13,392**	**13,392**
Derivative financial instruments	16	3,572	-	**3,588**	**3,588**	9	187	-	**196**	**196**
Other financial liabilities	129	-	14,494	**14,623**	**14,623**	1,188	-	14,846	**16,034**	**16,034**
Total	**145**	**3,572**	**42,844**	**46,561**	**46,561**	**1,197**	**187**	**42,007**	**43,391**	**43,391**

The Management assessed that fair value of cash and trade receivables, unbilled revenue, other current financial assets, borrowings, lease liabilities, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

II) Fair value hierarchy:

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 (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3- Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

Particulars	As at March 31, 2023				As at March 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Investments	27,773	-	351	**28,124**	41,899	-	9	**41,908**
Derivative financial instruments	-	1,235	-	**1,235**	-	7,539	-	**7,539**
Total	**27,773**	**1,235**	**351**	**29,359**	**41,899**	**7,539**	**9**	**49,447**
Liabilities								
Derivative financial instruments	-	3,588	-	**3,588**	-	196	-	**196**
Payable for acquisition of business	-	-	129	**129**	-	-	1,188	**1,188**
Total	**-**	**3,588**	**129**	**3,717**	**-**	**196**	**1,188**	**1,384**

There have been no transfers among Level 1, Level 2 and Level 3 during the years ended March 31, 2023 and March 31, 2022.

Reconciliation of Level 3 fair value measurement of financial assets and financial liabilities is as follows:

Particulars	Investment in equity instruments (FVTPL)	Investment in equity instruments (FVTOCI)*	Investment in preference shares (FVTOCI)*	Payable for acquisition of business (FVTPL)
As at April 1, 2021	**1**	**1**	**7**	**1,321**
Additions during the year	-	-	-	187
Finance cost recognized in profit and loss	-	-	-	50
Remeasurement recognized	-	-	-	71
Disposal / settlement during the year	-	-	-	(433)
Foreign exchange difference	-	-	-	(8)
As at March 31, 2022	**1**	**1**	**7**	**1,188**
Additions during the year	-	-	343	-
Finance cost recognized in profit and loss	-	-	-	12
Remeasurement recognized	-	-	-	(556)
Disposal / settlement during the year	(1)	-	-	(501)
Foreign exchange difference	-	-	-	(14)
As at March 31, 2023	**-**	**1**	**350**	**129**

*The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of these investments as these are strategic investments and are not held for trading.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact on the value.

The following methods and assumptions were used to estimate the fair values:

i) The fair value of the quoted bonds and mutual funds are based on price quotations at reporting date.

ii) The fair values of the unquoted equity and preference shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility/ the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments.

iii) Mark to market on forward covers and embedded derivative instruments is based on forward exchange rates at the end of reporting period and discounted using G-sec rate plus applicable spread.

III) Financial risk management

The Group's activities expose it to a variety of financial risks - currency risk, interest rate risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize the potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate the risks arising out of foreign exchange related exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

i) Currency risk

The Group operates in multiple geographies and contracts in currencies other than the domestic currency exposing it to risks arising from fluctuation in the foreign exchange rates. 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. It is the Group's policy that no trading in derivative for speculative purposes may be undertaken.

The Group's revenues are principally in foreign currencies and the maximum exposure is in US dollars.

The Board of Directors of the Holding Company has approved the Holding Company's financial risk management policy covering management of foreign currency exposures. The treasury department monitors the foreign currency exposures and enters into appropriate hedging instruments to mitigate its risk. The Group hedges its exposure on a net basis (i.e., expected revenue in foreign currency less expected expenditure in related currency). Consequently, the Group uses derivative financial instruments, such as foreign exchange forward contracts and option contracts, designated as cash flow hedges and fair value hedges to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and on balance sheet exposures.

The details in respect of the outstanding foreign exchange forward contracts and option contracts are given under the derivative financial instruments section below.

In respect of the Group's forward and options contracts, a 1% decrease / increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

a) an approximately ₹363 Million increase and ₹363 Million decrease in the Group's net profit in respect of its fair value hedges and ₹3,284 Million increase and ₹3,284 Million decrease in the Group's effective portion of cash flow hedges as at March 31, 2023;

b) an approximately ₹226 Million increase and ₹226 Million decrease in the Group's net profit in respect of its fair value hedges and ₹2,594 Million increase and ₹2,594 decrease in the Group's effective portion of cash flow hedges as at March 31, 2022.

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2023:

(₹ in Million)

Particulars	US Dollar	Euro	Pound Sterling	Saudi Riyal	Swedish Krona	Other currencies*	Total
Net assets / (liabilities)	51,672	5,457	3,315	1,648	909	2,113	65,114

*Other currencies include currencies such as Emirati Dirham, Australian $, Canadian $, South African Rand, Singapore $, Norwegian Krone, etc.

The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2022:

(₹ in Million)

Particulars	US Dollar	Euro	Pound Sterling	Saudi Riyal	Swedish Krona	Other currencies*	Total
Net assets / (liabilities)	32,043	4,913	1,718	493	1,009	5,788	45,964

*Other currencies include currencies such as Emirati Dirham, Australian $, Canadian $, South African Rand, Singapore $, Norwegian Krone, etc.

