

**MINDTREE LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| (Rupees in millions, except share data)            |      |                         |                         |
|--|------|-------------------------|-------------------------|
|  | Note | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
| <b>Assets</b>                                      |      |                         |                         |
| Goodwill   | 6b   | 4,732                   | 4,732                   |
| Property, plant and equipment                      | 4    | 3,263                   | 3,536                   |
| Right-of-use assets                                | 5    | 4,773                   | 5,201                   |
| Intangible assets                                  | 6a   | 214                     | 759                     |
| Investments  | 7    | 1,161                   | 804                     |
| Derivative financial instruments                   |      | 1,225                   | -                       |
| Deferred tax assets                                | 19   | 351                     | 1,835                   |
| Non-current tax assets                             |      | 1,593                   | 1,613                   |
| Other non-current assets                           | 10   | 548                     | 537                     |
| <b>Total non-current assets</b>                    |      | <b>17,860</b>           | <b>19,017</b>           |
| Trade receivables                                  | 8    | 12,742                  | 14,389                  |
| Other current assets                               | 10   | 1,687                   | 1,737                   |
| Unbilled revenues                                  |      | 3,553                   | 3,148                   |
| Investments  | 7    | 19,307                  | 6,944                   |
| Derivative financial instruments                   |      | 868                     | -                       |
| Cash and cash equivalents                          | 9    | 7,597                   | 3,909                   |
| Bank balances other than cash and cash equivalents | 9.1  | -                       | 1,961                   |
| Non-current assets held for sale                   | 32   | -                       | 461                     |
| <b>Total current assets</b>                        |      | <b>45,754</b>           | <b>32,549</b>           |
| <b>Total assets</b>                                |      | <b>63,614</b>           | <b>51,566</b>           |
| <b>Equity</b>                                      |      |                         |                         |
| Share capital                                      | 11   | 1,647                   | 1,646                   |
| Share premium                                      |      | 399                     | 299                     |
| Retained earnings                                  |      | 38,729                  | 30,767                  |
| Other components of equity                         |      | 2,419                   | (1,140)                 |
| Equity attributable to owners of the Company       |      | 43,194                  | 31,572                  |
| <b>Total equity</b>                                |      | <b>43,194</b>           | <b>31,572</b>           |
| <b>Liabilities</b>                                 |      |                         |                         |
| Lease liabilities                                  |      | 4,492                   | 4,964                   |
| Other non-current liabilities                      | 17   | 6                       | 54                      |
| Derivative financial instruments                   |      | -                       | 1,744                   |
| <b>Total non-current liabilities</b>               |      | <b>4,498</b>            | <b>6,762</b>            |
| Loans and borrowings                               | 14   | -                       | 5                       |
| Lease liabilities                                  |      | 885                     | 699                     |
| Trade payables and accrued expenses                | 15   | 2,676                   | 2,554                   |
| Unearned revenue                                   | 16   | 322                     | 341                     |
| Current tax liabilities                            |      | 2,378                   | 1,380                   |
| Derivative financial instruments                   |      | 33                      | 1,623                   |
| Employee benefit obligations                       | 18   | 1,520                   | 1,131                   |
| Other current liabilities                          | 17   | 7,318                   | 5,332                   |
| Provisions   | 17   | 790                     | 167                     |
| <b>Total current liabilities</b>                   |      | <b>15,922</b>           | <b>13,232</b>           |
| <b>Total liabilities</b>                           |      | <b>20,420</b>           | <b>19,994</b>           |
| <b>Total equity and liabilities</b>                |      | <b>63,614</b>           | <b>51,566</b>           |

The accompanying notes form an integral part of these consolidated financial statements

**MINDTREE LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

|  |             | <b>(Rupees in millions, except share data)</b> |               |
|--|-------------|--|---------------|
|  |             | <b>Year ended March 31,</b>                    |               |
|  | <b>Note</b> | <b>2021</b>                                    | <b>2020</b>   |
| Revenues   | 20          | 79,678   | 77,643        |
| Cost of revenues   | 22          | (55,544)                                       | (56,163)      |
| <b>Gross profit</b>  |             | <b>24,134</b>                                  | <b>21,480</b> |
| Selling, general and administrative expenses                                   | 22          | (10,163)                                       | (13,336)      |
| <b>Results from operating activities</b>                                       |             | <b>13,971</b>                                  | <b>8,144</b>  |
| Foreign exchange gain/(loss)   |             | 286  | (83)          |
| Finance expenses   |             | (504)  | (529)         |
| Finance and other income   | 21          | 1,231  | 756           |
| <b>Profit before tax</b>   |             | <b>14,984</b>                                  | <b>8,288</b>  |
| Income tax expense   | 19          | (3,879)  | (1,979)       |
| <b>Profit for the year</b>   |             | <b>11,105</b>                                  | <b>6,309</b>  |
| <b>Attributable to:</b>  |             |  |               |
| Owners of the Company  |             | 11,105   | 6,309         |
| Non-controlling interests  |             | -  | -             |
|  |             | <b>11,105</b>                                  | <b>6,309</b>  |
| <b>Earnings per share:</b>   | 24          |  |               |
| Equity shares of par value Rs 10 each  |             |  |               |
| Basic (Rs)   |             | 67.44  | 38.35         |
| Diluted (Rs)   |             | 67.41  | 38.33         |
| Weighted average number of equity shares used in computing earnings per share: |             |  |               |
| Basic  |             | 164,661,734                                    | 164,487,369   |
| Diluted  |             | 164,742,573                                    | 164,567,714   |

The accompanying notes form an integral part of these consolidated financial statements

**MINDTREE LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**(Rupees in millions, except share data)**  
**Year ended March 31,**  
**2021**                      **2020**

|   |               |                |
|---|---------------|----------------|
| Profit for the year   | 11,105        | 6,309          |
| Other comprehensive income, net of taxes                      |               |                |
| Items that will not be reclassified to profit or loss         |               |                |
| - Defined benefit plan actuarial gains/ (losses)              | (89)          | (83)           |
| Items that may be reclassified subsequently to profit or loss |               |                |
| - Net change in fair value of cash flow hedges                | 3,387         | (2,035)        |
| Total other comprehensive income (loss), net of taxes         | <u>3,298</u>  | <u>(2,118)</u> |
| Total comprehensive income for the year                       | <u>14,403</u> | <u>4,191</u>   |
| <b>Attributable to:</b>                                       |               |                |
| Owners of the Company   | 14,403        | 4,191          |
| Non-controlling interests                                     | -             | -              |
|   | <u>14,403</u> | <u>4,191</u>   |

The accompanying notes form an integral part of these consolidated financial statements

MINDTREE LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Rupees in millions, except share data)

| Particulars   | No. of shares      | Share capital | Share premium | Retained earnings | Other components of equity (refer note 11) |  |                            |                |                                       |                                      | Equity attributable to owners of the Company | Total equity  |
|---|--------------------|---------------|---------------|-------------------|--|--|----------------------------|----------------|---------------------------------------|--------------------------------------|--|---------------|
|   |                    |               |               |                   | Share based payment reserve                | Special Economic Zone reinvestment reserve | Capital redemption reserve | Other reserves | Effective portion of Cash Flow Hedges | Foreign Currency Translation Reserve |  |               |
| Balance as at April 1, 2019   | 164,214,041        | 1,642         | 133           | 30,430            | 165  | 1,036                                      | 42                         | 33             | -                                     | (416)                                | 33,065                                       | 33,065        |
| Impact of adoption of IFRS 16   | -                  | -             | -             | 157               | -  | -  | -                          | -              | -                                     | -                                    | 157  | 157           |
| Issue of equity shares on exercise of options/ restricted shares          | 360,025            | 4             | -             | -                 | -  | -  | -                          | -              | -                                     | -                                    | 4  | 4             |
| Profit for the year   | -                  | -             | -             | 6,309             | -  | -  | -                          | -              | -                                     | -                                    | 6,309  | 6,309         |
| Other comprehensive income  | -                  | -             | -             | -                 | -  | -  | -                          | (83)           | (2,035)                               | -                                    | (2,118)                                      | (2,118)       |
| Created during the year   | -                  | -             | -             | (1,022)           | -  | 1,022                                      | -                          | -              | -                                     | -                                    | -  | -             |
| Utilised during the year  | -                  | -             | -             | 840               | -  | (840)                                      | -                          | -              | -                                     | -                                    | -  | -             |
| Transferred to share premium on allotment against stock options           | -                  | -             | 166           | -                 | (166)                                      | -  | -                          | -              | -                                     | -                                    | -  | -             |
| Compensation cost related to employee share based payment (refer note 23) | -                  | -             | -             | -                 | 102  | -  | -                          | -              | -                                     | -                                    | 102  | 102           |
| Cash dividend paid (including dividend tax thereon)                       | -                  | -             | -             | (5,947)           | -  | -  | -                          | -              | -                                     | -                                    | (5,947)                                      | (5,947)       |
| <b>As at March 31, 2020</b>   | <b>164,574,066</b> | <b>1,646</b>  | <b>299</b>    | <b>30,767</b>     | <b>101</b>                                 | <b>1,218</b>                               | <b>42</b>                  | <b>(50)</b>    | <b>(2,035)</b>                        | <b>(416)</b>                         | <b>31,572</b>                                | <b>31,572</b> |
| Balance as at April 1, 2020   | 164,574,066        | 1,646         | 299           | 30,767            | 101  | 1,218                                      | 42                         | (50)           | (2,035)                               | (416)                                | 31,572                                       | 31,572        |
| Issue of equity shares on exercise of options/ restricted shares          | 145,700            | 1             | -             | -                 | -  | -  | -                          | -              | -                                     | -                                    | 1  | 1             |
| Profit for the year   | -                  | -             | -             | 11,105            | -  | -  | -                          | -              | -                                     | -                                    | 11,105                                       | 11,105        |
| Other comprehensive income  | -                  | -             | -             | -                 | -  | -  | -                          | (89)           | 3,387                                 | -                                    | 3,298  | 3,298         |
| Created during the year   | -                  | -             | -             | (848)             | -  | 848  | -                          | -              | -                                     | -                                    | -  | -             |
| Utilised during the year  | -                  | -             | -             | 584               | -  | (584)                                      | -                          | -              | -                                     | -                                    | -  | -             |
| Transferred to share premium on allotment against stock options           | -                  | -             | 100           | -                 | (100)                                      | -  | -                          | -              | -                                     | -                                    | -  | -             |
| Compensation cost related to employee share based payment (refer note 23) | -                  | -             | -             | -                 | 99   | -  | -                          | -              | -                                     | -                                    | 99   | 99            |
| Transfer on account of share options not exercised                        | -                  | -             | -             | 2                 | (2)  | -  | -                          | -              | -                                     | -                                    | -  | -             |
| Cash dividend paid (including dividend tax thereon) (refer note 11.a)     | -                  | -             | -             | (2,881)           | -  | -  | -                          | -              | -                                     | -                                    | (2,881)                                      | (2,881)       |
| <b>As at March 31, 2021</b>   | <b>164,719,766</b> | <b>1,647</b>  | <b>399</b>    | <b>38,729</b>     | <b>98</b>                                  | <b>1,482</b>                               | <b>42</b>                  | <b>(139)</b>   | <b>1,352</b>                          | <b>(416)</b>                         | <b>43,194</b>                                | <b>43,194</b> |

The accompanying notes form an integral part of these consolidated financial statements

**MINDTREE LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(Rupees in million)

Year ended March 31,

|   | 2021            | 2020           |
|---|-----------------|----------------|
| <b>Cash flow from operating activities</b>  |                 |                |
| Profit for the year   | 11,105          | 6,309          |
| Adjustments for :   |                 |                |
| Depreciation of property, plant and equipment   | 922             | 1,343          |
| Amortization of intangible assets   | 593             | 452            |
| Depreciation of right-of-use assets   | 1,081           | 959            |
| Impairment loss recognized on non-current assets held for sale                              | 2               | 39             |
| Share based payments to employees   | 99              | 102            |
| Allowance for expected credit losses  | 62              | 160            |
| Finance expenses  | 504             | 529            |
| Income tax expense  | 3,879           | 1,979          |
| Interest / dividend income  | (166)           | (189)          |
| Loss/ (gain) on sale of property, plant and equipment                                       | (45)            | (12)           |
| Loss/ (gain) on disposal of Right-of-use assets   | (33)            | (8)            |
| Net gain on financial assets designated at fair value through profit or loss                | (909)           | (509)          |
| Unrealised exchange difference on lease liabilities   | (59)            | 246            |
| Unrealised exchange difference on fair value hedge  | (213)           | 320            |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 214             | (288)          |
| <i>Changes in operating assets and liabilities</i>  |                 |                |
| Trade receivables   | 1,585           | (1,193)        |
| Unbilled revenues   | (405)           | (156)          |
| Other assets  | 45              | (1)            |
| Bank balances other than cash and cash equivalents  | 1,961           | (1,961)        |
| Trade payables and accrued expenses   | 122             | 537            |
| Unearned revenues   | (19)            | (326)          |
| Other liabilities   | 2,803           | 1,559          |
| Net cash provided by operating activities before taxes                                      | 23,128          | 9,891          |
| Income taxes paid, net of refunds   | (3,168)         | (1,640)        |
| <b>Net cash provided by operating activities</b>  | <b>19,960</b>   | <b>8,251</b>   |
| <b>Cash flow from investing activities</b>  |                 |                |
| Expenditure on property, plant and equipment  | (673)           | (1,241)        |
| Proceeds from sale of property, plant and equipment   | 59              | 21             |
| Payment towards initial direct cost of right-of-use assets                                  | (5)             | -              |
| Interest income received from investments   | 168             | 133            |
| Proceeds from sale of non-current assets held for sale                                      | 459             | -              |
| Purchase of Investments   | (35,976)        | (33,066)       |
| Proceeds from sale of investments   | 24,135          | 33,924         |
| <b>Net cash (used in) investing activities</b>  | <b>(11,833)</b> | <b>(229)</b>   |
| <b>Cash flow from financing activities</b>  |                 |                |
| Issue of share capital (net of issue expenses paid)   | 1               | 4              |
| Payment of lease liabilities  | (837)           | (490)          |
| Finance expenses (including interest towards lease liabilities)                             | (504)           | (529)          |
| Repayment of long-term borrowings   | (5)             | (5)            |
| Dividends paid (including distribution tax)   | (2,880)         | (5,940)        |
| <b>Net cash (used in) financing activities</b>  | <b>(4,225)</b>  | <b>(6,960)</b> |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | (214)           | 288            |
| <b>Net increase in cash and cash equivalents</b>  | <b>3,688</b>    | <b>1,350</b>   |
| Cash and cash equivalents at the beginning of the year                                      | 3,909           | 2,559          |
| <b>Cash and cash equivalents at the end of the year (Note 9)</b>                            | <b>7,597</b>    | <b>3,909</b>   |

