

ANNUAL RETURN

The annual return for FY23 is available on the Company's website, <https://www.ltimindtree.com/wp-content/uploads/2023/06/Annual-Return-Form-MGT-7-FY2022-23.pdf>

INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has an Internal Control System in accordance with Section 134(5)(e) of the Act, commensurate with the size, scale and complexity of its operations. The Audit Committee comprising of professionally qualified Directors, interacts with the auditor, internal auditors and the management in dealing with matters within its terms of reference.

The Company has a proper and adequate system of internal controls. These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls within the meaning of the Act. An extensive program of internal audits and management reviews supplement the process of internal financial control framework. Documented policies, guidelines and procedures are in place for effective management of internal financial controls.

The internal financial control framework design ensures that financial and other records are reliable for preparing financial and other statements. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal teams test the identified key controls. The Internal auditors also perform an independent check of effectiveness of key controls in identified areas of internal financial control reporting. The Statutory Auditors' Report include a report on the internal financial controls over financial reporting.

In order to maintain objectivity and independence, Internal Auditor reports to the Chairperson of Audit Committee of the Board. The Audit Committee defines the scope and authority of the Internal Auditor. Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with the operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and necessary corrective actions are presented to the Audit Committee.

The Audit Committee and the Board are of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively, and no material weakness exists during FY23.

COMPLIANCE MONITORING SYSTEM

At LTIMindtree, ensuring regulatory compliance is of utmost importance. Your Company has put in place a compliance management framework which outlines the Company's philosophy towards compliance culture, understanding compliances, coverage, approach, responsibilities, reporting matrix and trainings.

The Company believes that good framework to track statutory compliance is essential for the successful conduct of business operations and high standards of corporate governance. The Company has further enhanced the mechanism to monitor compliances by setting up the 'Compliance Committee' ('CC') which monitors the regulatory compliance performance, remediation plans for non-conformities, on an ongoing basis. Periodic updates on regulatory compliance performance along with status of remediation plan is also reviewed by Risk Operating Committee. Key compliances/regulations are covered as part of internal audit every year. Company maintains list of applicable laws and compliance checklist(s) which are monitored and tracked through the in-house compliance tool.

The Company also engages external consultants to review and update the compliance requirements for new geographies and update the existing checklist(s) of compliances. Compliance tasks are mapped in compliance tool to process owners who update the status with supporting evidence. Identified key stakeholders across functions ensure and confirm compliance with the provisions of all applicable laws on a continuous basis. The Global Compliance update is placed before the Audit Committee on quarterly basis and the Audit Committee gives update to the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the year ended March 31, 2023;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have laid down an adequate system of internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.