



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Fourth quarter and year ended March 31, 2017

April 26, 2017

*Welcome to possible*

Dear Shareholder,

We are happy to share that our FY 17 revenues grew by 11.2% in constant currency thereby exceeding industry estimates yet again. This financial year also marks the completion of 10 years from the time we went public in March 2007. We have created a strong foundation that has enabled us to succeed, even in times of adversities. We would like to provide some of the key achievements over the past decade:

- Our 10 year revenue CAGR in \$ terms has been about 20%, consistently outperforming the industry growth. We are now the 7th largest IT Company in India.
- Value of 10 shares invested during our initial public offering has gone up from ₹ 4,250 to ₹ 18,120 as on 31 March 2017, which is about 326% increase in value.
- We unveiled our new brand identity “*Welcome to Possible*” in 2012 and embarked upon a journey to be an expertise led and culture backed organization. We have seen a significant increase in Mindtree successfully competing for large managed services opportunities. We also had our first client moving into the \$100M category.
- We successfully partnered with Government of India for the ambitious AADHAR project, making us part of one of the world’s largest big data implementation and citizen identification program.
- Being a born digital company, Mindtree has continued to build on its historical strength as a leader in helping clients deploy digital technologies to spur business growth.
- We take pride in one of our largest investments to date which is “Mindtree Kalinga” – our global learning and delivery center in Bhubaneswar, which we believe will be a game changer in the future to build engineers of tomorrow. Close to 2000 people have graduated from this campus since March 2015.
- To be an integral part of the community and become what we call “locally local” we have partnered with the University of Florida and created a mutually beneficial hub in Gainesville focused on digital innovation and agile development.
- We continue to invest in our people practices, our quarterly annualized attrition is at 13.2% which is the lowest since 2014.

We have been amongst the fastest growing companies in our sector, and with the market continuing to move towards our established sweet spots, we are well-positioned for the year ahead and beyond. We thank you for your continued support and encouragement in our journey and we look forward to many more such milestones.

Key highlights and summary financial results of the quarter and year are provided in the next section.

Warm regards,



**Rostow Ravanan**  
**CEO and Managing Director**



**Jagannathan Chakravarthi**  
**CFO**

Bangalore  
April 26, 2017

**Key financial highlights****Quarter ended March 31, 2017**

- In USD:
  - Revenue at \$195.6 million (growth of 1.8% q-o-q / 0.3% y-o-y, constant currency growth of 2% q-o-q).
  - Net profit at \$14.4 million (decline of 5.6% q-o-q / 25.9% y-o-y)
- In Rupees:
  - Revenue at ₹ 13,181 million (growth of 1.8% q-o-q / decline of 0.2% y-o-y)
  - Net profit at ₹ 972 million (decline of 5.8% q-o-q / 26.8% y-o-y)

**Year ended March 31, 2017**

- In USD:
  - Revenue at \$779.8 million (growth of 9.4%, constant currency growth of 11.2%)
  - Net profit at \$62.3 million (decline of 26%)
- In Rupees:
  - Revenue at ₹ 52,364 million (growth of 12.1%)
  - Net profit at ₹ 4,186 million (decline of 24.2%)

*The financial results above are in accordance with Ind AS for the quarter ended March 31, 2017. Accordingly the figures for previous periods have been restated in accordance with Ind AS.*

**Other highlights**

- Clients:
  - 328 active clients as of March 31, 2017
  - \$1 million clients grow by 5 for a total of 111
- People:
  - 16,470 Mindtree Minds as of March 31, 2017
  - Trailing 12 months attrition is 15.1%

- Multi-year and multi-million dollar wins with leading global clients:
  - Building a unified digital user experience platform for a leading healthcare liability insurance company
  - Providing managed services for multiple applications to a global leader in computer software and technology
  - Transforming core billing, policy and claims systems using Duck Creek software and a SaaS offering for a leading automobile insurance company
  - Application Maintenance Support for SAP S/4 HANA suite on cloud for an industrial equipment distributor
  - Designing and deploying a Business Warehouse on HANA platform across a leading retailer's foods, health & beauty divisions
  
- Dividend Announcement:
  - The Board of Directors at its meeting held on March 27, 2017, have declared an interim dividend of 20% (₹ 2 per equity share of par value of ₹ 10 each) for the quarter ended March 31, 2017. Further, the Board of Directors at its meeting held on April 20, 2017 have recommended a final dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) for the year ended March 31, 2017, subject to shareholder approval.