As at March 31, 2023, every 1% increase / decrease in the respective foreign currencies compared to functional currency of the Group would result in increase / decrease in the Group's profit before taxes for the year by approximately 1.12% and (1.12)% respectively.

As at March 31, 2022, every 1% increase/decrease in the respective foreign currencies compared to functional currency of the Group would result in increase / decrease in the Group's profit before taxes for the year by approximately 0.87% and (0.87)% respectively.

A) Derivative Financial Instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and certain Highly Probable Forecast Exposures (HPFE) denominated in foreign currency. The Group follows established risk management policies, including the use of derivatives to hedge foreign currency assets / liabilities and HPFE. The Group regularly reviews its foreign exchange forward and option positions both on a standalone basis and in conjunction with its underlying foreign currency related exposures. The Group monitors the potential risk arising out of the market factors like exchange rates on a regular basis. The counterparty in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material. The Group has considered the effect of changes, if any, in both counterparty credit risk and its own credit risk in assessing hedge effectiveness and measuring hedge ineffectiveness.

(i) The details in respect of outstanding foreign currency forward and options contracts are as follows:

Particulars	As at March 31, 2023		As at March 31, 2022	
	In Million	(₹ In Million)	In Million	(₹ In Million)
Instruments designated as cash flow hedges				
Forward contracts				
In US Dollar	3,840	325,512	3,249	266,354
In Euro	62	5,551	45	3,897
In Swedish Krona	-	-	60	482
In United Kingdom Pound Sterling	-	-	2	225
In Australian Dollar	-	-	3	167
In Canadian Dollar	-	-	2	135
In Norwegian Krone	-	-	12	103
Options Contracts				
In Euro	93	8,649	106	9,594
In US Dollar	-	-	6	18
Instruments designated as fair value hedges				
In US Dollar	441	36,379	297	22,628
In Euro	12	1,048	8	634
In Australian Dollar	4	201	2	108
In Canadian Dollar	1	66	1	46
In Norwegian Krone	4	31	2	16
In Emirati Dirham	-	-	56	1,158
In United Kingdom Pound Sterling	-	-	1	132
In Danish Krone	-	-	5	61
Total Forward and Options Contracts		**377,437**		**305,758**

(ii) The foreign exchange forward and option contracts designated as cash flow hedges mature over a maximum period of 60 months. The Group manages its exposures normally for a period of up to 5 years based on the estimated exposure over that period.

The table below analyses the derivative financial instrument into relevant maturity based on the remaining period as at the balance sheet date. 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 Million)

Maturity profile	As at March 31, 2023	As at March 31, 2022
Not later than twelve months	182,389	143,121
Later than twelve months	195,048	162,637
Total	**377,437**	**305,758**

(iii) During the year ended March 31, 2023 and March 31, 2022, the Group has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions which form a part of hedge reserve as at March 31, 2023 and March 31, 2022 will occur and be reclassified to the statement of profit and loss over a period of 60 months.

The reconciliation for the cash flow hedge reserve for the years ended March 31, 2023 and March 31, 2022 is as follows:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**5,064**	**3,552**
Gain / (loss) recognized in other comprehensive income during the year	(10,653)	5,434
Amount reclassified to profit and loss during the year	913	(3,234)
Tax impact on the above	2,789	(688)
Balance at the end of the year	**(1,887)**	**5,064**

Actual future gains and losses associated with forward contracts designated as cash flow hedge may differ materially from the sensitivity analysis performed as at March 31, 2023 and March 31, 2022 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.

ii) Interest risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no interest rate risk with respect to borrowings as at March 31, 2023 and March 31, 2022.

iii) Credit risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The carrying amount of all financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹159,941 Million and ₹145,440 Million as at March 31, 2023 and March 31, 2022 respectively being the total of the carrying amount of investments, trade receivables, unbilled revenue, cash and other bank balances and all other financial assets.

The principal credit risk that the Group exposed to is non-collection of trade receivable and late collection of receivable and on unbilled revenue 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 and unbilled receivables. Further, the Group has not suffered significant payment defaults by its customers. The Group has considered the latest available credit-ratings of customers to ensure the adequacy of allowance for expected credit loss towards trade and other receivables.

In addition, for delay in collection of receivable, the Group has made a provision for Expected Credit loss ('ECL') based on an ageing analysis of its trade receivables and unbilled revenue. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables and unbilled revenue based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and the percentage of revenue from its top five customers is 25.97% for 2022-23 (25.38% for 2021-22). No customer accounted for more than 10% of the trade receivables as at March 31, 2023 and March 31, 2022.

ECL allowance for non-collection and delay in collection of receivables and unbilled revenue, on a combined basis was ₹2,096 Million and ₹1,505 Million for the financial years 2022-23 and 2021-22 respectively. The movement in allowance for doubtful debts comprising provision for both non-collection and delay in collections of receivables and unbilled revenue is as follows:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**1,505**	**1,269**
Allowance for expected credit losses	695	470
Amounts written-off	(130)	(201)
Foreign exchange impact	26	(33)
Balance at the end of the year	**2,096**	**1,505**

The Group is also exposed to counter-party risk in relation to financial instruments taken to hedge its foreign currency risks. The counter-parties are banks and the Group has entered into contracts with the counter-parties for all its hedge instruments and in addition, entered into suitable credit support agreements to limit counter party risk where necessary.