**MINDTREE LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

| <b>Reconciliation of liabilities from financing activities for the year ended March 31, 2021</b> |                                 |  |                  |                           | <b>Rs in million</b>            |
|--|---------------------------------|--|------------------|---------------------------|---------------------------------|
| <b>Particulars</b>   | <b>As at<br/>March 31, 2020</b> | <b>Proceeds/ Impact<br/>of IFRS 16</b> | <b>Repayment</b> | <b>Fair value changes</b> | <b>As at<br/>March 31, 2021</b> |
| Long-term borrowings (including current portion)   | 5                               | -                                      | (5)              | -                         | -                               |
| Lease liabilities  | 5,663                           | 610                                    | (837)            | (59)                      | 5,377                           |
| <b>Total liabilities from financing activities</b>   | <b>5,668</b>                    | <b>610</b>                             | <b>(842)</b>     | <b>(59)</b>               | <b>5,377</b>                    |

| <b>Reconciliation of liabilities from financing activities for the year ended March 31, 2020</b> |                                 |  |                  |                           | <b>Rs in million</b>            |
|--|---------------------------------|--|------------------|---------------------------|---------------------------------|
| <b>Particulars</b>   | <b>As at<br/>March 31, 2019</b> | <b>Proceeds/ Impact<br/>of IFRS 16</b> | <b>Repayment</b> | <b>Fair value changes</b> | <b>As at<br/>March 31, 2020</b> |
| Long-term borrowings (including current portion)   | 10                              | -                                      | (5)              | -                         | 5                               |
| Short-term borrowings  | -                               | 5,907                                  | (490)            | 246                       | 5,663                           |
| <b>Total liabilities from financing activities</b>   | <b>10</b>                       | <b>5,907</b>                           | <b>(495)</b>     | <b>246</b>                | <b>5,668</b>                    |

The accompanying notes form an integral part of these consolidated financial statements

## Mindtree Limited and Subsidiaries

### Notes to the consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

#### 1. Company overview

Mindtree Limited ('Mindtree' or 'the Company') together with its subsidiaries Mindtree Software (Shanghai) Co. Ltd, and Bluefin Solutions Sdn Bhd., collectively referred to as 'the Group' is an international Information Technology consulting and implementation Group that delivers business solutions through global software development. The Group is structured into four industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Communications, Media and Technology (CMT) (erstwhile High Technology and Media - Hi-tech) and Travel and Hospitality (TH). The Group offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India and has offices in India, United States of America (USA), United Kingdom (UK), Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France, Ireland, Poland, Mexico and Republic of China, Norway, Finland, Denmark, Spain and New Zealand. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The Company became a subsidiary of Larsen & Toubro Limited (L&T) with effect from July 2, 2019 (Refer note 28). The consolidated financial statements were authorized for issuance by the Company's Board of Directors on April 16, 2021.

#### 2. Basis of preparation of financial statements

##### (a) Statement of compliance

The consolidated financial statements (the 'financial statements') as at and for the year ended March 31, 2021 have been prepared in accordance with International Financial Reporting Standards and its interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

##### (b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant IFRS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- iii. Share based payment transactions and
- iv. Defined benefit and other long-term employee benefits

##### (c) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian Rupees has been rounded to the nearest million except share and per share data.

##### (d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

###### i) Revenue recognition:

a) The Group uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. As the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

b) Contracts with customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately or together requires significant judgment based on nature of the contract, transfer of control over the product or service, ability of the product or service to benefit the customer on its own or together with other readily available resources and the ability of the product or service to be separately identifiable from other promises in the contract.

ii) *Income taxes*: The Group's two major tax jurisdictions are India and USA, though the Group also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer Note 19.

iii) *Leases*: The Group considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

iv) *Other estimates*: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

## Mindtree Limited and Subsidiaries

### Notes to the consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

v) *Estimation uncertainty relating to COVID-19 outbreak:* The Group has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports, up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group has accrued its liabilities and also expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments and derivatives. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

### 3. Significant accounting policies

#### (i) Basis of consolidation

##### *Subsidiaries*

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).

Control exists when the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statement of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including un-realized gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

#### (ii) Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

#### (iii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

#### (iv) Financial instruments

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: non-derivative financial assets comprising amortized cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit or loss account (FVTPL), non-derivative financial liabilities at amortized cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

#### a) *Non-derivative financial assets*

##### *(i) Financial assets at amortized cost*

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- (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 the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

## **Mindtree Limited and Subsidiaries**

### **Notes to the consolidated financial statements**

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They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets at amortized cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Group's cash management system.

#### *(ii) Debt instruments at FVTOCI*

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) the asset's contractual cash flow represent SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest earned is recognised under the effective interest rate (EIR) method.

#### *(iii) 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 at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to statement of profit or loss, even on sale of the instrument. However, the Group may transfer the cumulative gain or loss within the equity.

#### *(iv) Financial assets at FVTPL*

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the Group may elect to designate the financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair values with all changes recorded in the statement of profit or loss.

#### *b) Non-derivative financial liabilities*

##### *(i) Financial liabilities at amortized cost:*

Financial liabilities at amortized cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

##### *(ii) Financial liabilities at FVTPL:*

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the consolidated statement of profit or loss.

#### *c) Derivative financial instruments*

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

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

(i) Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the consolidated statement of profit or loss upon the occurrence of the related forecasted transaction.

The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

(ii) Others: Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the consolidated statement of profit or loss and reported within foreign exchange gains/ (losses).

#### *(v) Property, plant and equipment*

*a) Recognition and measurement:* Property, plant and equipment are measured at cost or its deemed cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

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*b) Depreciation:* The Group depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life or the related lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment (also refer note 4) are as follows:

| <b>Category</b>                   | <b>Useful life</b> |
|-----------------------------------|--------------------|
| Buildings                         | 5 to 30 years      |
| Computer systems                  | 2 to 4 years       |
| Furniture, fixtures and equipment | 3 to 5 years       |
| Vehicles                          | 4 years            |

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

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 consolidated statement of profit or 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 consolidated statement of profit or 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 respectively.

**(vi) Business combination, Goodwill and Intangible assets**

Business combinations other than through 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. Transaction costs incurred in connection with a business combination are expensed as incurred.

*a) Goodwill*

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized immediately in the statements of profit or loss.

*b) Intangible assets*

Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangible assets for the current and comparative period (also refer note 6) are as follows:

| <b>Category</b>                 | <b>Useful life</b> |
|---------------------------------|--------------------|
| Intellectual property           | 5 years            |
| Computer software               | 2 years            |
| Business alliance relationships | 4 years            |
| Customer relationships          | 3 to 5 years       |
| Vendor relationship             | 6 years            |
| Trade name                      | 5.25 - 5.75 years  |
| Technology                      | 5.75 years         |
| Non-compete agreement           | 5 years            |

IFRS 3 'Business Combinations' requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

**(vii) Leases**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than USD 5,000). The Group recognises the lease payments associated with these leases as an expense over the lease term.

#### (viii) Impairment

##### a) Financial assets

In accordance with IFRS 9, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed. In addition to the historical pattern of credit loss, the Group has considered the likelihood of increased credit risk and consequential default by customers including revisions in the credit period provided to the customers. In making this assessment, the Group has considered current and anticipated future economic conditions relating to industries/business verticals that the company deals with and the countries where it operates. In addition, the Group has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. The Group believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit or loss during the period. This amount is reflected under the head other expenses in the statement of profit or loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortized cost, contractual revenue receivable. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

##### b) Non-financial assets

The Group assesses at each reporting date whether there is any objective evidence that a non financial asset or a Group of non financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and the recoverable amount. Losses are recognised in statement of profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through statement of profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. 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. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

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. An impairment loss on goodwill is recognised in consolidated statement of profit or loss and is not reversed in the subsequent period.

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#### (ix) Employee Benefits

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Group has the following employee benefit plans:

##### *a) Social security plans*

Employer contributions payable to the social security plans, which are a defined contribution scheme, are charged to the consolidated statement of profit or loss in the period in which the employee renders services.

##### *b) Gratuity*

In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company and SBI Life Insurance Company. The Group's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

The Group has applied IAS 19 (as revised in June 2011) Employee Benefits ('IAS 19R') and the related consequential amendments effective April 1, 2013. As a result, all actuarial gains or losses are immediately recognized in other comprehensive income and permanently excluded from profit or loss. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset.

The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

##### *c) Compensated absences*

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Group recognizes actuarial gains and losses immediately in the statement of profit or loss.

#### (x) Share based payment transactions

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit or loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

The fair value of the amount payable to the employees in respect of phantom stock, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the Phantom stock options plan. Any changes in the liability are recognized in statement of profit or loss.

#### (xi) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

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#### (xii) Revenue

The Group derives revenue primarily from software development and related services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered:

##### *a) Time and materials contracts*

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

##### *b) Fixed-price contracts*

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used 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 the 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 revenues in an arrangement, the estimated losses are recognized in the statement of profit or loss in the period in which such losses become probable based on the current contract estimates.

##### *c) Maintenance contracts*

Revenue from maintenance contracts is recognized ratably over the period of the contract. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion.

In arrangements for software development and related services and maintenance services, the Group has applied the guidance in IFRS 15, 'Revenue from Contracts with customers', by applying the revenue recognition criteria for each of the distinct performance obligation. The arrangements generally meet the criteria for considering software development and related services as distinct performance obligation. For allocating the consideration, the Group has measured the revenue in respect of distinct performance obligation at its standalone selling price, in accordance with principles given in IFRS 15.

The Group accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.

Revenues are shown net of sales tax, value added tax, service tax, goods and services tax and applicable discounts and allowances.

The Group 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.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered are presented as 'Advance from customers'.

#### (xiii) Warranty provisions

The Group provides warranty provisions on all its products sold. A provision is recognised at the time the product is sold. The Group does not provide extended warranties or maintenance contracts to its customers.

#### (xiv) Finance income and expense

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognized as it accrues in the statement of profit or loss, using the effective interest method.

Dividend income is recognized in the statement of profit or loss on the date that the Group's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings and impairment losses recognized on financial assets (other than trade receivables). Borrowing costs are recognized in the statement of profit or loss using the effective interest method.

#### (xv) Income taxes

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

##### *a) Current income tax*

Current income tax liability/(asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. 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 liability simultaneously.

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#### b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in 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 profits or loss at the time of the transaction.

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

#### (xvi) Earnings per share (EPS)

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 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 year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

#### (xvii) Research and Development (R&D) costs

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. During the period of development, the asset is tested for impairment annually.

#### (xviii) Government grants

Grants from the Government are recognised when there is reasonable assurance that:

- (i) the Group will comply with the conditions attached to them; and
- (ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the consolidated statement of profit or loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at fair value.

A repayment of government grant is accounted for as a change in accounting estimate. The repayment of asset-related grant increases the carrying amount of the asset. The cumulative depreciation which would have been charged had the grant not been received is charged to statement of profit or loss.

#### (xix) Dividend and dividend distribution tax

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees and are subject to applicable distribution taxes. The applicable distribution taxes are linked more directly to past transactions or events that generated distributable profits than to distribution to owners and accordingly, recognized in profit or loss or other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Finance Act 2020 has abolished the Dividend Distribution Tax (DDT) and has shifted the tax liability on dividends to the shareholders. Accordingly, the Company distributes the dividend after deducting the taxes at applicable rates.

#### (xx) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

### **New standards and interpretations not yet adopted**

IFRS 17 Insurance contracts: On May 18, 2017, the International Accounting Standards Board issued IFRS 17, "Insurance Contracts" that replaces IFRS 4, "Insurance Contracts". IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The effective date of adoption of IFRS 17 is annual reporting periods beginning on or after January 1, 2023. The Group is yet to evaluate the requirements of IFRS 17 and the impact on the financial statements.

