

Mindtree Limited

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AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

Particulars	<i>Rs in million, except per share data</i>			
	Quarter ended		Year ended	
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
Revenue from operations	22,917	21,093	19,088	79,678
Other income, net	718	389	406	1,517
Total income	23,635	21,482	19,494	81,195
Expenses				
Employee benefits expense	13,673	13,123	12,776	51,132
Finance costs	129	114	131	504
Depreciation and amortisation expenses	582	713	597	2,596
Other expenses	4,598	3,346	3,092	11,981
Total expenses	18,982	17,296	16,596	66,213
Profit before tax	4,653	4,186	2,898	14,982
Tax expense				
Current tax	1,249	1,139	727	4,214
Deferred tax	(31)	(124)	41	(335)
Net profit for the period	3,435	3,171	2,130	11,103
Other comprehensive income:				
A. (i) Items that will not be reclassified to profit or loss	28	45	(14)	(117)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(6)	(10)	3	28
B. (i) Items that will be reclassified to profit or loss	(80)	389	1,391	5,206
(ii) Income tax relating to items that will be reclassified to profit or loss	28	(136)	(486)	(1,819)
Total other comprehensive income/(loss)	(30)	288	894	3,298
Total comprehensive income for the period	3,405	3,459	3,024	14,401
Paid up equity share capital (face value Rs.10 each)	1,647	1,647	1,646	1,647
Reserves	44,980	41,539	32,971	41,539
Earnings per share (EPS) (refer note 5):				
Basic EPS (Rs.)	20.85	19.25	12.94	67.43
Diluted EPS (Rs.)	20.84	19.24	12.93	67.39

Particulars	<i>Rs in million</i>			
	Quarter ended		Year ended	
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
Segment revenue				
Retail, CPG and Manufacturing	5,059	4,659	3,887	16,956
Banking, Financial Services and Insurance	4,162	3,875	3,879	15,632
Communications, Media and Technology	10,420	9,660	8,990	36,937
Travel, Transportation and Hospitality	3,053	2,679	2,121	9,317
Healthcare	223	220	211	836
Total	22,917	21,093	19,088	79,678
Segment results				
Retail, CPG and Manufacturing	550	917	799	3,628
Banking, Financial Services and Insurance	902	762	793	3,309
Communications, Media and Technology	2,550	2,404	1,846	8,453
Travel, Transportation and Hospitality	583	478	(38)	905
Healthcare	61	63	78	270
Total	4,646	4,624	3,478	16,565
Unallocable				
Expenses	582	713	855	2,596
Finance costs	129	114	131	504
Other income	718	389	406	1,517
Profit before tax	4,653	4,186	2,898	14,982

Notes on segment information
Principal segments

The Company is structured into five industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Communications, Media and Technology (CMT), Travel, Transportation and Hospitality (TTH) (erstwhile Travel and Hospitality - TH) and Healthcare (HCARE). With effect from April 1, 2021, the Company has expanded its foray into Healthcare industry and has revisited the classification of existing customers. This has resulted in HCARE being introduced as a new segment and expanding the TTH segment to include customers who were involved directly or indirectly with the real estate sector. Accordingly, the Company has regrouped certain customers between the segments and the comparative numbers have been restated to give effect to such change. The Company has presented its segment results under these business 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 STANDALONE BALANCE SHEET		<i>Rs in million</i>	
Particulars	As at		
	June 30, 2021	March 31, 2021	
ASSETS			
Non-current assets			
Property, plant and equipment	3,197	3,039	
Capital work-in-progress	161	224	
Right-of-use assets	5,079	4,773	
Goodwill	4,730	4,730	
Other intangible assets	151	214	
Financial assets			
Investments	1,556	1,177	
Other financial assets (refer note 6)	1,603	1,701	
Deferred tax assets (Net)	410	351	
Other non-current assets	1,623	1,665	
	18,510	17,874	
Current assets			
Financial assets			
Investments	23,442	19,307	
Trade receivables	14,188	12,742	
Cash and cash equivalents	4,033	7,575	
Other financial assets (refer note 6)	4,057	2,964	
Other current assets	3,201	3,144	
	48,921	45,732	
TOTAL ASSETS	67,431	63,606	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,647	1,647	
Other equity	44,980	41,539	
	46,627	43,186	
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4,888	4,492	
Other financial liabilities	36	6	
	4,924	4,498	
Current liabilities			
Financial liabilities			
Lease liabilities	879	885	
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	39	43	
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,924	2,630	
Other financial liabilities	3,520	5,250	
Other current liabilities	2,573	2,509	
Provisions	2,333	2,227	
Current tax liabilities (Net)	2,612	2,378	
	15,880	15,922	
	20,804	20,420	
TOTAL EQUITY AND LIABILITIES	67,431	63,606	

