

# Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Earnings release

Second quarter ended September 30, 2021

October 13, 2021

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## Earnings Conference Call for Analysts / Investors

**October 13, 2021 (5:00 PM IST)**

To join the Earnings conference call

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Transcript will be available on [www.mindtree.com](http://www.mindtree.com) after October 19, 2021

## Mindtree Reports Strong All-Round Performance in Q2 FY22

Revenues up 12.7% sequentially; YoY revenue growth highest for a quarter in a decade

**Bangalore (India) and Warren (NJ), October 13, 2021:** [Mindtree](#), a global technology services and digital transformation company, announced its consolidated results today for the second quarter ended September 30, 2021, as approved by its Board of directors.

“We are pleased to report yet another outstanding quarter of all-round performance,” said **Debashis Chatterjee, Chief Executive Officer and Managing Director, Mindtree**. “Our revenues in the second quarter were \$350.1 million, up 12.7% sequentially and 34.1% year-over-year, which was our highest YoY growth for a quarter in a decade. We maintained EBITDA margin at 20.5% while making aggressive investments in further expanding our domain, digital and leadership capabilities, geographic footprint, and hyperscaler partnerships. The broad-based momentum and growth outlook across all verticals, service lines and geographies attest to our operational rigor and sharp focus on being a trusted business transformation partner to our clients. Thanks to the disciplined execution of our strategy, and the dedication of Mindtree Minds, we are well-positioned to capitalize on the strong demand environment and deliver profitable, industry-leading growth in FY22.”

### Key financial highlights:

#### Quarter ended September 30, 2021

- In USD:
  - Revenue was \$350.1 million (growth of 12.7% q-o-q / 34.1% y-o-y)
  - Net profit was \$54.0 million (growth of 16.0% q-o-q / 57.3% y-o-y)
- In INR:
  - Revenue was ₹25,862 million (growth of 12.9% q-o-q / 34.3 % y-o-y)
  - Net profit was ₹3,989 million (growth of 16.2% q-o-q / 57.2 % y-o-y)

### Other highlights:

- Clients:
  - 263 active clients as of September 30, 2021
  - \$5 million+ clients grew by 3, total 50
  - \$10 million+ clients grew by 5, total 30
- People:
  - 29,732 Mindtree Minds as of September 30, 2021
  - Trailing 12 months attrition was 17.7%

- Some of the key deals won in Q2:
  - A leading European producer of dairy and farming machinery awarded Mindtree a multiyear contract to transform, implement, and support digital workplace services across the globe.
  - A leading insurance and investment organization selected Mindtree and Duck Creek to drive core transformation and rollout covering a range of products across the US, Canada, Europe, Latin America and Asia-Pacific.
  - A leading global technology company selected Mindtree to envision and execute a strategic data modernization program.
  - One of the world's largest airlines selected Mindtree as their enterprise assurance partner under a multiyear deal to accelerate time-to-market and significantly reduce the total cost of ownership through automation.
  - A large global bank selected Mindtree for a multiyear deal to provide global support to the content and event operations of the marketing function of its asset and wealth management unit.
- Recognitions:
  - Certified by Great Place to Work® Institute as a Great Place to Work® in India for 2021-22
  - Recognized by Great Place to Work® Institute as one among India's Best Workplaces™ for Women for 2021 (Top 50 – Large Companies)
  - Won three Brandon Hall Group Human Capital Management Excellence Awards for 2021 for innovative leadership development, HR data analytics, and employee benefits, wellness and well-being programs
  - Achieved the Data Analytics Services Partner Specialization in the Google Cloud Partner Specialization Program
  - Named a Major Contender in Everest Group's Application Transformation Services PEAK Matrix® Assessment 2021 report
  - Named a Major Contender in Everest Group's Data and Analytics Services PEAK Matrix® Assessment 2021 report
  - Won Microsoft Teams' Hybrid Work Hackathon 2021; recognized for the fourth consecutive term at Microsoft Teams Hackathon
- Announcement:
  - The Board of Directors at its meeting held on October 13, 2021, has declared an interim dividend of 100% (₹ 10.0 per equity share of par value ₹ 10 each).