**Extract of the audited consolidated financial results for the Quarter and Year ended March 31, 2017**

Particulars	Rs in million, except per share data				
	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
<b>Expenses</b>					
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
<b>Profit from operations before other income, foreign exchange gain/ (loss) and finance costs</b>	<b>1,401</b>	<b>1,281</b>	<b>1,712</b>	<b>5,323</b>	<b>6,552</b>
Other income	133	112	88	553	447
Foreign exchange gain/ (loss)	(228)	32	31	(136)	392
<b>Profit before finance costs</b>	<b>1,306</b>	<b>1,425</b>	<b>1,831</b>	<b>5,740</b>	<b>7,391</b>
Finance costs	47	46	63	191	160
<b>Profit before tax</b>	<b>1,259</b>	<b>1,379</b>	<b>1,768</b>	<b>5,549</b>	<b>7,231</b>
Tax expense	287	348	441	1,363	1,706
<b>Net profit for the period</b>	<b>972</b>	<b>1,031</b>	<b>1,327</b>	<b>4,186</b>	<b>5,525</b>
Other comprehensive income	(234)	(41)	(151)	(621)	(242)
<b>Total comprehensive income</b>	<b>738</b>	<b>990</b>	<b>1,176</b>	<b>3,565</b>	<b>5,283</b>
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

Particulars	Rs in million		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
	<b>13,296</b>	<b>14,495</b>	<b>7,996</b>
<b>Current assets</b>			
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
	<b>20,610</b>	<b>18,274</b>	<b>18,698</b>
<b>TOTAL ASSETS</b>	<b>33,906</b>	<b>32,769</b>	<b>26,694</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	1,680	1,678	837
Other equity	24,091	22,471	20,428
	<b>25,771</b>	<b>24,149</b>	<b>21,265</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	18	23
Other financial liabilities	230	767	227
Other non current liabilities	71	91	128
	<b>314</b>	<b>876</b>	<b>378</b>
<b>Current liabilities</b>			
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
	<b>7,821</b>	<b>7,744</b>	<b>5,051</b>
	<b>8,135</b>	<b>8,620</b>	<b>5,429</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,906</b>	<b>32,769</b>	<b>26,694</b>

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.

### Key Ratios

Key Ratios	Quarter Ended			Year Ended	
	Mar 31, 2016	Dec 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017
EBITDA Margin (%)	16.6%	13.4%	14.2%	17.6%	13.7%
Effective Tax Rate (%)	25.1%	25.3%	22.8%	23.6%	24.6%
Net Profit Margin (%)	10.0%	8.0%	7.4%	11.8%	8.0%
ROCE (%)	30.3%	22.2%	19.8%	32.2%	22.4%
DSO (Days)	74	71	65	74	65

Effective Tax Rate(%) = Tax / PBT

ROCE(%) = EBIT / Average Capital Employed. ROCE is Annualized

**Note:**

This report along with more information on our quarterly results is also available in the investors section of our website ([www.mindtree.com](http://www.mindtree.com)). This report is for information purposes. Investors should rely on their own analysis while taking investment decisions and not rely on this report alone.

In the spirit of sensitivity towards the environment we are circulating this over email to shareholders who have updated their e-mail addresses with the depository participant. Please update your email addresses with your depository participant.

For more information, please contact [investors@mindtree.com](mailto:investors@mindtree.com)

**Safe Harbor:**

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

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