The Group's investments primarily include investment in mutual fund units, quoted bonds, commercial papers, non-convertible debentures, deposits with banks and financial institutions. The Company mitigates the risk of counter-party failure by investing in mutual fund schemes with large assets under management, investing in debt instruments issued with sound credit rating and placing corporate deposits with banks and financial institutions with high credit ratings assigned by domestic and international credit rating agencies. The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies and analyzing market information on a continuous and evolving basis. Ratings are monitored periodically and the Group has considered the latest available credit ratings as well any other market information which may be relevant at the date of approval of these financial statements.

iv) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group's treasury department is responsible for liquidity, funding, investment as well as settlement management. Surplus funds are invested in non-speculative financial instruments that include highly liquid funds and corporate deposits. Also, the Group has unutilized credit limits with banks.

Liquidity position of the Group is given below:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents*	23,261	14,375
Other bank balances	5,931	3,911
Investments in mutual funds	27,568	41,585
Investments in non-convertible bonds / debentures	3,734	3,522
Investments in corporate deposits	8,599	6,990
Investments in treasury bills	98	-
Investments in certificate of deposits	2,765	-
Investments in commercial paper	4,654	1,874
Total	**76,610**	**72,257**

*Excludes cash and bank balances not available for immediate use.

The contractual maturities of financial liabilities is as follows:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within a year	More than one year	Total	Within a year	More than one year	Total
Borrowings	1,253	-	**1,253**	519	-	**519**
Trade payables	12,938	-	**12,938**	13,250	-	**13,250**
Lease liabilities	3,317	15,114	**18,431**	4,767	16,318	**21,085**
Derivative financial instruments	1,885	1,703	**3,588**	83	113	**196**
Other financial liabilities	14,552	76	**14,628**	15,902	150	**16,052**
Total	**33,945**	**16,893**	**50,838**	34,521	16,581	**51,102**

40. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Total equity attributable to the equity shareholders of the Group	165,992	142,929
As a percentage of total capital	92%	91%
Total borrowings	1,253	519
Total lease liabilities	14,159	13,392
Total borrowings and lease liabilities	**15,412**	**13,911**
As a percentage of total capital	8%	9%
Total capital (Equity, borrowings and lease liabilities)	**181,404**	**156,840**

The Group is predominantly equity financed which is evident from the capital structure table. Further, the Group has always been a net cash Group with cash and bank balances along with investment which is predominantly investment in short term mutual funds and debt instruments being far in excess of borrowings. The Group is not subject to any externally imposed capital requirements.

41. LEASES

Following are the changes in the carrying value of Right-of-use (ROU) assets for the year ended March 31, 2023

(₹ in Million)

Assets	Category of ROU Asset				Total
	Leasehold Land	Office Premises	Furniture & Fixtures	Vehicles	
Balance at April 1, 2022	**51**	**11,037**	**35**	**1**	**11,124**
Addition	1,000	3,233	-	-	4,233
Deletion	-	(226)	-	(1)	(227)
Depreciation	(5)	(2,584)	(17)	(0)	(2,606)
Translation Difference	-	15	-	-	15
Balance at March 31, 2023	**1,046**	**11,475**	**18**	**-**	**12,539**

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2022

(₹ in Million)

Assets	Category of ROU Asset				Total
	Leasehold Land	Office Premises	Furniture & Fixtures	Vehicles	
Balance at April 1, 2021	**53**	**10,896**	**52**	**2**	**11,003**
Pursuant to acquisition of business (Refer Note 45 (II))	-	10	-	-	10
Addition	-	2,548	-	-	2,548
Deletion	-	(67)	-	-	(67)
Depreciation	(2)	(2,357)	(17)	(1)	(2,377)
Translation Difference	-	7	-	-	7
Balance at March 31, 2022	**51**	**11,037**	**35**	**1**	**11,124**

The following is the break-up of current and non-current lease liabilities as at March 31, 2023

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	2,287	2,056
Non-current lease liabilities	11,872	11,336
Total	**14,159**	**13,392**

The following is the movement in lease liabilities during the year ended March 31, 2023

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	**13,392**	**12,946**
Pursuant to acquisition of business (Refer Note 45 (II))	-	11
Additions	3,098	2,440
Finance cost accrued during the year	1,117	1,095
Deletions	(310)	(89)
Payment of lease liabilities	(3,394)	(3,110)
Translation Difference	256	99
Balance at the end	**14,159**	**13,392**

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2023

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period	**7**	**15**
Interest income accrued during the year	0	1
Lease receipts	(7)	(11)
Translation Difference	-	2
Balance at the end of the period	**-**	**7**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2023 on an undiscounted basis:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	-	7
More than one year	-	-
Total	**-**	**7**

Leases not yet commenced to which the Group is committed, amounts to ₹384 Million as at March 31, 2023 for a lease term of 3 to 5.25 years (Previous year: ₹610 Million for a lease term of 1.5 to 5.5 years).