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**4 Property, plant and equipment**

| Particulars  | Land      | Buildings    | Computer systems* | Furniture, fixtures and equipment | Vehicles | Total        |
|--|-----------|--------------|-------------------|-----------------------------------|----------|--------------|
| <b>Gross carrying value:</b>                                 |           |              |                   |                                   |          |              |
| As at April 1, 2019  | 84        | 2,944        | 3,709             | 4,996                             | 27       | 11,760       |
| Additions  | -         | 71           | 658               | 616                               | 6        | 1,351        |
| Disposal/Adjustments   | -         | 2            | 359               | 64                                | 24       | 449          |
| Transfer to non-current assets held for sale (refer note 32) | -         | 543          | -                 | -                                 | -        | 543          |
| Impact of adoption of IFRS 16                                | 51        | -            | -                 | -                                 | -        | 51           |
| As at March 31, 2020   | 33        | 2,470        | 4,008             | 5,548                             | 9        | 12,068       |
| <b>Accumulated depreciation/impairment:</b>                  |           |              |                   |                                   |          |              |
| As at April 1, 2019  | 10        | 1,023        | 2,972             | 3,971                             | 27       | 8,003        |
| Depreciation   | -         | 257          | 655               | 430                               | 1        | 1,343        |
| Disposal/Adjustments   | -         | 2            | 359               | 55                                | 24       | 440          |
| Transfer to non-current assets held for sale (refer note 32) | -         | 231          | -                 | -                                 | -        | 231          |
| Impact of adoption of IFRS 16                                | 10        | -            | -                 | (3)                               | -        | 7            |
| As at March 31, 2020   | -         | 1,047        | 3,268             | 4,349                             | 4        | 8,668        |
| Capital work-in-progress                                     |           |              |                   |                                   |          | 136          |
| <b>Net carrying value as at March 31, 2020</b>               | <b>33</b> | <b>1,423</b> | <b>740</b>        | <b>1,199</b>                      | <b>5</b> | <b>3,536</b> |
| <b>Gross carrying value:</b>                                 |           |              |                   |                                   |          |              |
| As at April 1, 2020  | 33        | 2,470        | 4,008             | 5,548                             | 9        | 12,068       |
| Additions  | -         | 22           | 511               | 42                                | -        | 575          |
| Disposal/adjustments   | -         | -            | 120               | 150                               | -        | 270          |
| Reclassification (refer note 32)                             | -         | (434)        | -                 | 434                               | -        | -            |
| As at March 31, 2021   | 33        | 2,058        | 4,399             | 5,874                             | 9        | 12,373       |
| <b>Accumulated depreciation/impairment:</b>                  |           |              |                   |                                   |          |              |
| As at April 1, 2020  | -         | 1,047        | 3,268             | 4,349                             | 4        | 8,668        |
| Depreciation   | -         | 162          | 379               | 379                               | 2        | 922          |
| Disposal/adjustments   | -         | -            | 119               | 137                               | -        | 256          |
| Reclassification (refer note 32)                             | -         | (396)        | -                 | 396                               | -        | -            |
| As at March 31, 2021   | -         | 813          | 3,528             | 4,987                             | 6        | 9,334        |
| Capital work-in-progress                                     |           |              |                   |                                   |          | 224          |
| <b>Net carrying value as at March 31, 2021</b>               | <b>33</b> | <b>1,245</b> | <b>871</b>        | <b>887</b>                        | <b>3</b> | <b>3,263</b> |

\*During the year, the Group has revised the useful life of computers from 2-3 years to 2-4 years. Had the Group continued with the erstwhile useful life of computers, the charge to the depreciation and amortization expense would have been higher by Rs 234 for the year ended March 31, 2021.

The depreciation expense for the year ended March 31, 2021 and March 31, 2020 is included in the following line items in the statement of profit or loss.

| Particulars                                  | Year ended March 31, |              |
|--|----------------------|--------------|
|  | 2021                 | 2020         |
| Cost of revenues                             | 876                  | 1,249        |
| Selling, general and administrative expenses | 46                   | 94           |
| <b>Total</b>                                 | <b>922</b>           | <b>1,343</b> |

**Mindtree Limited and Subsidiaries**  
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**5 Right-of-use assets**

| <b>Particulars</b>   | <b>Non- Current</b> |                  |              |
|--|---------------------|------------------|--------------|
|  | <b>Land</b>         | <b>Buildings</b> | <b>Total</b> |
| <b>Gross carrying value:</b>                                 |                     |                  |              |
| As at April 1, 2019  | -                   | -                | -            |
| Impact of adoption of IFRS 16                                | 380                 | 5,989            | 6,369        |
| Additions  | -                   | 219              | 219          |
| Transfer to non-current assets held for sale (refer note 32) | 327                 | -                | 327          |
| Disposal/adjustments   | -                   | 131              | 131          |
| As at March 31, 2020   | 53                  | 6,077            | 6,130        |
| <b>Accumulated depreciation/impairment:</b>                  |                     |                  |              |
| As at April 1, 2019  | -                   | -                | -            |
| Impact of adoption of IFRS 16                                | 138                 | -                | 138          |
| Depreciation   | 9                   | 950              | 959          |
| Transfer to non-current assets held for sale (refer note 32) | 139                 | -                | 139          |
| Disposal/adjustments   | -                   | 29               | 29           |
| As at March 31, 2020   | 8                   | 921              | 929          |
| <b>Net carrying value as at March 31, 2020</b>               | <b>45</b>           | <b>5,156</b>     | <b>5,201</b> |
| <b>Gross carrying value:</b>                                 |                     |                  |              |
| As at April 1, 2020  | 53                  | 6,077            | 6,130        |
| Additions  | -                   | 932              | 932          |
| Disposal/adjustments   | -                   | 355              | 355          |
| As at March 31, 2021   | 53                  | 6,654            | 6,707        |
| <b>Accumulated depreciation/impairment:</b>                  |                     |                  |              |
| As at April 1, 2020  | 8                   | 921              | 929          |
| Depreciation   | 1                   | 1,080            | 1,081        |
| Disposal/adjustments   | -                   | 76               | 76           |
| As at March 31, 2021   | 9                   | 1,925            | 1,934        |
| <b>Net carrying value as at March 31, 2021</b>               | <b>44</b>           | <b>4,729</b>     | <b>4,773</b> |

The depreciation expense for the year ended March 31, 2021 and March 31, 2020 is included in the following line items in the statement of profit or loss.

| <b>Particulars</b>                           | <b>Year ended March 31,</b> |             |
|--|-----------------------------|-------------|
|  | <b>2021</b>                 | <b>2020</b> |
| Cost of revenues                             | 1,027                       | 892         |
| Selling, general and administrative expenses | 54                          | 67          |
| <b>Total</b>                                 | <b>1,081</b>                | <b>959</b>  |

Mindtree Limited and Subsidiaries  
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6 Intangible assets and Goodwill

a. Intangible assets

| Particulars                                    | Intellectual property | Computer software | Business Alliance Relationships | Customer Relationships | Non compete agreement | Vendor Relationship* | Tradename*  | Technology* | Total Intangible Assets |
|--|-----------------------|-------------------|---------------------------------|------------------------|-----------------------|----------------------|-------------|-------------|-------------------------|
| <b>Gross carrying value:</b>                   |                       |                   |                                 |                        |                       |                      |             |             |                         |
| As at April 1, 2019                            | 67                    | 1,152             | 71                              | 1,329                  | 56                    | 745                  | 306         | 262         | 3,988                   |
| Additions                                      | -                     | 31                | -                               | -                      | -                     | -                    | -           | -           | 31                      |
| Disposal/Adjustments                           | -                     | -                 | -                               | -                      | -                     | -                    | -           | -           | -                       |
| As at March 31, 2020                           | 67                    | 1,183             | 71                              | 1,329                  | 56                    | 745                  | 306         | 262         | 4,019                   |
| <b>Accumulated amortization/impairment:</b>    |                       |                   |                                 |                        |                       |                      |             |             |                         |
| As at April 1, 2019                            | 67                    | 1,102             | 71                              | 987                    | 42                    | 332                  | 109         | 98          | 2,808                   |
| Amortization                                   | -                     | 46                | -                               | 244                    | 10                    | 95                   | 31          | 26          | 452                     |
| Disposal/Adjustments                           | -                     | -                 | -                               | -                      | -                     | -                    | -           | -           | -                       |
| As at March 31, 2020                           | 67                    | 1,148             | 71                              | 1,231                  | 52                    | 427                  | 140         | 124         | 3,260                   |
| <b>Net carrying value as at March 31, 2020</b> | <b>-</b>              | <b>35</b>         | <b>-</b>                        | <b>98</b>              | <b>4</b>              | <b>318</b>           | <b>166</b>  | <b>138</b>  | <b>759</b>              |
| <b>Gross carrying value:</b>                   |                       |                   |                                 |                        |                       |                      |             |             |                         |
| As at April 1, 2020                            | 67                    | 1,183             | 71                              | 1,329                  | 56                    | 745                  | 306         | 262         | 4,019                   |
| Additions                                      | -                     | 48                | -                               | -                      | -                     | -                    | -           | -           | 48                      |
| Disposal/Adjustments                           | -                     | -                 | -                               | -                      | -                     | -                    | -           | -           | -                       |
| As at March 31, 2021                           | 67                    | 1,231             | 71                              | 1,329                  | 56                    | 745                  | 306         | 262         | 4,067                   |
| <b>Accumulated amortization/impairment:</b>    |                       |                   |                                 |                        |                       |                      |             |             |                         |
| As at April 1, 2020                            | 67                    | 1,148             | 71                              | 1,231                  | 52                    | 427                  | 140         | 124         | 3,260                   |
| Amortization                                   | -                     | 37                | -                               | 98                     | 4                     | 150                  | 166         | 138         | 593                     |
| Disposal/Adjustments                           | -                     | -                 | -                               | -                      | -                     | -                    | -           | -           | -                       |
| As at March 31, 2021                           | 67                    | 1,185             | 71                              | 1,329                  | 56                    | 577                  | 306         | 262         | 3,853                   |
| <b>Net carrying value as at March 31, 2021</b> | <b>-</b>              | <b>46</b>         | <b>-</b>                        | <b>-</b>               | <b>-</b>              | <b>168</b>           | <b>-</b>    | <b>-</b>    | <b>214</b>              |
| Estimated useful life (in years)               | 5                     | 2                 | 4                               | 3 - 5                  | 5                     | 6                    | 5.25 - 5.75 | 5.75        |                         |
| Estimated remaining useful life (in years)     | -                     | 0.13 - 1.89       | -                               | -                      | -                     | 0.75                 | -           | -           |                         |

The aggregate amount of research and development expense recognized in the consolidated statement of profit or loss for the year ended March 31, 2021 is Rs 338 (for the year ended March 31, 2020 is Rs 373).

\* During the year, the Group has revised the useful lives of vendor relationships from 5-10 years to 6 years, tradename from 10 years to 5.25 - 5.75 years and technology from 10 years to 5.75 years. Had the Group continued with the erstwhile useful lives, the charge to amortization expense would have been lower by Rs 334 for the year ended March 31, 2021.

The amortization expense for the year ended March 31, 2021 and March 31, 2020 is included in the following line items in the statement of profit or loss.

| Particulars                                  | Year ended March 31, |            |
|--|----------------------|------------|
|  | 2021                 | 2020       |
| Cost of revenues                             | 563                  | 420        |
| Selling, general and administrative expenses | 30                   | 32         |
| <b>Total</b>                                 | <b>593</b>           | <b>452</b> |

**Mindtree Limited and Subsidiaries**  
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**6 Intangible assets and Goodwill**

**b. Goodwill**

| Particulars                           | As at          |                |
|---------------------------------------|----------------|----------------|
|                                       | March 31, 2021 | March 31, 2020 |
| Balance at the beginning of the year  | 4,732          | 4,732          |
| <b>Balance at the end of the year</b> | <b>4,732</b>   | <b>4,732</b>   |

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 Chief Operating Decision Maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGUs.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections over a period of five years, based on financial budgets approved by management and an average of the range of each assumption mentioned below.

The Group does its impairment evaluation on an annual basis and as of March 31, 2021, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount. The key assumptions used for the calculations were as follows:

| Particulars   | As at          |                |
|---------------|----------------|----------------|
|               | March 31, 2021 | March 31, 2020 |
| Discount rate | 14.2% - 18.5%  | 13.7% - 20.1%  |

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Group. These estimates are likely to differ from future actual results of operations and cash flows.

The goodwill on acquisition of subsidiaries, which have since merged with the Company, has been allocated as follows:

| Particulars  | March 31, 2021 | March 31, 2020 |
|--------------|----------------|----------------|
| RCM          | 2,442          | 2,442          |
| BFSI         | 1,179          | 1,179          |
| CMT          | 1,037          | 1,037          |
| TH           | 74             | 74             |
| <b>Total</b> | <b>4,732</b>   | <b>4,732</b>   |

**Mindtree Limited and Subsidiaries**  
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**7 Investments**

Investments in mutual fund units, non-convertible bonds/ debentures, perpetual bonds, term deposits, commercial paper, unlisted equity securities and preference shares are classified as Investments.