## **About Mindtree**

Mindtree [NSE: MINDTREE] is a global technology consulting and services company, helping enterprises marry scale with agility to achieve competitive advantage. “Born digital,” in 1999 and now a Larsen & Toubro Group Company, Mindtree applies its deep domain knowledge to more than 260 enterprise client engagements to break down silos, make sense of digital complexity and bring new initiatives to market faster. We enable IT to move at the speed of business, leveraging emerging technologies and the efficiencies of Continuous Delivery to spur business innovation. Operating in 24 countries across the world, we’re consistently regarded as one of the best places to work, embodied every day by our winning culture made up of over 29,700 entrepreneurial, collaborative and dedicated “Mindtree Minds.”

To learn more about us, visit [www.mindtree.com](http://www.mindtree.com) or follow us @Mindtree\_Ltd

## **Safe harbour**

*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. The conditions caused by the COVID-19 pandemic could decrease customer’s technology spending, affecting demand for our services, delaying prospective customers’ purchasing decisions, and impacting our ability to provide on-site consulting services; all of which could adversely affect our future revenue, margin and overall financial performance. Our operations may also be negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. 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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## Key Financial Metrics

(₹ million)	Q2 FY21	Q1 FY22	Q2 FY22	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	19,260	22,917	25,862	12.9%	34.3%
EBITDA	3,784	4,645	5,307	14.3%	40.2%
EBIT	3,215	4,063	4,697	15.6%	46.1%
PAT	2,537	3,434	3,989	16.2%	57.2%
Diluted EPS (Rs.)	15.40	20.83	24.19	16.1%	57.1%

(\$ million)	Q2 FY21	Q1 FY22	Q2 FY22	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	261.0	310.5	350.1	12.7%	34.1%
EBITDA	51.2	62.9	71.8	14.1%	40.2%
EBIT	43.5	55.1	63.6	15.5%	46.1%
PAT	34.3	46.5	54.0	16.0%	57.3%

Cash Flow (₹ million)	Q2 FY21	Q1 FY22	Q2 FY22
Free Cash flow	4,333	973	2,791
Cash and Investments	20,697	29,025	27,940

Hedges outstanding in million Currency	Value	Avg. Rate/INR
USD	1,420.0	80.39

Total hedges outstanding in USD includes on balance sheet hedges of USD129M, cash flow hedges of USD1,279M & options of USD12M

Rupee Dollar Rate	Q2 FY21	Q1 FY22	Q2 FY22
Period Closing rate	73.56	74.36	74.16
Period Average rate	73.79	73.81	73.87

## Key Ratios

Key Ratios	Q2 FY21	Q1 FY22	Q2 FY22
EBITDA Margin (%)	19.6%	20.3%	20.5%
EBIT Margin (%)	16.7%	17.7%	18.2%
Effective Tax Rate (%)	26.4%	26.2%	25.0%
PAT Margin (%)	13.2%	15.0%	15.4%
ROCE (%)	34.4%	37.9%	41.7%
ROE(%)	28.4%	30.6%	34.2%
DSO (Days)	65	57	63

Effective Tax Rate = Tax / PBT

ROCE = PBIT / Average Capital Employed. ROCE is annualized

### Key Performance Highlights

- Revenue crosses \$350 million for the quarter
- Strong broad-based revenue growth of 12.7% QoQ; 34.1% YoY; 13.4% QoQ CC growth
- \$1 billion revenue run rate in North America; \$250 million in UK & EU; \$100 million in APAC & ME
- PAT crosses \$50 million for the quarter



## Key Revenue Metrics

Revenue by Geography	Q2 FY21	Q1 FY22	Q2 FY22
North America	77.4%	76.6%	72.8%
Continental Europe	7.5%	8.6%	8.7%
UK and Ireland	7.9%	7.6%	10.9%
APAC and Middle East	7.2%	7.2%	7.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Industry*	Q2 FY21	Q1 FY22	Q2 FY22
BFSI	20.4%	18.2%	17.5%
Communications, Media & Technology	46.3%	45.4%	42.5%
Retail, CPG & Manufacturing	21.2%	22.1%	25.4%
Travel, Transportation & Hospitality	11.0%	13.3%	13.5%
HealthCare	1.1%	1.0%	1.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*A few accounts are re-classified within the industry groups. The comparative numbers have been restated accordingly