Finance lease receivables

Leasing arrangements

Finance lease receivables consist of assets that are leased to customers for contract terms ranging from 3 to 4 years, with lease payments due in monthly installments. Details of finance lease receivables are given below:

(₹ in Million)

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Not later than one year	67	101	64	97
Later than one year	19	80	19	79
Gross investment in lease	86	181	83	176
Less: Unearned finance income	(3)	(5)	-	-
Present value of minimum lease payment receivables	83	176	83	176
Included in the balance sheet as follows:				
- Non-current finance lease receivables			19	79
- Current finance lease receivables			64	97

Finance income on Finance Lease Receivables was ₹7 Million for the year ended March 31, 2023 (Previous year: ₹11 Million).

Selling profit on Finance Lease Receivables has been recognized amounting to ₹Nil for the year ended March 31, 2023 (Previous year: ₹11 Million).

The Group has sublet few of the leased premises. Lease rental income under such non-cancellable operating lease during the year ended March 31, 2023 ₹30 Million (Previous year: ₹30 Million).

The following is the cash flows of operating lease on an undiscounted basis:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable – Not later than one year	24	28
Receivable – Later than one year and not later than five years	6	27

42. BASIC AND DILUTED EARNINGS PER SHARE

Particulars	2022-23	2021-22
Profit after tax (₹ in Million)	44,083	39,483
Weighted average number of shares outstanding	295,721,895	295,362,359
Basic EPS (₹)	**149.07**	**133.67**
Weighted average number of shares outstanding	295,721,895	295,362,359
Add: Weighted average number of potential equity shares on account of employee stock options	470,820	715,969
Weighted average number of shares outstanding	296,192,715	296,078,328
Diluted EPS (₹)	**148.83**	**133.35**

43. RELATED PARTY DISCLOSURE

(I) Key Management Personnel:

Name	Status
Mr. A. M. Naik	Non-Executive Chairman
Mr. S. N. Subrahmanyan	Non-Executive Vice Chairman
Mr. R. Shankar Raman	Non-Executive Director
Mr. M. M. Chitale[1]	Independent Director
Mr. Sanjeev Aga	Independent Director
Mrs. Aruna Sundararajan[2]	Independent Director
Mr. Sudip Banerjee[3]	Independent Director
Mr. Rajnish Kumar[4]	Independent Director
Mr. James Abraham[5]	Independent Director
Mr. Vinayak Chatterjee[6]	Independent Director
Mrs. Apurva Purohit	Independent Director
Mr. Bijou Kurien	Independent Director
Mr. Chandrasekaran Ramakrishnan	Independent Director
Mr. Debashis Chatterjee	Chief Executive Officer (CEO) & Managing Director (MD)
Mr. Sanjay Jalona[7]	Chief Executive Officer (CEO) & Managing Director (MD)
Mr. Sudhir Chaturvedi	President – Sales & Whole-time Director (WTD)
Mr. Venugopal Lambu[8]	President – Sales & Whole-time Director (WTD)
Mr. Nachiket Deshpande	Chief Operating Officer (COO) & Whole-time Director (WTD)
Mr. Vinit Ajit Teredesai	Chief Financial Officer (CFO)
Mr. Anil Rander[9]	Chief Financial Officer (CFO)

1. Ceased to be an Independent director w.e.f., March 31, 2022
2. Ceased to be an Independent Director w.e.f., November 14, 2022
3. Ceased to be an Independent Director on May 19, 2022
4. Appointed as an Independent Director w.e.f., August 26, 2021
5. Appointed as an Independent Director w.e.f., July 18, 2021
6. Appointed as an Independent Director w.e.f., April 1, 2022
7. Resigned as CEO & MD w.e.f., June 3, 2022
8. Ceased to be a Whole-time Director w.e.f., January 10, 2023
9. Appointed as CFO w.e.f., April 14, 2021 and resigned w.e.f., November 14, 2022

(II) List of other related parties with whom there were transactions during the year:

Name	Relationship
Larsen & Toubro Limited	Holding Company
L&T Technology Services Limited	Fellow Subsidiary
L&T Valves Limited	Fellow Subsidiary
L&T Investment Management Limited[1]	Fellow Subsidiary
L&T Thales Technology Services Private Limited	Fellow Subsidiary
L&T Construction Equipment Limited	Fellow Subsidiary
L&T Finance Limited	Fellow Subsidiary
Nabha Power Limited	Fellow Subsidiary
L&T Metro Rail (Hyderabad) Limited	Fellow Subsidiary
Larsen & Toubro (East Asia) SDN BHD.	Fellow Subsidiary
L&T Technology Services LLC	Fellow Subsidiary
L&T Saudi Arabia LLC	Fellow Subsidiary
L&T Infrastructure Engineering Limited	Fellow Subsidiary
L&T Realty Developers Limited	Fellow Subsidiary
Larsen & Toubro LLC[2]	Fellow Subsidiary
L&T Geostructure Private Limited	Fellow Subsidiary
L&T Technology Services (Shanghai) Co. Limited	Fellow Subsidiary
L&T-STEC JV Mumbai	Joint operation of Holding Company
L&T-Powerchina JV	Joint operation of Holding Company
L&T Chiyoda Limited	Joint venture of Holding Company
L&T Sargent & Lundy Limited	Joint venture of Holding Company
L&T Infrastructure Development Projects Limited	Joint venture of Holding Company
L&T-MHI Power Turbine Generators Private Limited	Joint venture of Holding Company
L&T MHI Power Boilers Private Limited	Joint venture of Holding Company
Mindtree Foundation	Entity with common key managerial person
Manipal Health Enterprises Private Limited[3]	Entity with common key managerial person
LTIMindtree Employee Benefit Trust[4] (formerly Mindtree Employee Welfare Trust)	Controlled Trust
LTIMindtree Employees' Group Gratuity Assurance Scheme (formerly Larsen & Toubro Infotech Employees' Group Gratuity Assurance Scheme)	Post employment benefit plans
LTIMindtree Limited Employees Gratuity Fund Trust (formerly Mindtree Limited Employees Gratuity Fund Trust)	Post employment benefit plans
The Larsen & Toubro Officers & Supervisory Staff Provident Fund	Post employment benefit plans