Cost and fair value of the above as at March 31, 2021 and March 31, 2020 are as follows:

| <b>Investments - non current and current</b>  |                                 |                                 |
|---|---------------------------------|---------------------------------|
| <b>Particulars</b>  | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
| <b>Non-current</b>  |                                 |                                 |
| Investment in non-convertible bonds/ debentures, perpetual bonds, unlisted equity securities, unlisted preference shares and mutual funds |                                 |                                 |
| Cost  | 1,147                           | 692                             |
| Gross unrealised holding gains/(losses)   | 14                              | 112                             |
| Fair value  | 1,161                           | 804                             |
| <b>Current</b>  |                                 |                                 |
| Investment in non-convertible bonds, term deposits, commercial paper and short-term mutual funds  |                                 |                                 |
| Cost  | 18,404                          | 6,695                           |
| Gross unrealised holding gains/(losses)   | 903                             | 249                             |
| Fair value  | 19,307                          | 6,944                           |
| <b>Total Investments</b>  | <b>20,468</b>                   | <b>7,748</b>                    |

**8 Trade receivables**

| <b>Particulars</b>                   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--------------------------------------|---------------------------------|---------------------------------|
| Trade receivables                    | 13,190                          | 14,775                          |
| Allowance for expected credit losses | (448)                           | (386)                           |
| <b>Total</b>                         | <b>12,742</b>                   | <b>14,389</b>                   |

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Group estimates the following matrix at the reporting date.

|                                   | <b>Ageing</b>    |                    |                     |                            |
|-----------------------------------|------------------|--------------------|---------------------|----------------------------|
|                                   | <b>1-90 days</b> | <b>91-180 days</b> | <b>181-360 days</b> | <b>More than 360 days*</b> |
| Default rate as at March 31, 2021 | 0.2%             | 4.3%               | 21.8%               | 56%                        |
| Default rate as at March 31, 2020 | 0.3%             | 3.6%               | 21.6%               | 52%                        |

\*In case of probability of non-collection, default rate is 100%

Movement in the expected credit loss allowance:

| <b>Particulars</b>  | <b>Year ended</b>     |                       |
|---|-----------------------|-----------------------|
|   | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| Balance at the beginning of the year  | 386                   | 226                   |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | 62                    | 160                   |
| <b>Balance at the end of the year</b>   | <b>448</b>            | <b>386</b>            |

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**9 Cash and cash equivalents**

Cash and cash equivalents consist of the following:

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Current and time deposits with banks #                                  | 7,597          | 3,909          |
| <b>Cash and cash equivalents in the statement of financial position</b> | <b>7,597</b>   | <b>3,909</b>   |
| Book overdrafts used for cash management purposes (Refer note 17)       | -              | -              |
| <b>Cash and cash equivalents in the statement of cash flows</b>         | <b>7,597</b>   | <b>3,909</b>   |

#Balance with banks amounting to Rs 25 and Rs 23 as of March 31, 2021 and March 31, 2020 respectively includes unpaid dividends and dividend payable.

The deposits maintained by the Group with banks comprises time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

**9.1 Bank balances other than cash and cash equivalents**

| Particulars          | As at          | As at          |
|----------------------|----------------|----------------|
|                      | March 31, 2021 | March 31, 2020 |
| Margin-money deposit | -              | 1,961          |
| <b>Total</b>         | <b>-</b>       | <b>1,961</b>   |

**10 Other assets**

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| <b>Non-current</b>  |                |                |
| Capital advances  | 39             | 48             |
| Security deposits   | 476            | 457            |
| Prepaid expenses  | 14             | 7              |
| Service tax credit receivable   | 11             | 11             |
| Others  | 8              | 14             |
|   | <b>548</b>     | <b>537</b>     |
| <b>Current</b>  |                |                |
| Prepaid expenses  | 1,070          | 987            |
| Advance to employees (net of provision for doubtful advances to employees)* | 196            | 300            |
| Advance to suppliers  | 42             | 35             |
| Interest accrued and not due  | -              | 2              |
| Security deposits   | 41             | 99             |
| Others  | 338            | 314            |
|   | <b>1,687</b>   | <b>1,737</b>   |
| <b>Total</b>  | <b>2,235</b>   | <b>2,274</b>   |

\*Provision for doubtful advances to employees as at March 31, 2021 Rs 20 (As at March 31, 2020: Rs 19)

## Mindtree Limited and Subsidiaries

### Notes to the consolidated financial statements

(Rupees in millions, except share and per share data, unless otherwise stated)

#### 11 Equity

##### a) Share Capital and share premium

The Company has only one class of equity shares. The authorized share capital of the Company is 800,000,000 equity shares of Rs 10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of the par value is classified as share premium. The issued, subscribed and paid-up capital of the Company as at March 31, 2021 is 164,719,766 (As at March 31, 2020: 164,574,066) equity shares of Rs 10 each amounting to Rs 1,647 (As at March 31, 2020: Rs 1,646).

The Company has only one class of shares referred to as equity shares having a par value of Rs 10.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting. The Company declares and pays dividends in Indian Rupees and foreign currency. A final dividend, including tax thereon, on common stock is recorded as a liability on the date of approval by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of amounts payable to preference shareholders. However, no such preference shares exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

Indian law mandates that any dividend be declared out of distributable profits only. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable taxes.

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2021 and March 31, 2020 was Rs 17.5 and Rs 30 respectively.

The Board of Directors at its meeting held on April 24, 2020 had recommended a final dividend of 100% (Rs 10 per equity share of par value Rs 10 each) for the financial year ended March 31, 2020 which was approved by the shareholders at the Annual General Meeting held on July 14, 2020. The aforesaid dividend was paid during the year.

The Board of Directors have recommended a final dividend of 175% (Rs 17.5 per equity share of par value Rs 10 each) for the financial year ended March 31, 2021 which is subject to the approval of shareholders at the Annual General Meeting.

##### b) Retained earnings

Retained earnings comprises of undistributed earnings. A portion of these earnings as at March 31, 2021 amounting to Rs 87 (As at March 31, 2020: Rs 87) is not freely available for distribution.

##### c) Share based payment reserve

The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share based payment reserve are transferred to share premium upon exercise of stock options by employees.

##### d) Special Economic Zone reinvestment reserve

This Special Economic Zone reinvestment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(II) of the Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the section 10AA(2) of the Income Tax Act, 1961.

##### e) Capital redemption reserve

A statutory reserve created to the extent of 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.

##### f) Other reserves

Changes in the fair value of equity instruments is recognized in other comprehensive income (net of taxes) and presented within equity in other reserve.

##### g) Foreign currency translation reserve

Exchange difference relating to the translation of the results and net assets of the company's foreign operations from their functional currencies to the Group's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

##### h) Effective portion of Cash Flow Hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve (net of taxes) to the extent that the hedge is effective.

#### 12 In the period of five years immediately preceding March 31, 2021:

a) The Company has allotted 83,893,088 and 41,765,661 fully paid up equity shares during the quarter ended March 31, 2016 and June 30, 2014 respectively, pursuant to 1:1 bonus share issue approved by shareholders. Consequently, options/ units granted under the various employee share based plans are adjusted for bonus share issue.

b) Pursuant to the approval of the Board and the Administrative Committee at its meetings held on June 28, 2017 and July 20, 2017 respectively, the Company bought back 4,224,000 equity shares of Rs 10 each on a proportionate basis, at a price of Rs 625 per equity share for an aggregate consideration of Rs 2,640 (Rupees Two thousand six hundred and forty million only), and completed the extinguishment of the equity shares bought back. Capital redemption reserve has been created to the extent of nominal value of share capital extinguished amounting to Rs 42. The buyback and creation of capital redemption reserve was effected by utilizing the share premium and free reserves.

c) The Company has not allotted any other equity shares as fully paid up without payment being received in cash.

#### 13 Employee stock incentive plans

The Company instituted the Employees Stock Option Plan ("ESOP") in fiscal year 2000, which was approved by the Board of Directors (Board). The Company administers below mentioned restricted stock purchase plan and phantom stock options plan.

##### Employee Restricted Stock Purchase Plan 2012 ("ERSP 2012")

ERSP 2012 was instituted with effect from July 16, 2012 to issue equity shares of nominal value of Rs 10 each. Shares under this program are granted to employees at an exercise price of not less than Rs 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.

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| Particulars                                    | Year ended March 31,    |                                 |                         |                                 |
|--|-------------------------|---------------------------------|-------------------------|---------------------------------|
|  | 2021                    |                                 | 2020                    |                                 |
|  | Number of share options | Weighted average Exercise price | Number of share options | Weighted average Exercise price |
| Outstanding shares, beginning of the year      | -                       | -                               | -                       | -                               |
| Granted during the year                        | 154,155                 | 10.00                           | 360,025                 | 10.00                           |
| Exercised during the year                      | 145,700                 | 10.00                           | 360,025                 | 10.00                           |
| Lapsed during the year                         | 3,255                   | 10.00                           | -                       | -                               |
| Outstanding shares, end of the year            | 5,200                   | 10.00                           | -                       | -                               |
| Shares vested and exercisable, end of the year | 5,200                   | 10.00                           | -                       | -                               |

**Other Stock based compensation arrangements**

The Company has also 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, 2021 are given below:

| Particulars   | ERSP 2012 plan**   |
|---|--|
| Outstanding units/shares as at the beginning of the year                      | 240,450  |
| Number of units/shares granted during the year under letters of intent issued | 144,466  |
| Vested units/ shares  | 154,155  |
| Lapsed units/ shares  | 5,000  |
| Cancelled units/ shares   | 33,595   |
| Outstanding units/shares as at the end of the year                            | 192,166  |
| Contractual life  | 1-2 years  |
| Date of grant*  | 24-Jul-19, 2-Aug-19, 24-Oct-19, 28-Jan-20, 12 May-20, 18-Jun-20, 30-Oct-20, 8-Feb-2021 |
| Price per share/ unit*  | Exercise price of Rs 10  |

\*Based on Letter of Intent

\*\*Excludes direct allotment of shares

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year ended March 31, 2021 was Rs 873.36 using the Black-Scholes model with the following assumptions:

| Particulars                             | As at March 31, 2021 |
|---|----------------------|
| Weighted average grant date share price | 873.36               |
| Weighted average exercise price         | Rs 10                |
| Dividend yield %                        | 0.42%                |
| Expected life                           | 1-2 years            |
| Risk free interest rate                 | 4.31%                |
| Volatility                              | 48.33%               |

**Mindtree Limited and Subsidiaries**

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**14 Loans and borrowings**

A summary of loans and borrowings is as follows:

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| <b>Current</b>  |                |                |
| Current portion of unsecured long-term loan and borrowings* | -              | 5              |
| <b>Total</b>  | -              | 5              |

\*Current portion of Unsecured long-term loan borrowings represent the amount received from Council for Scientific and Industrial Research (CSIR) to develop a project under "Development of Intelligent Video Surveillance Server (IVSS) system".

The loan was an unsecured loan carrying a simple interest of 3% p.a on the outstanding amount of loan. Repayment of loan was in 10 equal annual installments commencing from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay. The loan was repaid in full during the year.

**15 Trade payables and accrued expenses**

Trade payables and accrued expenses consist of the following:

| Particulars      | As at          | As at          |
|------------------|----------------|----------------|
|                  | March 31, 2021 | March 31, 2020 |
| Trade payables   | 824            | 613            |
| Accrued expenses | 1,852          | 1,941          |
| <b>Total</b>     | <b>2,676</b>   | <b>2,554</b>   |

**16 Unearned Revenue**

| Particulars                           | Year ended March 31, |            |
|---------------------------------------|----------------------|------------|
|                                       | 2021                 | 2020       |
| Balance at the beginning of the year  | 341                  | 667        |
| Invoiced during the year              | 5,151                | 6,761      |
| Revenue recognized during the year    | (5,170)              | (7,087)    |
| <b>Balance at the end of the year</b> | <b>322</b>           | <b>341</b> |

**17 Other liabilities and provisions**

| Particulars                                   | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| <b>Non-current</b>                            |                |                |
| Employee related liabilities                  | 4              | 51             |
| Others (Security deposits for sub-lease)      | 2              | 3              |
|   | <b>6</b>       | <b>54</b>      |
| <b>Current</b>                                |                |                |
| Book overdraft                                | -              | -              |
| Advances from customers                       | 732            | 169            |
| Employee related liabilities <sup>1</sup>     | 4,673          | 3,599          |
| Statutory dues payable <sup>1</sup>           | 812            | 804            |
| Liability for discount <sup>2</sup>           | 557            | 708            |
| Capital creditors <sup>3</sup>                | 61             | 33             |
| Margin money                                  | 386            | -              |
| Other liabilities <sup>1</sup>                | 97             | 19             |
| <b>Total</b>                                  | <b>7,318</b>   | <b>5,332</b>   |
| <b>Current</b>                                | <b>7,324</b>   | <b>5,386</b>   |
| <b>Provisions</b>                             |                |                |
| Provision for disputed dues <sup>4</sup>      | 759            | 95             |
| Provision for post contract support services  | 15             | 10             |
| Provision for foreseeable losses on contracts | 16             | 62             |
| <b>Total</b>                                  | <b>790</b>     | <b>167</b>     |

Note:

<sup>1</sup> Reclassified Rs 379 from other liabilities to employee related liabilities and Rs 43 from employee related liabilities to statutory dues payable to conform to better presentation.

<sup>2</sup> Reclassified from provisions to conform to better presentation.

<sup>3</sup> Reclassified from trade payables to conform to better presentation.