Revenue by Service Lines*	Q2 FY21	Q1 FY22	Q2 FY22
Customer Success	38.9%	40.0%	43.2%
Data & Intelligence	14.2%	15.0%	14.3%
Cloud	19.0%	19.9%	18.7%
Enterprise IT	27.9%	25.1%	23.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Refer note on Service Lines

## Key Client Metrics

Metrics	Q2 FY21	Q1 FY22	Q2 FY22
<b>Client Details</b>			
Number of Active clients	283	260	263
New Clients Added	8	7	7
\$1 mn+ clients	125	120	127
\$5 mn+ clients	43	47	50
\$10 mn+ clients	24	25	30
\$20 mn+ clients	8	8	8
\$50 mn+ clients	1	1	1
\$100 mn +clients	1	1	1

Million Dollar Clients are based on trailing 12 months revenue.

Client Contribution to Revenue	Q2 FY21	Q1 FY22	Q2 FY22
Top Client	28.9%	27.4%	24.3%
Top 5 Clients	40.6%	38.5%	35.7%
Top 10 Clients	49.4%	47.5%	45.1%
Top 20 Clients	61.4%	60.2%	59.0%

Contribution to revenues is based on revenues for the quarter.

Total Contract Value signed(TCV) (USD M)	Q2 FY21	Q1 FY22	Q2 FY22
Overall TCV	303	504	360

### Effort and Utilization

Metrics	Q2 FY21	Q1 FY22	Q2 FY22
<b>Effort Mix</b>			
Onsite	17.9%	16.5%	15.0%
Offshore	82.1%	83.5%	85.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Utilization</b>			
Utilization	78.8%	83.2%	82.9%

Utilization is calculated as Billed Hours by Available Hours. Available hours does not exclude leave hours.

### Key Employee Metrics

Mindtree Minds	Q2 FY21	Q1 FY22	Q2 FY22
Total Mindtree Minds	21,827	27,256	29,732
Software Professionals	20,633	25,869	28,218
S&M	299	325	371
G&A	895	1,062	1,143
Nationalities*	82	85	85
Attrition (Last Twelve Months)	13.8%	13.7%	17.7%
Women employees	32%	32%	32%

\*Nationalities represent the count of countries to which Mindtree minds belong to.



**Audited Consolidated Financial Results for the Quarter and Six Months Ended September 30, 2021**

(₹ in millions, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
Revenue from operations	25,862	22,917	19,260	48,779	38,348	79,678
Other income, net	748	718	245	1,466	651	1,517
<b>Total income</b>	<b>26,610</b>	<b>23,635</b>	<b>19,505</b>	<b>50,245</b>	<b>38,999</b>	<b>81,195</b>
<b>Expenses</b>						
Employee benefits expense	15,644	13,673	12,623	29,317	25,399	51,132
Finance costs	125	129	132	254	263	504
Depreciation and amortisation expenses	610	582	569	1,192	1,166	2,596
Other expenses	4,911	4,599	2,734	9,510	5,826	11,979
<b>Total expenses</b>	<b>21,290</b>	<b>18,983</b>	<b>16,058</b>	<b>40,273</b>	<b>32,654</b>	<b>66,211</b>
<b>Profit before tax</b>	<b>5,320</b>	<b>4,652</b>	<b>3,447</b>	<b>9,972</b>	<b>6,345</b>	<b>14,984</b>
Tax expense						
Current tax	1,387	1,249	962	2,636	1,689	4,214
Deferred tax	(56)	(31)	(52)	(87)	(11)	(335)
<b>Net profit for the period</b>	<b>3,989</b>	<b>3,434</b>	<b>2,537</b>	<b>7,423</b>	<b>4,667</b>	<b>11,105</b>
Other comprehensive income:						
A. (i) Items that will not be reclassified to profit or loss	41	28	(16)	69	(30)	(117)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(10)	(6)	4	(16)	7	28
B. (i) Items that will be reclassified to profit or loss	876	(80)	2,174	796	3,565	5,206
(ii) Income tax relating to items that will be reclassified to profit or loss	(306)	28	(760)	(278)	(1,246)	(1,819)
<b>Total other comprehensive income/(loss)</b>	<b>601</b>	<b>(30)</b>	<b>1,402</b>	<b>571</b>	<b>2,296</b>	<b>3,298</b>
<b>Total comprehensive income for the period</b>	<b>4,590</b>	<b>3,404</b>	<b>3,939</b>	<b>7,994</b>	<b>6,963</b>	<b>14,403</b>
Paid up equity share capital (face value Rs.10 each)	1,648	1,647	1,647	1,648	1,647	1,647
Reserves	44,944	44,983	35,275	44,944	35,275	41,543
Earnings per share (EPS) (refer note 6):						
Basic EPS (Rs.)	24.21	20.85	15.41	45.06	28.35	67.44
Diluted EPS (Rs.)	24.19	20.83	15.40	45.03	28.34	67.41