1. Ceased to be a related party w.e.f., November 25, 2022.
2. Liquidated w.e.f., September 13, 2022
3. Ceased to be a related party w.e.f., February 14, 2022.
4. The financial position and results of the Trust are included in the standalone financial statements of the Company, in accordance with SEBI guidelines and hence, the related party transactions and balances are excluded in the below disclosure.

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.

(III) Details of transactions between the Group and other related parties are disclosed below.

The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

(₹ in Million)

(A) Transaction	Holding company Year ended March 31, 2023	Holding company Year ended March 31, 2022
Sale of services / products	2,533	2,105
Purchases of services / products	152	123
Purchases of assets	3,388	3,789
Overheads charged by	672	671
Overheads charged to	207	138
Trademark fees paid	754	531
Corporate Social Responsibility Expense	-	29
Security Deposit refund received	-	1
Capital advances given	280	700
Guarantee Charges	15	16
Security Deposit paid	-	112
Purchase consideration towards transfer of business (Refer Note 45(I)(ii))	-	2,065
Interim dividend paid	4,063	4,250
Final dividend paid	6,608	5,004

(₹ in Million)

Outstanding balance	Holding company As at March 31, 2023	Holding company As at March 31, 2022
Trade receivable	964	730
Unbilled revenue	230	229
Trade payables	678	133
Liability towards transfer of business (Refer Note 45(I)(ii))	-	990
Capital commitments	46	3,115
Guarantee*	5,343	5,039
Security Deposits	113	113

*Performance guarantee given on behalf of the Company.

(₹ in Million)

(B) Transaction	Joint venture of Holding Company Year ended March 31, 2023	Joint venture of Holding Company Year ended March 31, 2022
Sale of services / products	**16**	**49**
- L&T Infrastructure Development Projects Limited	14	22
- L&T MHI Power Boilers Private Limited	2	3
- L&T Chiyoda Limited	-	24
- L&T Sargent & Lundy Limited	-	0
- L&T MHI Power Turbine Private Limited	-	0
Overheads charged to	**0**	**0**
- L&T MHI Power Boilers Private Limited	0	0

(₹ in Million)

Outstanding balance	Joint venture of Holding Company As at March 31, 2023	Joint venture of Holding Company As at March 31, 2022
Trade receivable	**1**	**5**
- L&T MHI Power Boilers Private Limited	0	2
- L&T MHI Power Turbine Private Limited	-	0
- L&T Sargent & Lundy Limited	-	0
- L&T Infrastructure Development Projects Limited	1	3
Unbilled revenue	**4**	**2**
- L&T Infrastructure Development Projects Limited	1	1
- L&T-MHI Power Boilers Private Limited	3	1
Trade Payables	**(0)**	**-**
- L&T-MHI Power Boilers Private Limited	(0)	-

(₹ in Million)

(C) Transaction	Joint Operation of Holding Company	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services / products	**(1)**	**3**
- L&T-Powerchina JV	-	2
- L&T-STEC JV Mumbai	(1)	1

(₹ in Million)

Outstanding Balance	Joint Operation of Holding Company	
	As at March 31, 2023	As at March 31, 2022
Trade receivable	**-**	**3**
- L&T-Powerchina JV	-	1
- L&T-STEC JV Mumbai	-	2

(₹ in Million)

(D) Transaction	Post employment benefit plans	
	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Post employment benefit plans	**2,117**	**1,360**
- LTIMindtree Employees' Group Gratuity Assurance Scheme	379	260
- LTIMindtree Limited Employees Gratuity Fund Trust	211	143
- The Larsen & Toubro Officers & Supervisory Staff Provident Fund	1,527	957

(₹ in Million)

Outstanding Balance	Post employment benefit plans	
	As at March 31, 2023	As at March 31, 2022
Contribution to Post employment benefit plans	**1,299**	**841**
- LTIMindtree Employees' Group Gratuity Assurance Scheme	577	379
- LTIMindtree Limited Employees Gratuity Fund Trust	369	207
- The Larsen & Toubro Officers & Supervisory Staff Provident Fund	353	255

(₹ in Million)