<sup>4</sup> Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Group has preferred an appeal with the relevant authority. In respect of the provisions of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the disclosures required have not been provided pursuant to the limited exemption provided under paragraph 92 of IAS 37. Also, refer note 29 (f).

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**Provision for post contract support services**

Provision for post contract support services represents cost associated with providing sales support services which are accrued at the time of recognition of revenue and are expected to be utilized within a period of one year.

| Particulars                             | Year ended     |                |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Balance at the beginning of the year    | 10             | 9              |
| Provisions made during the year         | 7              | 2              |
| Released during the year                | (2)            | (1)            |
| <b>Provision at the end of the year</b> | <b>15</b>      | <b>10</b>      |

**Provision for disputed dues**

| Particulars                                       | Year ended     |                |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Balance at the beginning of the year              | 95             | 90             |
| Provisions made during the year (refer note 29 f) | 664            | 5              |
| <b>Provision at the end of the year</b>           | <b>759</b>     | <b>95</b>      |

**Provision for foreseeable losses on contracts**

Provision for foreseeable losses on contracts represents excess of estimated cost over the future revenues to be recognised and expected to be utilized within a period of one year.

| Particulars                             | Year ended,    |                |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Balance at the beginning of the year    | 62             | 18             |
| Provisions made during the year         | 23             | 84             |
| Released during the year                | (69)           | (40)           |
| <b>Provision at the end of the year</b> | <b>16</b>      | <b>62</b>      |

**18 Employee benefit obligations**

| Particulars          | As at          |                |
|----------------------|----------------|----------------|
|                      | March 31, 2021 | March 31, 2020 |
| Gratuity (net) *     | 83             | 282            |
| Compensated absences | 1,437          | 849            |
| <b>Total</b>         | <b>1,520</b>   | <b>1,131</b>   |

\* Refer note 23 for details of gratuity plan.

**19 Income tax expense**

Income tax expense in the consolidated statement of profit or loss consists of:

| Particulars                    | Year ended     |                |
|--------------------------------|----------------|----------------|
|                                | March 31, 2021 | March 31, 2020 |
| <b>Current taxes</b>           |                |                |
| In respect of the current year | 4,214          | 2,333          |
| <b>Deferred taxes</b>          |                |                |
| In respect of the current year | (335)          | (354)          |
| <b>Grand Total</b>             | <b>3,879</b>   | <b>1,979</b>   |

Total Income tax expense has been allocated as follows:

| Particulars  | Year ended     |                |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Income tax expense as per the consolidated statement of profit or loss | 3,879          | 1,979          |
| Income tax included in other comprehensive income on:                  |                |                |
| - Net change in fair value of cash flow hedges                         | (1,819)        | 1,093          |
| - Net loss/ (gain) on remeasurement of defined benefit plan            | 28             | 26             |

The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

| Particulars   | Year ended     |                |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Profit before tax   | 14,984         | 8,288          |
| Enacted income tax rate in India  | 34.94%         | 34.94%         |
| Computed expected tax expense   | 5,235          | 2,896          |
| Effect of:  |                |                |
| Income exempt from tax  | (1,771)        | (1,055)        |
| Temporary differences reversing during the tax holiday period                 | (4)            | 38             |
| Expenses (net) that are not deductible in determining taxable profit          | 106            | 62             |
| Different tax rates of branches/subsidiaries operating in other jurisdictions | 157            | 157            |
| True up of tax provisions related to previous years                           | 155            | (119)          |
| Others  | 1              | -              |
| <b>Income tax expense recognised in the statement of profit or loss</b>       | <b>3,879</b>   | <b>1,979</b>   |

The tax rates under Indian Income Tax Act, for the year ended March 31, 2021 and March 31, 2020 is 34.94%.

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The Group has not created deferred tax assets on the following:

| Particulars  | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Unused tax losses (long term capital loss) which expire in |                |                |
| - FY 2019-20   | -              | 34             |
| - FY 2021-22   | 48             | 48             |
| - FY 2022-23   | 28             | 28             |
| - FY 2023-24   | 22             | 22             |
| Unused tax losses of foreign jurisdiction                  | 94             | 306            |

The components of deferred tax assets are as follows:

Deferred tax assets/(liabilities) as at March 31, 2021 in relation to:

| Particulars                            | As at April 1, 2020 | Recognised in profit or loss | Recognised in Other Comprehensive Income | Others   | As at March 31, 2021 |
|--|---------------------|------------------------------|--|----------|----------------------|
| Property, plant and equipment          | 513                 | 144                          | -  | -        | 657                  |
| Lease assets net of lease liabilities  | 98                  | 69                           | -  | -        | 167                  |
| Allowance for expected credit losses   | 84                  | 21                           | -  | -        | 105                  |
| Provision for compensated absences     | 288                 | 1                            | -  | -        | 289                  |
| Intangible assets                      | (354)               | 306                          | -  | -        | (48)                 |
| Others                                 | 239                 | (10)                         | -  | -        | 229                  |
| Net gain on fair value of mutual funds | (126)               | (196)                        | -  | -        | (322)                |
| Cash flow hedges                       | 1,093               | -                            | (1,819)                                  | -        | (726)                |
| <b>Total</b>                           | <b>1,835</b>        | <b>335</b>                   | <b>(1,819)</b>                           | <b>-</b> | <b>351</b>           |

Deferred tax assets/(liabilities) as at March 31, 2020 in relation to:

| Particulars                            | As at April 1, 2019 | Recognised in profit or loss | Recognised in Other Comprehensive Income | Others   | As at March 31, 2020 |
|--|---------------------|------------------------------|--|----------|----------------------|
| Property, plant and equipment          | 463                 | 50                           | -  | -        | 513                  |
| Lease assets net of lease liabilities  | -                   | 98                           | -  | -        | 98                   |
| Allowance for expected credit losses   | 48                  | 36                           | -  | -        | 84                   |
| Provision for compensated absences     | 287                 | 1                            | -  | -        | 288                  |
| Intangible assets                      | (398)               | 44                           | -  | -        | (354)                |
| Others                                 | 89                  | 150                          | -  | -        | 239                  |
| Net gain on fair value of mutual funds | (101)               | (25)                         | -  | -        | (126)                |
| Cash flow hedges                       | -                   | -                            | 1,093                                    | -        | 1,093                |
| <b>Total</b>                           | <b>388</b>          | <b>354</b>                   | <b>1,093</b>                             | <b>-</b> | <b>1,835</b>         |

The Group has units at Bengaluru, Hyderabad, Chennai and Bhubaneswar registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

The Group also has STPI units at Bengaluru and Pune which are registered as 100 percent Export Oriented Units, which were earlier entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961.

A portion of the profits of the Group's India operations are exempt from Indian income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the Special Economic Zone Act, 2005 scheme, units in designated Special Economic Zones providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions.

Dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax.

Pursuant to the changes in the Indian income tax laws in fiscal year 2007, Minimum Alternate Tax (MAT) has been extended to income in respect of which deduction is claimed under the tax holiday schemes discussed above; consequently, the Company has calculated its tax liability for current domestic taxes after considering MAT, as applicable. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions.

The Group is also subject to tax on income attributable to its permanent establishments in the foreign jurisdictions due to operation of its foreign branches and subsidiaries.

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**20 Revenues**

The nature of contract impacts the method of revenue recognition and the contracts are classified as Fixed-price contracts, Maintenance contracts and Time and materials contracts.

**Revenue by contract type**

| Revenues                    | Year ended     |                |
|-----------------------------|----------------|----------------|
|                             | March 31, 2021 | March 31, 2020 |
| Fixed-price and Maintenance | 69%            | 57%            |
| Time and materials          | 31%            | 43%            |
| <b>Total</b>                | <b>100%</b>    | <b>100%</b>    |

Refer note 31 for disaggregation of revenue by industry and geographical segments.

**Transaction price allocated to the remaining performance obligations**

| Particulars       | As at          | As at          |
|-------------------|----------------|----------------|
|                   | March 31, 2021 | March 31, 2020 |
| Within 1 year     | 23,149         | 24,519         |
| 1-3 years         | 17,707         | 8,332          |
| More than 3 years | 3,213          | 729            |

The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to change in transaction price, if any.

The Group has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID-19 is not material based on such evaluation. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

**21 Finance and other income**

| Particulars  | Year ended     |                |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Interest income on financial assets at amortized cost                        | 166            | 189            |
| Gain on sale of property, plant and equipment                                | 45             | 12             |
| Net gain on financial assets designated at fair value through profit or loss | 909            | 509            |
| Net gain on termination of Right-of-use assets                               | 33             | 8              |
| Others   | 78             | 38             |
| <b>Total</b>   | <b>1,231</b>   | <b>756</b>     |

**22 Expenses by nature**

| Particulars   | Year ended     |                |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Employee benefits (refer note 23)   | 51,132         | 50,647         |
| Travel expenses   | 762            | 3,265          |
| Communication expenses  | 583            | 691            |
| Sub-contractor charges  | 5,730          | 6,208          |
| Computer consumables  | 1,514          | 1,166          |
| Legal and Professional charges  | 526            | 599            |
| Power and fuel  | 168            | 313            |
| Rent*   | 115            | 170            |
| Repairs to buildings  | 282            | 383            |
| Repairs to machinery  | 43             | 59             |
| Insurance   | 105            | 95             |
| Rates and taxes   | 534            | 344            |
| Other expenses  | 1,617          | 2,805          |
| Depreciation of Right-of-use assets   | 1,081          | 959            |
| Depreciation of property, plant and equipment                               | 922            | 1,343          |
| Amortization of intangible assets   | 593            | 452            |
| <b>Total cost of revenues, selling, general and administrative expenses</b> | <b>65,707</b>  | <b>69,499</b>  |

\*Represents lease rentals for short term leases and leases of low value assets

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**23 Employee benefits**

| Particulars                                       | Year ended     |                |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Salaries and wages (refer note 25 (b))            | 46,719         | 46,962         |
| Contribution to provident and other funds*        | 4,084          | 3,205          |
| Share based payments to employees (refer note 13) | 99             | 102            |
| Staff welfare expenses                            | 230            | 378            |
| <b>Total</b>                                      | <b>51,132</b>  | <b>50,647</b>  |

\*includes contribution to defined contribution plans for the year ended March 31, 2021: Rs 3,832 (For the year ended March 31, 2020: Rs 3,023). Also, refer note 29 (f).

The employee benefit cost is recognized in the following line items in the consolidated statement of profit or loss:

| Particulars                                  | Year ended     |                |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Cost of revenues                             | 44,442         | 42,965         |
| Selling, general and administrative expenses | 6,690          | 7,682          |
| <b>Total</b>                                 | <b>51,132</b>  | <b>50,647</b>  |

**Defined benefit plans**

Amount recognized in the statement of profit or loss in respect of gratuity cost (defined benefit plan) is as follows:

| Particulars  | Year ended     |                |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| <b>Gratuity Cost</b>                                     |                |                |
| Service cost   | 234            | 174            |
| Net interest on net defined liability/(asset)            | 18             | 8              |
| Re-measurement - actuarial gain/(loss) recognised in OCI | 116            | 109            |
| <b>Net gratuity cost</b>                                 | <b>368</b>     | <b>291</b>     |
| <b>Assumptions</b>                                       |                |                |
| Discount rate  | 5.85%          | 6.30%          |
| Salary increase  | 0%-7.5%        | 0%-6%          |
| Withdrawal rate  | 16.28%         | 14.54%         |

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Indian Assured Lives Mortality (2012-14) Ult.

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

The following table sets out the status of the gratuity plan.

| Particulars   | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| <b>Change in defined benefit obligations</b>              |                |                |
| Obligations at the beginning of the year                  | 1,071          | 874            |
| Service cost  | 234            | 174            |
| Interest cost   | 67             | 59             |
| Benefits settled  | (124)          | (141)          |
| Actuarial (gain)/loss - Experience                        | 2              | 40             |
| Actuarial (gain)/loss - demographic assumptions           | (23)           | 8              |
| Actuarial (gain)/loss - financial assumptions             | 181            | 57             |
| <b>Obligations at the end of the year</b>                 | <b>1,408</b>   | <b>1,071</b>   |
| <b>Change in plan assets</b>                              |                |                |
| Plan assets at the beginning of the year, at fair value   | 789            | 644            |
| Interest income on plan assets                            | 50             | 51             |
| Re-measurement - actuarial gain/(loss)                    | -              | -              |
| Return on plan assets greater/(lesser) than discount rate | 44             | (4)            |
| Contributions   | 561            | 226            |
| Benefits settled  | (119)          | (128)          |
| <b>Plan assets at the end of the year, at fair value</b>  | <b>1,325</b>   | <b>789</b>     |

Historical Information: -

| Particulars                                 | As at March 31, |              |              |              |             |
|---|-----------------|--------------|--------------|--------------|-------------|
|   | 2021            | 2020         | 2019         | 2018         | 2017        |
| Present value of defined benefit obligation | (1,408)         | (1,071)      | (874)        | (705)        | (591)       |
| Fair value of plan assets                   | 1,325           | 789          | 644          | 564          | 500         |
| <b>Asset/ (liability) recognized</b>        | <b>(83)</b>     | <b>(282)</b> | <b>(230)</b> | <b>(141)</b> | <b>(91)</b> |

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

| Particulars                               | As at          | As at          |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Experience adjustment on plan liabilities | 2              | 40             |
| Experience adjustment on plan assets      | 44             | (4)            |

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**Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

|                                    | As at March 31, 2021 |          | As at March 31, 2020 |          |
|------------------------------------|----------------------|----------|----------------------|----------|
|                                    | Increase             | Decrease | Increase             | Decrease |
| Discount rate (1% movement)        | (82)                 | 92       | (59)                 | 66       |
| Future salary growth (1% movement) | 91                   | (83)     | 65                   | (54)     |

**Maturity profile of defined benefit obligation:**

| Particulars        | As at          |                |
|--------------------|----------------|----------------|
|                    | March 31, 2021 | March 31, 2020 |
| Within 1 year      | 193            | 146            |
| 1-2 years          | 182            | 158            |
| 2-3 years          | 180            | 172            |
| 3-4 years          | 173            | 199            |
| 4-5 years          | 160            | 240            |
| 5-10 years         | 588            | 1,273          |
| More than 10 years | 667            | -              |

The Group expects to contribute Rs 368 to its defined benefit plans during the next fiscal year.

