



Mindtree Limited

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

Rs in million, except per share data

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Income from software services	13,181	12,953	13,203	52,364	46,730
Expenses					
Employee benefits expense	8,700	8,533	8,190	34,125	27,991
Depreciation and amortisation expense	468	459	475	1,858	1,658
Other expenses	2,612	2,680	2,826	11,058	10,529
Profit from operations before other income, foreign exchange gain/ (loss) and finance costs	1,401	1,281	1,712	5,323	6,552
Other income	133	112	88	553	447
Foreign exchange gain/ (loss)	(228)	32	31	(136)	392
Profit before finance costs	1,306	1,425	1,831	5,740	7,391
Finance costs	47	46	63	191	160
Profit before tax	1,259	1,379	1,768	5,549	7,231
Tax expense	287	348	441	1,363	1,706
Net profit for the period	972	1,031	1,327	4,186	5,525
Other comprehensive income	(234)	(41)	(151)	(621)	(242)
Total comprehensive income	738	990	1,176	3,565	5,283
Paid up equity share capital (face value Rs. 10/- each)	1,680	1,680	1,678	1,680	1,678
Reserves	24,091	24,162	22,471	24,091	22,471
Basic EPS (Rs.)	5.78	6.14	7.91	24.93	32.95
Diluted EPS (Rs.)	5.77	6.13	7.89	24.89	32.87

AUDITED SEGMENT WISE REVENUE AND RESULTS

Rs in million

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Segment revenue					
Retail, CPG and Manufacturing	3,032	3,116	3,148	12,476	11,394
Banking, Financial Services and Insurance	3,250	3,122	3,231	12,882	11,970
Technology, Media and Services	4,939	4,757	4,662	19,235	16,116
Travel and Hospitality	1,960	1,958	2,162	7,771	7,250
Total	13,181	12,953	13,203	52,364	46,730
Segment results					
Retail, CPG and Manufacturing	330	343	508	1,493	2,183
Banking, Financial Services and Insurance	280	222	341	1,153	1,627
Technology, Media and Services	953	920	918	3,671	3,153
Travel and Hospitality	306	255	420	864	1,247
Total	1,869	1,740	2,187	7,181	8,210
Unallocable					
Expenses	468	459	475	1,858	1,658
Finance costs	47	46	63	191	160
Other income	133	112	88	553	447
Foreign exchange gain/ (loss)	(228)	32	31	(136)	392
Profit before tax	1,259	1,379	1,768	5,549	7,231

Notes on segment information

Principal segments

The Group is structured into four industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS) and Travel and Hospitality (TH). Accordingly, the Group has presented its segment results under these business segments. During the current year, the Group has restructured its verticals and accordingly, the previous period/ year figures have been restated and presented in line with the current segments.

Segment assets and liabilities

Segregation of assets, liabilities, depreciation and other non-cash expenses into various business segments has not been carried out as the assets are used interchangeably between segments. Accordingly, no disclosure relating to segment assets and liabilities has been made.

AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Rs in million

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	3,809	4,173	4,325
Capital work in progress	192	232	354
Goodwill	4,470	4,815	669
Other intangible assets	1,941	2,632	317
Financial assets			
Investments	58	62	12
Loans	667	655	614
Other financial assets	209	189	-
Deferred tax assets (net)	624	409	547
Other non-current assets	1,326	1,328	1,158
	13,296	14,495	7,996
Current assets			
Financial assets			
Investments	5,869	2,266	5,490
Trade receivables	8,962	9,728	6,963
Cash and cash equivalents	2,508	2,332	3,763
Loans	12	38	136
Other financial assets	2,225	2,761	1,337
Other current assets	1,034	1,149	1,009
	20,610	18,274	18,698
TOTAL ASSETS	33,906	32,769	26,694
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,680	1,678	837
Other equity	24,091	22,471	20,428
	25,771	24,149	21,265
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	18	23
Other financial liabilities	230	767	227
Other non current liabilities	71	91	128
	314	876	378
Current liabilities			
Financial liabilities			
Borrowings	978	415	-
Trade payables	1,651	1,890	1,418
Other financial liabilities	2,638	2,754	2,011
Other current liabilities	1,126	1,049	586
Provisions	1,105	1,289	797
Current tax liabilities (net)	323	347	239
	7,821	7,744	5,051
	8,135	8,620	5,429
TOTAL EQUITY AND LIABILITIES	33,906	32,769	26,694

Notes to audited consolidated financial results for the quarter and year ended March 31, 2017

