



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Second quarter ended September 30, 2013 (Q2 FY2014)

October 21, 2013

*Welcome to possible*



Dear Shareholder,

I am very pleased to report a second consecutive quarter of strong revenue growth this year. Our revenue grew 5.4% q-o-q and 15.6% y-o-y in dollar terms this quarter. This ongoing momentum would not have been possible without the relentless execution of our new strategies.

We continue to invest in expertise-led solutions and attracting top quality industry talent. This drives positive business outcomes for our customers while achieving sustainable growth. 'Focus' and 'excellence' will continue to remain the pillars in our growth story.

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

Thank you for your continued support and encouragement.

Warm regards,

A handwritten signature in black ink, appearing to read "N. Krishnakumar".

Krishnakumar Natarajan  
**CEO and Managing Director**

Bangalore  
October 21, 2013

**Key financial highlights:**

- In USD terms:
  - Revenue at \$124 million (growth of 5.4% q-o-q / 15.6% y-o-y)
  - Net profit at \$20.7 million (decline of 15.7%\* q-o-q / increase of 61.2% y-o-y)
  
- In Rupee terms:
  - Revenue at ₹ 7,696 million (growth of 18.8% q-o-q / 29.1% y-o-y)
  - Net profit at ₹ 1,287 million (decline of 4.9%\* q-o-q / increase of 77.8% y-o-y)

\* Due to higher forex gain in the first quarter

**Other highlights:**

- Customers:
  - 220 active customers as of September 30, 2013
  - \$5 million customers grow to 21
  
- Employees:
  - 12,941 employees as of September 30, 2013
  - Added 1,122 employees during the quarter on a gross basis
  
- Others:
  - Mindtree was selected by Forbes as one of the “Best Under A Billion” companies in the August issue of Forbes Asia 2013.
  - Mindtree recently won a Gold rating, the highest honor bestowed in each category of the 5th Annual Golden Bridge Awards. Mindtree was honored in the category of Company Growth of the Year (new products, new offices, new employees).
  - Mindtree was selected by Microsoft as Windows Azure Circle partner.
  - Mindtree was ranked among the top global product engineering service providers by Zinnov research and analysis.
  
- Dividend announcement:
  - The Board of Directors, at its meeting held on October 16, 2013, recommended an interim dividend of 50% (₹ 5 per equity share of par value ₹10 each) for the six months ended September 30, 2013

**Extract of the Audited Consolidated Financial Results for the quarter and six months ended September 30, 2013 (Rs. in millions, except per share data)**

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	March 31, 2013
Income from software services	7,696	6,477	5,963	14,173	11,593	23,618
<b>Expenses</b>						
Employee benefits expense	4,448	3,824	3,570	8,272	7,012	14,274
Depreciation	197	181	159	378	318	624
Other expenses	1,650	1,462	1,070	3,112	2,084	4,480
<b>Profit from operations before other income and interest</b>	<b>1,401</b>	<b>1,010</b>	<b>1,164</b>	<b>2,411</b>	<b>2,179</b>	<b>4,240</b>
Other income	48	117	74	165	126	350
Foreign exchange gain/(loss)	200	618	(417)	818	(329)	(340)
<b>Profit before interest</b>	<b>1,649</b>	<b>1,745</b>	<b>821</b>	<b>3,394</b>	<b>1,976</b>	<b>4,250</b>
Interest	2	1	4	3	7	10
<b>Profit before tax</b>	<b>1,647</b>	<b>1,744</b>	<b>817</b>	<b>3,391</b>	<b>1,969</b>	<b>4,240</b>
Tax expense	360	390	93	750	353	847
<b>Net profit for the period</b>	<b>1,287</b>	<b>1,354</b>	<b>724</b>	<b>2,641</b>	<b>1,616</b>	<b>3,393</b>
Paid up equity share capital (face value Rs. 10/- each)	416	416	409	416	409	415
Reserves	14,150	13,406	11,083	14,150	11,083	12,722
Basic EPS (Rs.)	30.96	32.60	17.73	63.56	39.68	82.79
Diluted EPS (Rs.)	30.74	32.40	17.48	63.13	39.11	81.75

**AUDITED STATEMENT OF ASSETS AND LIABILITIES**

Particulars	As at	
	September 30, 2013	March 31, 2013
<b>Shareholders' funds</b>		
Share capital	416	415
Reserves and surplus	14,150	12,722
	<b>14,566</b>	<b>13,137</b>
<b>Non-current liabilities</b>		
Long-term borrowings	27	32
Other long-term liabilities	108	57
Long term provisions	22	-
	<b>157</b>	<b>89</b>
<b>Current liabilities</b>		
Short-term borrowings	626	217
Trade payables	166	189
Other current liabilities	2,955	2,166
Short-term provisions	1,355	1,112
	<b>5,102</b>	<b>3,684</b>
<b>Total</b>	<b>19,825</b>	<b>16,910</b>
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	2,959	2,485
Intangible assets	176	104
Capital work-in-progress	616	571
Non-current investments	7	230
Deferred tax assets (net)	397	360
Long-term loans and advances	677	617
Other non-current assets	987	1,046
	<b>5,819</b>	<b>5,413</b>
<b>Current assets</b>		
Current investments	4,848	4,027
Trade receivables	6,203	4,508
Cash and bank balances	1,099	1,252
Short-term loans and advances	526	430
Other current assets	1,330	1,280
	<b>14,006</b>	<b>11,497</b>
<b>Total</b>	<b>19,825</b>	<b>16,910</b>

### Key Ratios

Key Ratios	Quarter ended		
	September 30, 2012	June 30, 2013	September 30, 2013
EBITDA Margin (%)	22.2%	18.4%	20.8%
Effective Tax Rate (%)	11.4%	22.4%	21.9%
Net Profit Margin (%)	12.1%	20.9%	16.7%
ROCE (%)	28.6%	50.1%	44.5%
DSO (Days)	73	77	74

Notes:

- 1 Effective Tax Rate = Tax / PBT
- 2 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.