As at March 31, 2021 and March 31, 2020, 100% of the plan assets were invested in insurer managed funds.

The Group has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

**24 Earnings per share**

| Particulars  | Year ended     |                |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Profit for the year (A)  | 11,105         | 6,309          |
| Weighted average number of equity shares for calculation of basic earnings per share (B)   | 164,661,734    | 164,487,369    |
| Weighted average number of equity shares for calculation of diluted earnings per share (C) | 164,742,573    | 164,567,714    |
| <b>Earnings per share:</b>   |                |                |
| Equity shares of par value Rs 10 each  |                |                |
| (1) Basic (Rs) (A/B)   | 67.44          | 38.35          |
| (2) Diluted (Rs) (A/C)   | 67.41          | 38.33          |

Reconciliation of the number of equity shares used in the computation of basic and diluted earnings per share is set out below:

| Particulars  | Year ended     |             | Year ended     |             |
|--|----------------|-------------|----------------|-------------|
|  | March 31, 2021 |             | March 31, 2020 |             |
|  | Basic EPS      | Diluted EPS | Basic EPS      | Diluted EPS |
| Weighted average number of equity shares outstanding during the year                               | 164,661,734    | 164,661,734 | 164,487,369    | 164,487,369 |
| Weighted average number of equity shares resulting from assumed exercise of employee stock options | -              | 80,839      | -              | 80,345      |
| Weighted average number of equity shares for calculation of earnings per share                     | 164,661,734    | 164,742,573 | 164,487,369    | 164,567,714 |

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**25 Government grants**

- a) The Group has claimed R&D tax relief under UK corporation tax rules. The Group undertakes R&D activities and incurs qualifying revenue expenditure which is entitled to an additional deduction under UK corporation tax rules, details of which are given below.

| Nature of expenses       | Year ended     |                |
|--------------------------|----------------|----------------|
|                          | March 31, 2021 | March 31, 2020 |
| Grant towards R&D credit | 51             | 18             |
| <b>Total</b>             | <b>51</b>      | <b>18</b>      |

As at March 31, 2021, the grant recognized in the balance sheet is Rs 79 (As at March 31, 2020: Rs 46).

- b) During the year ended March 31, 2021, the Group received Government grants amounting to Rs 69, from governments of various countries on compliance of several employment-related conditions consequent to the outbreak of COVID-19 pandemic and accordingly, accounted as a credit to employee benefits expense (refer note 23). For the year ended March 31, 2020 Rs Nil.

**26 Leases**

a) **Company as a lessee**

Leases not yet commenced to which the Company is committed, amounts to Rs 839 for a lease term of 10 years.

b) **Company as a lessor**

The Group has sublet one of the leased premises. Lease rental income under such non-cancellable operating lease during the year ended March 31, 2021 amounted to Rs 39 (For the year ended March 31, 2020 amounted to Rs 15).

| Minimum lease payments   | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Receivable –Not later than one year                            | 26             | 27             |
| Receivable – Later than one year and not later than five years | 38             | 4              |

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**27 Financial instruments**

**Financial instruments by category**

The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

**As at March 31, 2021**

| <b>Particulars</b>                                 | <b>Financial assets/liabilities at fair value through profit or loss</b> | <b>Financial assets/liabilities measured at amortized cost</b> | <b>Financial assets at fair value through OCI</b> | <b>Total carrying amount</b> | <b>Fair value</b> |
|--|--|--|---|------------------------------|-------------------|
| <b>Assets</b>                                      |  |  |   |                              |                   |
| Trade receivables                                  | -  | 12,742   | -   | 12,742                       | 12,742            |
| Unbilled revenue                                   | -  | 1,859  | -   | 1,859                        | 1,859             |
| Investments  | 17,350   | 3,110  | 8   | 20,468                       | 20,468            |
| Cash and cash equivalents                          | -  | 7,597  | -   | 7,597                        | 7,597             |
| Bank balances other than cash and cash equivalents | -  | -  | -   | -                            | -                 |
| Derivative financial instruments                   | 5  | -  | 2,088   | 2,093                        | 2,093             |
| Other assets                                       | -  | 713  | -   | 713                          | 713               |
| <b>Total assets</b>                                | <b>17,355</b>  | <b>26,021</b>  | <b>2,096</b>                                      | <b>45,472</b>                | <b>45,472</b>     |
| <b>Liabilities</b>                                 |  |  |   |                              |                   |
| Loans and borrowings                               | -  | -  | -   | -                            | -                 |
| Lease liabilities                                  | -  | 5,377  | -   | 5,377                        | 5,377             |
| Trade payables and accrued expenses                | -  | 2,676  | -   | 2,676                        | 2,676             |
| Derivative financial instruments                   | 31   | -  | 2   | 33                           | 33                |
| Other liabilities                                  | -  | 5,223  | -   | 5,223                        | 5,223             |
| <b>Total liabilities</b>                           | <b>31</b>  | <b>13,276</b>  | <b>2</b>  | <b>13,309</b>                | <b>13,309</b>     |

**As at March 31, 2020**

| <b>Particulars</b>                                 | <b>Financial assets/liabilities at fair value through profit or loss</b> | <b>Financial assets/liabilities measured at amortized cost</b> | <b>Financial assets at fair value through OCI</b> | <b>Total carrying amount</b> | <b>Fair value</b> |
|--|--|--|---|------------------------------|-------------------|
| <b>Assets</b>                                      |  |  |   |                              |                   |
| Trade receivables                                  | -  | 14,389   | -   | 14,389                       | 14,389            |
| Unbilled revenue                                   | -  | 2,503  | -   | 2,503                        | 2,503             |
| Investments  | 6,078  | 1,662  | 8   | 7,748                        | 7,748             |
| Cash and cash equivalents                          | -  | 3,909  | -   | 3,909                        | 3,909             |
| Bank balances other than cash and cash equivalents | -  | 1,961  | -   | 1,961                        | 1,961             |
| Other assets                                       | -  | 858  | -   | 858                          | 858               |
| <b>Total assets</b>                                | <b>6,078</b>   | <b>25,282</b>  | <b>8</b>  | <b>31,368</b>                | <b>31,368</b>     |
| <b>Liabilities</b>                                 |  |  |   |                              |                   |
| Loans and borrowings                               | -  | 5  | -   | 5                            | 5                 |
| Lease liabilities                                  | -  | 5,663  | -   | 5,663                        | 5,663             |
| Trade payables and accrued expenses                | -  | 2,554  | -   | 2,554                        | 2,554             |
| Derivative financial instruments                   | 239  | -  | 3,128   | 3,367                        | 3,367             |
| Other liabilities                                  | -  | 3,709  | -   | 3,709                        | 3,709             |
| <b>Total liabilities</b>                           | <b>239</b>   | <b>11,931</b>  | <b>3,128</b>                                      | <b>15,298</b>                | <b>15,298</b>     |

The Management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, trade payables, book overdrafts and other current 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. The fair-value of the financial instruments factor the uncertainties arising out of COVID-19, where applicable.

**Mindtree Limited and Subsidiaries**

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

i) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) The fair value of the quoted bonds and mutual funds are based on price quotations at reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

iii) Fair values of the Group's interest-bearing borrowings and loans are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

iv) 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 equity investments.

v) The Group enters into derivative financial instruments with various counterparties, principally banks with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and option contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2021 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk, as applicable. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

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**Fair Value**

The fair value of cash and cash equivalent, trade receivables, unbilled revenue, trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to short term nature of these instruments.

**Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2021 and March 31, 2020:

**As at March 31, 2021**

| Particulars  | As at March 31,<br>2021 | Fair value measurement at the end of the reporting year using |         |         |
|--|-------------------------|---|---------|---------|
|  |                         | Level 1   | Level 2 | Level 3 |
| <b>Assets</b>  |                         |   |         |         |
| Investments in mutual fund units and perpetual bonds   | 17,350                  | 17,350  | -       | -       |
| Investments in unlisted equity securities and preference shares                                    | 8                       | -   | -       | 8       |
| Derivative financial instruments-gain on outstanding foreign exchange forward and option contracts | 2,093                   | -   | 2,093   | -       |
| <b>Liabilities</b>   |                         |   |         |         |
| Derivative financial instruments-loss on outstanding foreign exchange forward and option contracts | 33                      | -   | 33      | -       |

**As at March 31, 2020**

| Particulars  | As at March 31,<br>2020 | Fair value measurement at the end of the reporting year using |         |         |
|--|-------------------------|---|---------|---------|
|  |                         | Level 1   | Level 2 | Level 3 |
| <b>Assets</b>  |                         |   |         |         |
| Investments in mutual fund units   | 6,078                   | 6,078   | -       | -       |
| Investments in unlisted equity securities and preference shares                                    | 8                       | -   | -       | 8       |
| <b>Liabilities</b>   |                         |   |         |         |
| Derivative financial instruments-loss on outstanding foreign exchange forward and option contracts | 3,367                   | -   | 3,367   | -       |

There have been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2021 and March 31, 2020.

A reconciliation of changes in the fair value measurement of investments in unlisted securities in level 3 of the fair value hierarchy is given below:

| Particulars                          | As at          | As at          |
|--------------------------------------|----------------|----------------|
|                                      | March 31, 2021 | March 31, 2020 |
| Balance at the beginning of the year | 8              | 8              |
| Remeasurement recognised in OCI      | -              | -              |
| Balance at the end of the year       | 8              | 8              |

Details of Income and interest expense are as follows:

| Particulars  | Year ended     |                |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Net gain on financial assets designated at fair value through profit or loss | 909            | 509            |
| Interest income on financial asset at amortized cost                         | 166            | 189            |
| Interest expense   | (504)          | (529)          |

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**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. Hence, the movement in Mark to Market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts will impact the Balance Sheet of the Group. The Group monitors the potential risk arising out of the market factors like exchange rates on a regular basis. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material. For on balance sheet exposures, the Group monitors the risks on net unhedged exposures.

The Group has evaluated the impact of the COVID-19 event on its highly probable forecasted transactions and concluded that there was no impact on the probability of occurrence of the hedged transaction. 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.

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

| Particulars                            | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Non-designated derivative instruments: |                |                |
| in USD millions                        | 1,146          | 1,118          |

The foreign exchange forward and option contracts mature anywhere between 1-36 months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

| Particulars   | As at March 31, 2021     |                      | As at March 31, 2020     |                      |
|---|--------------------------|----------------------|--------------------------|----------------------|
|   | Not later than 12 months | Later than 12 months | Not later than 12 months | Later than 12 months |
| <b>Non-designated derivative instruments (Sell)</b>     |                          |                      |                          |                      |
| Cash Flow Hedge:  |                          |                      |                          |                      |
| in USD millions   | 409                      | 587                  | 452                      | 527                  |
| Average rate  | 77.18                    | 81.94                | 73.87                    | 78.35                |
| in INR millions   | 31,565                   | 48,100               | 33,387                   | 41,288               |
| Fair Value Hedge:                                       |                          |                      |                          |                      |
| in USD millions   | 132                      | -                    | 138.70                   | -                    |
| Average rate  | 73.30                    | -                    | 74.36                    | -                    |
| in INR millions   | 9,675                    | -                    | 10,314                   | -                    |
| <b>Option contracts (three legged option contracts)</b> |                          |                      |                          |                      |
| Non-designated derivative instruments                   |                          |                      |                          |                      |
| Number of contracts                                     | 12                       | 6                    | -                        | -                    |
| Notional amount (in USD millions)                       | 12                       | 6                    | -                        | -                    |
| Fair value (in INR millions)                            | 24                       | 10                   | -                        | -                    |

Reconciliation of cash flow hedges:

| Particulars   | Year ended     |                |
|---|----------------|----------------|
|   | March 31, 2021 | March 31, 2020 |
| Balance at the beginning of the year                                      | (2,035)        | -              |
| Gain/ (loss) recognized in the other comprehensive income during the year | 4,948          | (3,256)        |
| Amount reclassified to profit and loss during the year                    | 258            | 128            |
| Tax impact on the above   | (1,819)        | 1,093          |
| <b>Balance at the end of the year</b>                                     | <b>1,352</b>   | <b>(2,035)</b> |

**Financial risk management**

The Group's activities expose it to a variety of financial risks: Credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize 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 foreign exchange related risk 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 derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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*Trade and other receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Ratings of customers are periodically monitored. The Group has considered the latest available credit-ratings of customers in view of COVID-19 to ensure the adequacy of allowance for expected credit loss towards trade and other receivables.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

| Particulars                  | Year ended     |                |
|------------------------------|----------------|----------------|
|                              | March 31, 2021 | March 31, 2020 |
| Revenue from top customer    | 22,984         | 17,196         |
| Revenue from top 5 customers | 32,193         | 27,344         |

One customer accounted for more than 10% of the revenue for the year ended March 31, 2021 and March 31, 2020. Further, one customer accounted for more than 10% of the receivables as at March 31, 2021 and as at March 31, 2020.