- The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on April 20, 2017.
- The Board of Directors at its meeting held on March 27, 2017 has declared an interim dividend of 20% (Rs 2 per equity share of par value of Rs 10 each) for the quarter ended March 31, 2017. Further, the Board of Directors at its meeting held on April 20, 2017 has recommended a final dividend of 30% (Rs 3 per equity share of par value Rs 10 each) which is subject to approval of shareholders.
- The Board of Directors has accepted and taken on record the retirement of Dr. Albert Hieronimus as independent director, effective April 1, 2017, due to the completion of his tenure as independent director.
- The Company had filed an application before the Hon'ble High Court of Karnataka for a composite scheme of amalgamation ("the scheme") of Discoverure Solutions L.L.C. and Relational Solutions Inc., wholly owned subsidiaries of the Company, with the Company with an appointed date of April 1, 2015. Pursuant to the notification of certain sections of the Companies Act, 2013 on amalgamation, the application has been transferred to the National Company Law Tribunal (NCLT). Pending requisite approvals, no effect has been given for the scheme in the financial statements.
- Transition to Indian Accounting Standards (Ind AS)

The Group's interim consolidated financial statements for the quarter and year ended March 31, 2017 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the interim Ind AS consolidated financial statements for the quarter and year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

 - equity as at April 1, 2015;
 - equity as at March 31, 2016; and
 - total comprehensive income for the quarter and year ended March 31, 2016

(i) Equity reconciliation

Particulars	Note	Rs in million	
		As at March 31, 2016	As at April 1, 2015
Equity under previous GAAP attributable to:			
Mindtree Limited		23,957	20,128
Non-controlling interests		-	-
Equity under previous GAAP		23,957	20,128
Proposed dividend and tax thereon	iii	606	1,009
Fair valuation of investments	ii	112	101
Effect of discounting of security deposit and reclassification of land as operating lease	vi	20	16
Discounting of consideration receivable	v	(81)	-
Business combination	i	(482)	(16)
Others		17	27
Equity as per Ind AS		24,149	21,265

(ii) Total comprehensive income reconciliation

Particulars	Note	Rs in million	
		For the quarter ended March 31, 2016	For the year ended March 31, 2016
Net income under previous GAAP attributable to :			
Mindtree Limited		1,560	6,033
Non-controlling interests		-	-
Net income under previous GAAP		1,560	6,033
Fair valuation of investments	ii	19	10
Employee benefits	iv	5	28
Effect of discounting of security deposit and reclassification of land as operating lease	vi	-	4
Business combination	i	(174)	(460)
Discounting of consideration receivable	v	(81)	(81)
Others		(2)	(9)
Profit for the period under Ind AS		1,327	5,525
Other comprehensive income		(151)	(242)
Total comprehensive income under Ind AS		1,176	5,283

Explanations for reconciliation of equity and profit

i. Business combination: Under Ind AS, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. This has resulted in the recognition of intangible assets and consequent amortisation of such intangible assets in the statement of profit and loss. Under previous GAAP, the assets and liabilities of the acquiree are recognised at their book values.

Further, under Ind AS, contingent consideration payable on business combination is measured at fair value while under previous GAAP it is recognised at cost.

ii. Fair valuation of investments:

a) Under Ind AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss. Under previous GAAP, they are measured at lower of cost or net realisable value. Mutual fund investments have been classified as FVTPL. Consequently, increase in fair value of such investments in quoted mutual funds has resulted in a gain.

b) Under Ind AS, financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value (net of deferred taxes) recognized directly in other comprehensive income. Under previous GAAP, they are measured at cost with provision for diminution other than temporary. Investments in equity instruments have been classified as FVTOCI. Consequently, fair value of such equity instruments designated at FVTOCI has resulted in a gain in other comprehensive income.

iii. Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earning is higher.

iv. Under previous GAAP, actuarial gains and losses on defined benefit plans were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit and loss.

v. Under Ind AS, the deferred consideration on sale of land is measured at fair value. Under previous GAAP, such consideration is carried at initial transaction value. The difference between initial transaction value and fair value on the date of sale is reduced from profit on sale of land and subsequent change in the fair value of such deferred consideration is recognised as notional interest income in the statement of profit and loss.

vi. Under Ind AS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. The lease rentals paid in advance are charged to the statement of profit and loss over the lease term.

Under Ind AS, financial instruments other than those designated at FVTPL and FVTOCI are measured at amortised cost. Under previous GAAP, they are recognised at cost. Security deposits are carried at amortised cost using effective interest method.

6 EPS for the quarter ended March 31, 2017 is not annualized.

7 Audited financial results of Mindtree Limited (Standalone Information)

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
	Revenues	11,963	11,758	12,011	47,526
Profit before tax	1,451	1,547	2,126	6,317	7,509
Profit after tax	1,132	1,184	1,653	4,891	5,810

Note: The audited results of Mindtree Limited for the above mentioned periods are available in the investors section in www.mindtree.com and also with the stock exchanges where it is listed. The information above has been extracted from the audited financial statements as stated.

8 The statement of consolidated financial results have been audited by the Company's auditors. The Company's auditors have issued an unmodified audit opinion on the consolidated financial results. The audit report has been filed with the stock exchanges and is also available on the Company's website.

For and on behalf of the Board
For Mindtree Limited

Bengaluru, India
April 20, 2017

Rostow Ramanan
CEO & Managing Director