(E) Transaction	Fellow subsidiaries	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services / products	**961**	**694**
- L&T Technology Services Limited	812	552
- L&T Finance Limited	45	10
- L&T Metro Rail (Hyderabad) Limited	15	14
- L&T Construction Equipment Limited	7	9
- Larsen & Toubro LLC	1	14
- Nabha Power Limited	5	6
- L&T Thales Technology Services Private Limited	61	65
- L&T Geostructure Private Limited	2	3
- L&T Infrastructure Engineering Limited	2	7
- L&T Valves Limited	11	13
- L&T Realty Developers Limited	(0)	-
- L&T Investment Management Limited	0	1
Purchases of services / products	**1,057**	**924**
- L&T Technology Services Limited	1,057	923
- Larsen & Toubro (East Asia) SDN BHD.	0	1
Overheads charged by	**30**	**25**
- Larsen & Toubro (East Asia) SDN BHD.	3	8
- L&T Technology Services Limited	12	14
- L&T Technology Services LLC	3	2
- L&T Metro Rail (Hyderabad) Limited	12	1

(₹ in Million)

(E) Transaction	Fellow subsidiaries Year ended March 31, 2023	Fellow subsidiaries Year ended March 31, 2022
Overheads charged to	**62**	**38**
- L&T Technology Services Limited	49	37
- L&T Valves Limited	12	0
- Larsen & Toubro LLC	-	1
- L&T Saudi Arabia LLC	0	-
- L&T Technology Services LLC	1	-
Loan taken	**17**	**-**
- L&T Technology Services (Shanghai) Co. Limited	17	-
Loan repaid	**18**	**-**
- L&T Technology Services (Shanghai) Co. Limited	18	-
Interest Expense on Loan taken	**0**	**-**
- L&T Technology Services (Shanghai) Co. Limited	0	-
Security Deposit paid	**30**	**6**
- L&T Metro Rail (Hyderabad) Limited	30	6
Interest Income on Debt Securities	**65**	**19**
- L&T Finance Limited	65	19

(₹ in Million)

Outstanding Balance	Fellow subsidiaries As at March 31, 2023	Fellow subsidiaries As at March 31, 2022
Trade receivables	**161**	**38**
- L&T Technology Services Limited	93	4
- L&T Metro Rail (Hyderabad) Limited	1	1
- L&T Thales Technology Services Private Limited	57	17
- L&T Valves Limited	-	3
- L&T Construction Equipment Limited	0	1
- L&T Finance Limited	7	1
- L&T Investment Management Limited	-	0
- Larsen & Toubro LLC	-	0
- L&T Realty Developers Limited	0	-
- L&T Infrastructure Engineering Limited	3	9
- L&T Geostructure Private Limited	-	2
Unbilled revenue	**44**	**40**
- L&T Technology Services Limited	17	7
- L&T Thales Technology Services Private Limited	0	21
- L&T Valves Limited	2	2
- L&T Infrastructure Engineering Limited	0	-
- L&T Realty Developers Limited	0	-
- L&T Construction Equipment Limited	0	-
- L&T Finance Limited	18	0
- L&T Metro Rail (Hyderabad) Limited	7	10
- L&T Investment Management Limited	-	0
Trade payable	**297**	**204**
- L&T Technology Services Limited	299	202
- L&T Technology Services LLC	0	1
- Larsen & Toubro Kuwait Construction	0	0
- L&T Metro Rail (Hyderabad) Limited	1	-
- L&T Valves Limited	(3)	-
- Larsen & Toubro (East Asia) SDN BHD.	(0)	1
Security Deposits	**36**	**6**
- L&T Metro Rail (Hyderabad) Limited	36	6
Investment (Principal amount) in debt securities	**696**	**996**
- L&T Finance Limited	696	996
Interest accrued in Debt Securities	**39**	**112**
- L&T Finance Limited	39	112

(₹ in Million)

(F) Transaction	Entity with common key managerial person	
	Year ended March 31, 2023	Year ended March 31, 2022
CSR expenses	**241**	**166**
- Mindtree Foundation	241	166

(₹ in Million)

Outstanding balance	Entity with common key managerial person	
	As at March 31, 2023	As at March 31, 2022
Provision towards unspent CSR expenses	**42**	**77**
- Mindtree Foundation	42	77

All balances are unsecured and to be settled in cash.

(IV) Managerial remuneration

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Short-term employee benefits	433	486
(ii) Share-based payments (on employee stock options granted)*	545	41
(iii) Others	45	42

*Share-based payments on employee stock options granted (if any) are charged to P&L over vesting period of ESOPs.

Note: The above figures do not include provision for compensated absences, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available

Dividends paid to key managerial personnel during the year ended March 31, 2023 amounts to ₹24 Million (Previous year: ₹24 Million).

44. SEGMENT 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 required under Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the performance and allocates resources based on analysis of various performance indicators. Accordingly, information has been presented for the Company's operating segments.

The Company has identified (i) Banking, Financial Services & Insurance, (ii) Hi-Tech, Media & Entertainment, (iii) Manufacturing & Resources, (iv) Retail, CPG, Travel, Transport & Hospitality, and (v) Health, Life Sciences & Public Services as reportable segments post Amalgamation of Mindtree Limited ('Amalgamating Company') with the Group. The Group has presented its segment results accordingly. The reportable segment information for the corresponding previous year has been restated to reflect the above changes to facilitate comparability.