*Investments*

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. 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.

**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 manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Group has unutilized credit limits with banks.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Group is given below:

| Particulars  | As at          | As at          |
|--|----------------|----------------|
|  | March 31, 2021 | March 31, 2020 |
| Cash and cash equivalents                                | 7,597          | 3,909          |
| Bank balances other than cash and cash equivalents       | -              | 1,961          |
| Investments in mutual funds (quoted)                     | 16,975         | 5,334          |
| Investments in non-convertible bonds/debentures (quoted) | 171            | 544            |
| Interest bearing deposits with corporates                | 1,821          | 1,066          |
| Investment in commercial paper (unquoted)                | 340            | -              |
| <b>Total</b>   | <b>26,904</b>  | <b>12,814</b>  |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020:

| Particulars   | As at March 31, 2021 |           |                   |
|---|----------------------|-----------|-------------------|
|   | Less than 1 year     | 1-2 years | 2 years and above |
| Lease liabilities                                   | 1,320                | 1,129     | 4,851             |
| Trade payables and accrued expenses                 | 2,676                | -         | -                 |
| Other liabilities                                   | 5,217                | 6         | -                 |
| Derivative financial instruments - fair value hedge | 31                   | -         | -                 |
| Derivative financial instruments - cash flow hedge  | 2                    | -         | -                 |

  

| Particulars   | As at March 31, 2020 |           |                   |
|---|----------------------|-----------|-------------------|
|   | Less than 1 year     | 1-2 years | 2 years and above |
| Loans and borrowings                                | 5                    | -         | -                 |
| Lease liabilities                                   | 1,180                | 1,126     | 5,720             |
| Trade payables and accrued expenses                 | 2,554                | -         | -                 |
| Other liabilities                                   | 3,655                | 54        | -                 |
| Derivative financial instruments - fair value hedge | 239                  | -         | -                 |
| Derivative financial instruments - cash flow hedge  | 1,384                | 1,167     | 577               |

**Foreign currency risk**

The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollars, British Pound Sterling and Euros) and foreign currency borrowings (in U.S. dollars). A significant portion of the Group's revenues are in these foreign currencies, while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Group's revenues measured in Rupees may decrease. The exchange rate between the Indian Rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Group has a foreign exchange hedging committee which meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Group uses derivative financial instruments, such as foreign exchange forward and option contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

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

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

- an approximately Rs 97 increase and Rs 97 decrease in the Group's net profit in respect of its fair value hedges and Rs 741 increase and Rs 741 decrease in the Group's effective portion of cash flow hedges as at March 31, 2021;
- an approximately Rs 105 increase and Rs 105 decrease in the Group's net profit in respect of its fair value hedges and Rs 741 increase and Rs 741 decrease in the Group's effective portion of cash flow hedges as at March 31, 2020.

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The following table presents foreign currency risk from non-derivative financial instruments as at March 31, 2021 and March 31, 2020.

| <b>As at March 31, 2021</b>         |               |              |                       |                          | <b>Amount in Rs</b> |
|-------------------------------------|---------------|--------------|-----------------------|--------------------------|---------------------|
| <b>Particulars</b>                  | <b>US \$</b>  | <b>Euro</b>  | <b>Pound Sterling</b> | <b>Other currencies*</b> | <b>Total</b>        |
| <b>Assets</b>                       |               |              |                       |                          |                     |
| Trade receivables                   | 8,991         | 1,491        | 930                   | 644                      | 12,056              |
| Unbilled revenue                    | 1,206         | 296          | 114                   | 118                      | 1,734               |
| Cash and cash equivalents           | 6,214         | 228          | 278                   | 422                      | 7,142               |
| Other assets                        | 35            | 13           | 12                    | 6                        | 66                  |
| <b>Liabilities</b>                  |               |              |                       |                          |                     |
| Trade payables and accrued expenses | 1,273         | 112          | 262                   | 67                       | 1,714               |
| Lease liabilities                   | 2,370         | 15           | 192                   | 34                       | 2,611               |
| Other liabilities                   | 2,676         | 96           | 285                   | 75                       | 3,132               |
| <b>Net assets/liabilities</b>       | <b>10,127</b> | <b>1,805</b> | <b>595</b>            | <b>1,014</b>             | <b>13,541</b>       |

\* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, etc.

| <b>As at March 31, 2020</b>         |              |              |                       |                          | <b>Amount in Rs</b> |
|-------------------------------------|--------------|--------------|-----------------------|--------------------------|---------------------|
| <b>Particulars</b>                  | <b>US \$</b> | <b>Euro</b>  | <b>Pound Sterling</b> | <b>Other currencies*</b> | <b>Total</b>        |
| <b>Assets</b>                       |              |              |                       |                          |                     |
| Trade receivables                   | 10,119       | 1,572        | 1,258                 | 750                      | 13,699              |
| Unbilled revenue                    | 1,963        | 110          | 144                   | 166                      | 2,383               |
| Cash and cash equivalents           | 2,548        | 304          | 279                   | 395                      | 3,526               |
| Other assets                        | 113          | 26           | 38                    | 18                       | 195                 |
| <b>Liabilities</b>                  |              |              |                       |                          |                     |
| Trade payables and accrued expenses | 1,535        | 65           | 140                   | 38                       | 1,778               |
| Lease liabilities                   | 2,753        | 24           | 210                   | 51                       | 3,038               |
| Other liabilities                   | 2,222        | 90           | 303                   | 96                       | 2,711               |
| <b>Net assets/liabilities</b>       | <b>8,233</b> | <b>1,833</b> | <b>1,066</b>          | <b>1,144</b>             | <b>12,276</b>       |

\* Others include currencies such as Singapore \$, Australian \$, Canadian \$, Japanese Yen, Malaysian Ringgit, etc.

For the year ended March 31, 2021, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by 0.3%/(0.3)%. For the year ended March 31, 2020, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by 0.2%/(0.2)%.

**Interest rate 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's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with fixed interest rates and investments. The Group's borrowings and investments are primarily short-term, which do not expose it to significant interest rate risk.

For details of the Group's borrowings and investments, refer to note 14, note 26 and note 7.

**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:

| <b>Particulars</b>   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| Total equity attributable to the equity share holders of the Group     | 43,194                          | 31,572                          |
| As percentage of total capital   | 89%                             | 85%                             |
| Total loans and borrowings   | -                               | 5                               |
| Total lease liabilities  | 5,377                           | 5,663                           |
| Total loans, borrowings and lease liabilities                          | 5,377                           | 5,668                           |
| As a percentage of total capital                                       | 11%                             | 15%                             |
| <b>Total capital (loans, borrowings, lease liabilities and equity)</b> | <b>48,571</b>                   | <b>37,240</b>                   |

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 liquid and short-term mutual funds being far in excess of debt.

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**28 Related party relationships and transactions**

| Name of related party                          | Nature of relationship  |
|--|---|
| Larsen & Toubro Limited*                       | Parent Company  |
| L&T Investment Management Ltd**                | Fellow subsidiary   |
| L&T Technology Services Limited                | Fellow subsidiary   |
| Larsen & Toubro Infotech Limited               | Fellow subsidiary   |
| L&T Thales Technology Services Private Limited | Fellow subsidiary   |
| Mindtree Foundation                            | Entity with common key managerial person                                |
| Bridgeweave Limited                            | Entity with common key managerial person                                |
| Music Broadcast Limited                        | Entity with common key managerial person                                |
| NuvePro Technologies Private Limited           | Entity in which a key managerial person was a member till July 17, 2019 |
| Mindtree Limited Employees Gratuity Fund Trust | Gratuity Trust  |

\* With effect from July 2, 2019, the Company has become a subsidiary of L&T. Accordingly, L&T has become the Promoter / Parent Company of the Company.

\*\* Investment Manager for L&T Mutual Fund

Transactions with the above related parties during the year were:

| Name of related party                          | Nature of transaction                      | Year ended     |                |
|--|--|----------------|----------------|
|  |  | March 31, 2021 | March 31, 2020 |
| Mindtree Foundation                            | Donation paid                              | 17             | 47             |
| Bridgeweave Limited                            | Software services rendered                 | 44             | 38             |
| NuvePro Technologies Private Limited           | Software services received                 | -              | 1              |
| Mindtree Limited Employees Gratuity Fund Trust | Contribution for Gratuity                  | 561            | 226            |
| L&T Mutual Fund                                | Purchase of investments                    | 730            | 100            |
|  | Proceeds from sale of investments          | 546            | 100            |
| Larsen & Toubro Infotech Limited               | Software services rendered                 | 98             | 21             |
|  | Reimbursement of personnel cost            | 15             | -              |
|  | Software services received                 | 10             | -              |
| L&T Technology Services Limited                | Software services rendered                 | 20             | -              |
|  | Software services received                 | 9              | -              |
|  | Dividend paid                              | 1,759          | 2,789          |
|  | Software services rendered                 | 39             | 3              |
|  | Professional services received             | 3              | -              |
| Larsen & Toubro Limited                        | Reimbursement of personnel cost            | 89             | -              |
|  | Reimbursement of travel and other expenses | 3              | 20             |
|  | Guarantee charges                          | 6              | -              |
| L&T Thales Technology Services Private Limited | Software services rendered                 | 57             | -              |

Balances payable to related parties are as follows:

| Name of related party                          | Nature of balance             | As at          |                |
|--|-------------------------------|----------------|----------------|
|  |                               | March 31, 2021 | March 31, 2020 |
| Larsen & Toubro Limited                        | Trade Payables                | 6              | 20             |
| Larsen & Toubro Infotech Limited               | Trade Payables                | 10             | -              |
| L&T Technology Services Limited                | Trade Payables                | 3              | -              |
| Mindtree Limited Employees Gratuity Fund Trust | Gratuity contribution payable | 76             | 272            |

Balances receivable from related parties are as follows:

| Name of related party                          | Nature of balance | As at          |                |
|--|-------------------|----------------|----------------|
|  |                   | March 31, 2021 | March 31, 2020 |
| Bridgeweave Limited                            | Trade receivables | 28             | 26             |
|  | Unbilled revenue  | 15             | 7              |
| Larsen & Toubro Infotech Limited               | Trade receivables | 13             | 13             |
|  | Unbilled revenue  | 5              | 8              |
| Larsen & Toubro Limited                        | Trade receivables | 8              | 2              |
|  | Unbilled revenue  | -              | 1              |
| L&T Technology Services Limited                | Trade receivables | 6              | -              |
|  | Unbilled revenue  | 1              | -              |
| L&T Thales Technology Services Private Limited | Trade receivables | 13             | -              |

The amounts outstanding are unsecured and will be settled in cash. No guarantee has been given or received.

Guarantees from related parties are as follows:

| Name of related party   | Nature of balance | As at          |                |
|-------------------------|-------------------|----------------|----------------|
|                         |                   | March 31, 2021 | March 31, 2020 |
| Larsen & Toubro Limited | Guarantee*        | 5,147          | -              |

\* Performance guarantee given on behalf of the Company

**Mindtree Limited and Subsidiaries**  
**Notes to the consolidated financial statements**  
**(Rupees in millions, except share and per share data, unless otherwise stated)**

**Key Managerial Personnel (KMP):**

|  |   |
|--|---|
| Anilkumar Manibhai Naik*                 | Non-Executive Chairman  |
| Debashis Chatterjee*                     | CEO and Managing Director   |
| Sekharipuram Narayanan Subrahmanyam*     | Non-Executive Vice Chairman   |
| Jayant Damodar Patil <sup>10</sup>       | Non-Executive Director  |
| Ramamurthi Shankar Raman*                | Non-Executive Director  |
| Prasanna Rangacharya Mysore*             | Independent Director  |
| Deepa Gopalan Wadhwa*                    | Independent Director  |
| Apurva Purohit                           | Independent Director  |
| Milind Sarwate <sup>1</sup>              | Independent Director  |
| Akshaya Bhargava                         | Independent Director  |
| Bijou Kurien                             | Independent Director  |
| Senthil Kumar <sup>2</sup>               | Chief Financial Officer   |
| Vedavalli Sridharan <sup>11</sup>        | Company Secretary   |
| Vinit Ajit Teredesai <sup>3</sup>        | Chief Financial Officer   |
| Krishnakumar Natarajan <sup>4</sup>      | Executive Chairman (KMP till July 17, 2019)   |
| Rostow Ramanan <sup>4</sup>              | CEO and Managing Director (KMP till July 17, 2019)                                      |
| N.S. Parthasarathy <sup>4</sup>          | Executive Vice Chairman, President and Chief Operating Officer (KMP till July 17, 2019) |
| Subroto Bagchi <sup>5</sup>              | Non-Executive Director (KMP till July 16, 2019)   |
| Pradip Menon <sup>6</sup>                | Chief Financial Officer (KMP till November 15, 2019)                                    |
| Chandrasekaran Ramakrishnan <sup>7</sup> | Independent Director  |
| Dayapatra Nevatia <sup>8</sup>           | Executive Director and Chief Operating Officer  |
| Venugopal Lambu <sup>9</sup>             | Executive Director and President - Global Markets                                       |
| Subhodh Shetty <sup>11</sup>             | Company Secretary   |

\*KMP subsequent to July 2, 2019, when the Company has become a subsidiary of L&T.