AUDITED STANDALONE STATEMENT OF CASH FLOWS		<i>Rs in million</i>		
		Quarter ended		
Particulars				
	June 30, 2021	June 30, 2020		
Cash flow from operating activities				
Profit for the period	3,435	2,130		
<i>Adjustments for :</i>				
Income tax expense	1,218	768		
Depreciation and amortization expenses	582	597		
Impairment loss recognized on non-current assets held for sale	-	2		
Share based payments to employees	36	27		
Allowance for expected credit losses (net)	29	25		
Finance costs	129	131		
Interest income on financial assets at amortised cost	(81)	(55)		
Interest income on financial assets at fair value through profit or loss	(9)	-		
Net gain on disposal of property, plant and equipment	-	(45)		
Net gain on financial assets designated at fair value through profit or loss	(227)	(295)		
Unrealised exchange difference on lease liabilities	43	12		
Unrealised exchange difference on fair value hedges	(20)	(306)		
Unrealised exchange difference on cash flow hedges	-	41		
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(39)	(6)		
<i>Changes in operating assets and liabilities</i>				
Trade receivables	(1,475)	693		
Other assets	(1,061)	671		
Bank balances other than cash and cash equivalents	-	1,481		
Trade payables	1,290	-		
Other liabilities	(1,769)	91		
Provisions	106	387		
Net cash provided by operating activities before taxes	2,187	6,349		
Income taxes paid, net of refunds	(985)	(299)		
Net cash provided by operating activities	1,202	6,050		
Cash flow from investing activities				
Purchase of property, plant and equipment	(224)	(63)		
Proceeds from sale of property, plant and equipment	-	58		
Payment towards initial direct cost of right-of-use assets	-	(5)		
Interest income on financial assets at amortised cost	47	66		
Interest income on financial assets at fair value through profit or loss	9	-		
Proceeds from sale of non-current assets held for sale	-	459		
Purchase of investments	(9,350)	(12,413)		
Proceeds from sale of investments	5,090	5,050		
Net cash (used in) investing activities	(4,428)	(6,848)		
Cash flow from financing activities				
Payment of lease liabilities	(226)	(174)		
Finance costs (including interest towards lease liabilities)	(129)	(131)		
Repayment of long-term borrowings	-	(5)		
Net cash (used in) financing activities	(355)	(310)		
Effect of exchange differences on translation of foreign currency cash and cash equivalents	39	6		
Net (decrease) in cash and cash equivalents	(3,542)	(1,102)		
Cash and cash equivalents at the beginning of the period	7,575	3,894		
Cash and cash equivalents at the end of the period	4,033	2,792		

Cash and cash equivalents		<i>Rs in million</i>		
		As at		
Particulars				
	June 30, 2021	June 30, 2020		
Balances with banks in current accounts and deposit accounts	4,008	2,769		
Other bank balances	25	23		
Cash and cash equivalents as per balance sheet	4,033	2,792		
Book overdrafts used for cash management purposes	-	-		
Cash and cash equivalents as per statement of cash flows	4,033	2,792		

Reconciliation of liabilities from financing activities for the quarter ended June 30, 2021						<i>Rs in million</i>
Particulars	As at April 1, 2021	Proceeds/ Impact of Ind AS 116	Repayment	Fair value changes	As at	
					June 30, 2021	
Lease liabilities	5,377	573	(226)	43	5,767	
Total liabilities from financing activities	5,377	573	(226)	43	5,767	

Reconciliation of liabilities from financing activities for the quarter ended June 30, 2020						<i>Rs in million</i>
Particulars	As at April 1, 2020	Proceeds/ Impact of Ind AS 116	Repayment	Fair value changes	As at	
					June 30, 2020	
Long-term borrowings (including current portion)	5	-	(5)	-	-	
Lease liabilities	5,663	509	(174)	12	6,010	
Total liabilities from financing activities	5,668	509	(179)	12	6,010	

Notes to audited standalone financial results for the quarter ended June 30, 2021

- 1 The information presented above is extracted from the audited standalone interim financial statements for the quarter ended June 30, 2021 and the audited standalone interim financial statements for the quarter and year ended March 31, 2021. The standalone interim financial statements for the quarter ended June 30, 2021 have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 – 'Interim Financial Reporting' (Ind AS 34). The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on July 13, 2021.
- 2 The statement of standalone financial results have been audited by the Company's auditors. The Company's auditors have issued an unmodified audit opinion on the standalone financial results. The audit report has been filed with the stock exchanges and is also available on the Company's website.
- 3 **Estimation uncertainty relating to COVID-19 outbreak:**
The Company 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 standalone financial results in determining the impact on various elements of its standalone financial results. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company has accrued its liabilities and also expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets, investments and derivatives. The eventual outcome of impact of the global health pandemic may be different from that estimated as on the date of approval of these standalone financial results.
- 4 The Board of Directors had 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 to be held on July 13, 2021.
- 5 EPS for the interim periods are not annualized.
- 6 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 1, 2021. Pursuant to such amendments, non-current security deposits of Rs 476 million and current security deposits of Rs 41 million as at March 31, 2021 have been reclassified from 'Loans' to 'Other financial assets'.
- 7 The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company 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 (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 Company will complete its evaluation and will give appropriate impact in its standalone financial results in the period in which the Code becomes effective and the related rules are published.
- 8 The Company entered into a Business Transfer Agreement on May 20, 2021 to acquire the digital transformation business undertaking (Industry 4.0), incubated and conducted under L&T-NxT ('NxT Digital Business') from Larsen & Toubro Limited for a cash consideration of Rs 1,980 million and net working capital as on the closing date. Subsequent to the quarter end, the Company has consummated the above acquisition on July 1, 2021.

For and on behalf of the Board of Mindtree Limited

Mumbai, India
July 13, 2021

Debashis Chatterjee
CEO & Managing Director