I) The revenue and operating profit by segment is as under:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Segment revenue		
Banking, Financial Services & Insurance	122,494	91,873
Hi-Tech, Media & Entertainment	80,661	64,942
Manufacturing & Resources	56,110	46,106
Retail, CPG, Travel, Transport & Hospitality	51,123	41,085
Health, Life Sciences & Public Services	21,442	17,081
Revenue from operations	**331,830**	**261,087**
Segment results		
Banking, Financial Services & Insurance	21,754	18,157
Hi-Tech, Media & Entertainment	17,228	14,686
Manufacturing & Resources	8,902	9,233
Retail, CPG, Travel, Transport & Hospitality	10,035	7,616
Health, Life Sciences & Public Services	3,158	2,794
Segment results	**61,077**	**52,486**
Other Income	5,569	7,658
Finance costs	1,504	1,234
Depreciation and amortization expense	7,227	5,971
Profit before tax	**57,915**	**52,939**

II) Segmental reporting of revenues on the basis of the geographical location of the customers is as under:

(₹ in Million)

Geography	Revenue from operations Year ended March 31, 2023	Year ended March 31, 2022
North America	239,147	181,978
Europe	50,295	44,327
Rest of the World	42,388	34,782
Total	**331,830**	**261,087**

III) Segmental reporting of Significant Non-Cash Expenses included in segment report is as under:

(₹ in Million)

Other significant non-cash expense	Year ended March 31, 2023	Year ended March 31, 2022
Banking, Financial Services & Insurance	606	232
Hi-Tech, Media & Entertainment	510	242
Manufacturing & Resources	338	150
Retail, CPG, Travel, Transport & Hospitality	216	111
Health, Life Sciences & Public Services	161	273
Total	**1,831**	**1,008**

IV) Information about Major Customers

Two customer groups account for 10% or more of the total group revenue for the year ended March 2023 and are part of Banking, Financial Services & Insurance Segment and Hi-Tech, Media & Entertainment Segment.

45. BUSINESS COMBINATION AND ACQUISITIONS

45. (I) Business Combination under Common Control

(i) Amalgamation of Mindtree Limited ('Amalgamating Company') with the Company

The Board of Directors of the Company, in its meeting held on May 6, 2022, approved the Scheme of Amalgamation and Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 for amalgamation of Mindtree Limited ('Amalgamating Company') with the Company ('Scheme').

The aforesaid Scheme was sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated September 19, 2022 and Bengaluru Bench vide order dated November 4, 2022 and November 10, 2022. The Scheme has become effective on November 14, 2022 upon filing of the certified copy of the orders passed by NCLT with the relevant Registrar of Companies. In terms of the Scheme, the name of the Company has been changed from 'Larsen & Toubro Infotech Limited' to 'LTIMindtree Limited' w.e.f., November 15, 2022 and all the assets, liabilities, reserves and surplus of the Amalgamating Company have been transferred to and vested in the Company. The Appointed Date of the Scheme is April 1, 2022.

Accounting Treatment

The amalgamation has been accounted in accordance with "Pooling of interest method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as specified in the scheme, such that:

(a) All assets and liabilities of the Amalgamating Company are stated at the carrying values as appearing in the consolidated financial statements of Amalgamating Company

(b) The identity of the reserves have been preserved and are recorded in the same form and at the carrying amount as appearing in the consolidated financial statements of Amalgamating Company

(c) The inter-company balances between both the companies have been eliminated

(d) Comparative financial information in the financial statements of the Amalgamated Company has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

The difference, if any, between the amount recorded as share capital issued and the amount of share capital of the amalgamating company has been transferred to capital reserve and presented separately from other capital reserves.

Consequent on the Scheme coming into effect and in accordance with the Share Exchange Ratio enshrined in the Scheme, on November 25, 2022 the Company has allotted its 120,417,607 equity shares of ₹1/- each (fully paid-up) (including 20,341 treasury shares alloted to LTIMindtree Employee Benefit Trust) to the equity shareholders of erstwhile Mindtree Limited as on the 'Record Date' fixed for the said purpose.

Details of assets and liabilities of Erstwhile Mindtree added to the opening balances of the Company (i.e., April 1, 2021) and consequential adjustment to Capital Reserve:

(₹ in Million)

Particulars	Total
Non-current Assets	
PPE and Intangible assets	8,210
Right-of-use assets	4,773
Non-current Investments	1,161
Other Financial Assets	1,701
Deferred Tax Assets (Net)	351
Income Tax Assets (Net)	1,532
Other Non-current Assets	72
Current Assets	
Trade receivables	12,742
Unbilled Revenue	1,859
Cash and cash equivalents	7,597
Investments	19,307
Other Financial Assets	1,105
Other Current Assets	3,085
Total Assets	**63,495**
Non-current Liabilities	
Other Financial Liabilities	6
Lease Liabilities	4,492
Current Liabilities	
Trade payables	2,676
Lease Liabilities	885
Other Financial Liabilities	5,249
Provisions	2,226
Other Current Liabilities	2,468
Current income tax Liabilities (Net)	2,303
Reserves & Surplus	41,543
Total Liabilities and Reserves	**61,848**
Total (C) = (A) - (B)	**1,647**
Allotment of Equity Shares to equity shareholders of Erstwhile Mindtree Limited (D)	**120**
Capital Reserve on account of Amalgamation (C) - (D)	**1,527**

(ii) Common Control Business Combination- L&T NXT

The Company entered into a Business Transfer Agreement on May 20, 2021 to acquire the digital transformation business undertaking, incubated and conducted under L&T-NxT ('NxT Digital Business') from Larsen & Toubro Limited (L&T). The Company consummated the above transfer of business on July 1, 2021.