<sup>1</sup>Mr. Milind Sarwate, Independent Director resigned from the Board with effect from April 24, 2020.

<sup>2</sup>Mr. Senthil Kumar resigned as Chief Financial Officer and Key Managerial Personnel with effect from June 15, 2020 and continues as AVP & Finance Controller with effect from June 15, 2020.

<sup>3</sup>Mr. Vinit Ajit Teredesai was appointed as Chief Financial Officer and Key Managerial Personnel with effect from June 15, 2020.

<sup>4</sup>Mr. Krishnakumar Natarajan, Executive Chairman, Mr. N S Parthasarathy, Executive Vice Chairman and Chief Operating Officer and Mr. Rostow Ramanan, CEO and Managing Director of the Company have resigned from the Board on July 17, 2019.

<sup>5</sup>Mr. Subroto Bagchi, Non-Executive Director of the Company, retired from the Board on July 16, 2019.

<sup>6</sup>Resigned on November 15, 2019

<sup>7</sup>The Nomination and Remuneration Committee and the Board of Directors have approved the appointment of Mr. Chandrasekaran Ramakrishnan as Independent Director with effect from July 15, 2020 for a term of five years upto July 14, 2025, and the same was approved by shareholders through Postal Ballot on December 09, 2020.

<sup>8</sup>The Nomination and Remuneration Committee and the Board of Directors have approved the appointment of Mr. Dayapatra Nevatia, Chief Operating Officer as Executive Director of the Company with effect from October 15, 2020 for a term of five years upto October 14, 2025, and the same was approved by shareholders through Postal Ballot on December 09, 2020.

<sup>9</sup>The Nomination and Remuneration Committee and the Board of Directors have approved the appointment of Mr. Venugopal Lambu, President - Global Markets as Executive Director of the Company with effect from October 15, 2020 for a term of five years upto October 14, 2025, and the same was approved by shareholders through Postal Ballot on December 09, 2020.

<sup>10</sup>Mr. Jayant Damodar Patil, Non-Executive Director has resigned from the Board of Directors of the Company with effect from the close of business hours on October 15, 2020, due to other commitments and the Board of Directors have accepted the same.

<sup>11</sup>Ms. Vedavalli Sridharan has resigned as the Company Secretary of the Company and Compliance Officer and her resignation is effective from the close of business hours on October 31, 2020. The Nomination and Remuneration Committee and the Board of Directors have appointed Mr. Subhodh Shetty as Company Secretary and Compliance Officer effective November 01, 2020.

**Transactions with key managerial personnel are as given below:**

Key managerial personnel comprise directors and members of the executive council. Particulars of remuneration and other benefits paid to key managerial personnel during the year ended March 31, 2021 and March 31, 2020 have been detailed below:

| Particulars  | Year ended      |                 |
|--|-----------------|-----------------|
|  | March 31, 2021* | March 31, 2020* |
| <i>Whole-time directors and executive officers</i> |                 |                 |
| Salaries   | 133             | 82              |
| Contribution to Provident fund                     | 9               | 3               |
| Bonus and Incentives                               | 72              | 60              |
| Reimbursement of expenses                          | -               | 1               |
| Share based payments as per IFRS 2                 | 35              | 16              |
| <b>Total Remuneration</b>                          | <b>249</b>      | <b>162</b>      |
| <i>Non-whole-time directors</i>                    |                 |                 |
| Commission   | 34              | 21              |
| <b>Total Remuneration</b>                          | <b>34</b>       | <b>21</b>       |
| <b>Total</b>                                       | <b>283</b>      | <b>183</b>      |

\* The above remuneration excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Dividends paid to directors during the year ended March 31, 2021 and March 31, 2020 amounts to Rs 0 and Rs 397 respectively. Further, during the year ended March 31, 2021, 23,255 (March 31, 2020: 7,875) shares were allotted to the key managerial personnel.

**Mindtree Limited and Subsidiaries**  
**Notes to the consolidated financial statements**  
**(Rupees in millions, except share and per share data, unless otherwise stated)**

**29 Contingent liabilities**

| Particulars  | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Claims against the Group not acknowledged as debts | 824            | 1,074          |

a) The Group has received income tax assessment order for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to Rs 11 and Rs 10 respectively on account of certain disallowances/ adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals) against the demand received. The Group has not deposited the amount of demand with the department. The department has adjusted pending refunds amounting to Rs 18 against these demands.

b) The Group has received income tax assessment order under Section 143(3) of the Income-Tax Act 1961 pertaining to erstwhile subsidiary Aztecoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2007-08 and 2008-09 wherein demand of Rs 215, Rs 49, Rs 61, Rs 28, Rs 58, Rs 214 and Rs 63 respectively has been raised against the Group. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Group has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Group has filed appeals before the Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal (ITAT). The Group has deposited Rs 15 with the department against these demands. The department has adjusted pending refunds amounting to Rs 556 against these demands.

The Group received a favorable order from the Commissioner of Income Tax (Appeals) for the financial year 2001-02 where in the Commissioner of Income Tax (Appeals) accepted the Group's contentions and quashed the demand raised. The income tax department appealed against the above mentioned order with ITAT. ITAT, in an earlier year passed an order setting aside both the orders of the Commissioner of Income Tax (Appeals) as well as the Assessing Officer and remanded the matter back to the Assessing Officer for re-assessment. The Group preferred an appeal with the Hon'ble High Court of Karnataka against the order of the ITAT. The Hon'ble High Court of Karnataka has dismissed the appeal filed against the order of ITAT and upheld the order passed by the ITAT and accordingly the case is pending before Assessing Officer for re-assessment. The Deputy Commissioner of Income Tax has completed the reassessment and has issued a Final assessment order with a revised demand amounting to Rs 202 due to transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals).

The Group has received the order from the Commissioner of Income Tax (Appeals) for the financial year 2004-05 and on the unfavorable grounds, the Group had filed an appeal with ITAT, Bengaluru. ITAT has issued a favorable order in connection with TP proceedings. Order giving effect to the ITAT order is yet to be received.

The Group has received the order from ITAT for the financial year 2005-06 and ITAT has remanded the matter back to the Assessing Officer for re-assessment. The Group has filed an appeal with the Hon'ble High Court of Karnataka. The Hon'ble High Court has dismissed the appeal and this matter is pending with Assessing Officer.

The Group has received the order from ITAT for the financial year 2007-08 and ITAT has quashed the order of the Assessing Officer. Order giving effect to the ITAT order is yet to be received.

The Group has received revised order for the financial year 2008-09 under section 263 from Assessing Officer raising an additional demand of Rs 61, taking the total demand to Rs 124. The Group had filed an appeal before ITAT. Subsequently, the group has received the order from ITAT for the financial year 2008-09 and ITAT has quashed the order of the Assessing Officer. Order giving effect to the ITAT order is yet to be received. During the year ended March 31, 2020, the Group has filed a writ petition with the Hon'ble High Court of Karnataka to stay the proceedings of the assessing officer for the financials years 2007-08 and 2008-09.

The Group has appealed against the demands received for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09. Based on favorable order received by the Group for the financial year 2001-02 from the Commissioner of Income Tax (Appeals) and an evaluation of the facts and circumstances, no provision been made against the above orders in the financial statements.

c) The Group received an assessment order for financial year 2006-07 for the erstwhile subsidiary Mindtree Wireless Private Limited from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs 39 on account of certain other disallowances/ transfer pricing adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals) against the demand received.

The Group has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Group has filed an appeal before ITAT. The final order giving effect by the Assessing Officer is completed and the demand is reduced to Rs 33. The Group has deposited Rs 5 with the department against this demand.

d) The Group has received the revised order under section 263 for financial year 2009-10 from Assessing Officer reducing the demand to Rs 6. The Group has filed an appeal before ITAT. ITAT has dismissed the appeal. Order giving effect has been received. The Group has filed an appeal before Commissioner of Income Tax (Appeals).

e) The Group has received a final assessment order for financial year 2012-13 from the Deputy Commissioner of Income Tax with a demand amounting to Rs 15 on account of certain disallowances. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals).

f) During the year ended March 31, 2018, the Group received an order passed under section 7A of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 from Employees Provident Fund Organisation (EPFO) claiming provident fund contribution aggregating to Rs 250 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 Group 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. The Group has, during the year, in view of the changes in the regulations with the new wage code and social security code, supported by legal advice, re-estimated the probability of any liability arising from this matter and has accordingly recognized a provision of Rs 659 (March 31, 2020: Rs Nil), including estimated interest, as on the date of the balance sheet.

**Mindtree Limited and Subsidiaries**  
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30 Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021 is Rs 431 (March 31, 2020: Rs 511).

**31 Segment information**

The CEO & MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by IFRS 8 Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The Group is structured into four reportable business segments – RCM, BFSI, CMT (erstwhile Hi-tech) and TH. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

Each segment item reported is measured at the measure, used to report to the Chief Operating Decision Maker for the purposes of making decisions about allocating resources to the segment and assessing its performance. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

Geographic information is based on business sources from that geographic region and delivered from both on-site and off-shore. The geographic regions comprise of North America, Continental Europe, UK and Ireland and Asia Pacific (includes Rest of World). During the year ended March 31, 2021, geographic regions were classified as America comprising of United States of America and Canada, Europe including continental Europe and United Kingdom; the Rest of the world comprising of all other geographies except those mentioned above and India. Accordingly, the comparative numbers have been restated to give effect to the change in geographic information.

Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The management therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "unallocated" and directly charged against total income.

CODM does not review assets and liabilities at reportable segments level, hence segment disclosure relating to total assets and liabilities has not been provided. The Management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

Geographical information on revenue and industry revenue information is collated based on individual customer invoices or in relation to which the revenue is otherwise recognized.

| Statement of income   | Year ended            |                       |
|---|-----------------------|-----------------------|
|   | March 31, 2021        | March 31, 2020        |
| <b>Segment revenue</b>  |                       |                       |
| RCM   | 17,166                | 16,439                |
| BFSI  | 15,632                | 16,479                |
| CMT   | 39,835                | 31,793                |
| TH  | 7,045                 | 12,932                |
| <b>Total</b>  | <b>79,678</b>         | <b>77,643</b>         |
| <b>Segment operating income</b>                                   |                       |                       |
| RCM   | 3,684                 | 2,844                 |
| BFSI  | 3,310                 | 2,001                 |
| CMT   | 8,891                 | 4,754                 |
| TH  | 682                   | 1,299                 |
| <b>Total</b>  | <b>16,567</b>         | <b>10,898</b>         |
| Depreciation and amortization expense                             | (2,596)               | (2,754)               |
| Profit for the year before finance expenses, other income and tax | <b>13,971</b>         | <b>8,144</b>          |
| Finance expenses  | (504)                 | (529)                 |
| Other income  | 1,065                 | 567                   |
| Interest income   | 166                   | 189                   |
| Foreign exchange gain/ (loss)                                     | 286                   | (83)                  |
| <b>Net profit before taxes</b>                                    | <b>14,984</b>         | <b>8,288</b>          |
| Income taxes  | (3,879)               | (1,979)               |
| <b>Net profit after taxes</b>                                     | <b>11,105</b>         | <b>6,309</b>          |
| <b>Other information</b>  | <b>Year ended</b>     |                       |
|   | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| Other significant non-cash expense (Allocable)                    |                       |                       |
| RCM   | 32                    | 28                    |
| BFSI  | (11)                  | 32                    |
| CMT   | 11                    | 45                    |
| TH  | (18)                  | 100                   |

**Mindtree Limited and Subsidiaries**  
**Notes to the consolidated financial statements**  
(Rupees in millions, except share and per share data, unless otherwise stated)

**Geographical information**

| <b>Revenues</b>    | <b>Year ended</b>     |                       |
|--------------------|-----------------------|-----------------------|
|                    | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
| North America      | 61,767                | 58,025                |
| Continental Europe | 5,702                 | 6,590                 |
| UK and Ireland     | 6,164                 | 6,545                 |
| Asia Pacific       | 6,045                 | 6,483                 |
| <b>Total</b>       | <b>79,678</b>         | <b>77,643</b>         |

Refer note 27 on Financial Instruments for information on revenue from major customers

**32 Non-current assets held for sale**

The Company, in an earlier year, had entered into a lease arrangement with a lessor for lease of a piece of land for a period of 30 years. Also, the Company had purchased two buildings constructed by the lessor on the above referred land vide a separate purchase agreement and capitalized in the books of account. During the previous year, the Company received a communication from the lessor wherein it is mentioned that the lessor would like to convert the existing lease into a regular commercial lease agreement and would like to refund the residual value of the deposits and the value of the buildings under the present agreements and enter into a fresh agreement. During the year, the Company has completed the sale of the said buildings and termination of lease for the said land for a price equivalent to their written down values. Accordingly, the said buildings and the land have been derecognised. On entering into a regular commercial lease agreement, right-of-use asset and lease liability has been accounted in accordance with IFRS 16 'Leases'. Accordingly, the improvements made to buildings earlier has been reclassified to "Furniture, fixtures and equipment" (refer note 4 and 5).

**33** The new Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Group will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.