The transaction was recorded in the books of the Company in previous year using the pooling of interests method. Accordingly, the assets and liabilities transferred have been accounted at the carrying amounts as reflected in the books of L&T as at June 30, 2021 and no adjustments have been made to reflect the fair values, or recognize any new assets or liabilities. The difference between the purchase consideration of INR 2,065 Million and the carrying amounts of the net assets transferred of ₹209 Million has been adjusted against retained earnings (including capital reserve of INR 87 Million). The financial information pertaining to the transfer of business is not material and accordingly, financial statements of the Company in respect of the prior periods had not been restated.

(₹ in Million)

Particulars	Total
Present value of consideration (A)	2,065
Total Net Assets acquired (B)	209
Excess of consideration over net assets transferred	**1,856**
Adjusted against:	
a) Capital reserve	87
b) Retained earnings	1,769
Total	**1,856**

45. (II) Acquisitions

During the previous year, the Company acquired 100% stake in Cuelogic Technologies Private Limited along with its 100% subsidiary Cuelogic Technologies, Inc. (collectively referred as 'Cuelogic') for an enterprise value of USD 8.4 Million which includes upfront consideration, performance based earn-outs and retention payouts. The Company has used cut-off date of July 1, 2021 as the acquisition date being date of acquiring effective control. The excess of purchase consideration of ₹639 Million over the carrying amounts of the net assets acquired of ₹265 Million has been recognized as Goodwill in the previous year amounting to ₹374 Million.

(₹ in Million)

Particulars	Total
Present value of consideration (A)	639
Total Net Assets acquired (B)	141
Customer Intangibles on consolidation (C)	165
Deferred tax liability on customer intangibles on consolidation (D)	41
Goodwill on consolidation (A)-(B)-(C)+(D)	**374**

46. RATIOS – CONSOLIDATED

Ratio	Numerator	Denominator	Year ended March 31, 2023	Year ended March 31, 2022	Variance
Current Ratio	Total current assets	Total current liabilities	3.1	2.9	7%
Debt-Equity Ratio	Debt consists of borrowings and lease liabilities	Total equity	0.1	0.1	-5%
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating items+ Interest on lease and borrowings	Debt service = Payments of lease and borrowings	15.8	15.3	3%
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	28.6%	30.5%	-6%
Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivables	6.5	6.6	-1%
Trade Payables Turnover Ratio	Adjusted expenses*	Average trade payables	4.6	3.9	17%
Net capital Turnover Ratio	Revenue from operations	Average working capital (i.e., Total current assets less Total current liabilities)	3.1	2.8	8%
Net profit %	Profit for the year	Revenue from operations	13.3%	15.1%	-12%
EBITDA %	Earnings before interest, taxes, depreciation and amortization.	Revenue from operations	18.4%	20.1%	-8%
EBIT %	Earnings before interest and taxes.	Revenue from operations	16.2%	17.8%	-9%
Return on Capital Employed	Profit before tax and Interest on lease and borrowings	Average capital employed (Capital employed = Net worth + Borrowings + Lease liabilities)	34.9%	37.7%	-7%
Return on Investment	Income generated from invested funds	Average invested funds in treasury investments	5.6%	4.7%	18%

*Adjusted expenses = Sub-contracting expenses + Other expenses - CSR - Non-cash expenses (Expected credit losses, provision for foreseeable losses, provision for warranties)

47. CORPORATE SOCIAL RESPONSIBILITY

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year was ₹675 Million (Previous year: ₹560 Million) and the actual amount spent is ₹680 Million (Previous year: ₹564 Million, including a provision amount of INR 77 Million for unspent CSR).

The CSR initiatives are primarily in relation to major thrust areas of Education, Empowerment, Health & wellness, Environment, support for Natural Calamities and Covid relief related support initiatives.

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) amount required to be spent by the Company during the year	675	560
(b) amount of expenditure incurred		
- disclosed as other expenses (Refer note 33)	660	546 (Refer note below)
- disclosed as salary cost (Refer note 30)	20	18
(c) shortfall at the end of the year	-	-
(d) total of previous years shortfall	-	-
(e) reason for shortfall	N.A.	N.A.
(f) details of related party transactions		
- Mindtree Foundation (Contribution)	241	166
- Larsen and Toubro Limited (Covid Relief Support – Donation of Oxygen Plant to Government Hospitals)	-	29
(g) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	Refer note below	

Note: Includes a provision amount of ₹77 Million for unspent CSR expenses for the year ended March 31, 2022, of which ₹35 Million has been utilized in the year ended March 31, 2023

48. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Board of Directors at its meeting held on April 27, 2023, has recommended final dividend of ₹40 per equity share (Face value ₹1) for the financial year ended March 31, 2023.

49. The Company has transferred ₹1 Million to Investor Education and Protection Fund during the year ended March 31, 2023.

50. In case of figures mentioned as '0' in the financial statements, it denotes figures less than ₹0.5 Million.

51. Previous year's figures have been regrouped / reclassified wherever applicable to facilitate comparability.

52. The financial statements were approved by the Board of Directors on April 27, 2023.