**AUDITED SEGMENT REVENUE AND RESULTS**

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
<b>Segment revenue</b>						
Retail, CPG and Manufacturing	6,566	5,059	4,079	11,625	7,966	16,956
Banking, Financial Services and Insurance	4,536	4,162	3,922	8,698	7,801	15,632
Communications, Media and Technology	10,995	10,420	8,924	21,415	17,914	36,937
Travel, Transportation and Hospitality	3,489	3,053	2,124	6,542	4,245	9,317
Healthcare	276	223	211	499	422	836
<b>Total</b>	<b>25,862</b>	<b>22,917</b>	<b>19,260</b>	<b>48,779</b>	<b>38,348</b>	<b>79,678</b>
<b>Segment results</b>						
Retail, CPG and Manufacturing	1,140	550	881	1,690	1,680	3,628
Banking, Financial Services and Insurance	921	902	843	1,823	1,636	3,310
Communications, Media and Technology	2,454	2,550	1,885	5,004	3,731	8,454
Travel, Transportation and Hospitality	766	582	92	1,348	54	905
Healthcare	26	61	83	87	161	270
<b>Total</b>	<b>5,307</b>	<b>4,645</b>	<b>3,784</b>	<b>9,952</b>	<b>7,262</b>	<b>16,567</b>
<b>Unallocable</b>						
Expenses	610	582	450	1,192	1,305	2,596
Finance costs	125	129	132	254	263	504
Other income	748	718	245	1,466	651	1,517
<b>Profit before tax</b>	<b>5,320</b>	<b>4,652</b>	<b>3,447</b>	<b>9,972</b>	<b>6,345</b>	<b>14,984</b>

**Notes on segment information**
**Principal segments**

The Group 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 Group 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 Group has regrouped certain customers between the segments and the comparative numbers have been restated to give effect to such change. The Group 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 Consolidated Financial Results for the Quarter and Six Months Ended September 30, 2021**  
 (₹ in millions, except per share data)

Particulars	As at	
	September 30, 2021	March 31, 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,611	3,039
Capital work-in-progress	72	224
Right-of-use assets	4,813	4,773
Goodwill	4,732	4,732
Other intangible assets	150	214
Financial assets		
Investments	2,065	1,161
Other financial assets (refer note 7)	2,032	1,701
Deferred tax assets (net)	160	351
Other non-current assets	1,520	1,665
	<b>19,155</b>	<b>17,860</b>
<b>Current assets</b>		
Inventory	42	-
Financial assets		
Investments	22,282	19,307
Trade receivables	16,515	12,742
Cash and cash equivalents	3,601	7,597
Other financial assets (refer note 7)	4,512	2,964
Other current assets	3,477	3,144
	<b>50,429</b>	<b>45,754</b>
<b>TOTAL ASSETS</b>	<b>69,584</b>	<b>63,614</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,648	1,647
Other equity	44,944	41,543
	<b>46,592</b>	<b>43,190</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	4,687	4,492
Other financial liabilities	74	6
	<b>4,761</b>	<b>4,498</b>
<b>Current liabilities</b>		
Financial liabilities		
Lease liabilities	847	885
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	49	43
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,049	2,633
Other financial liabilities	5,603	5,250
Other current liabilities	2,770	2,510
Provisions	2,542	2,227
Current tax liabilities (net)	2,371	2,378
	<b>18,231</b>	<b>15,926</b>
	<b>22,992</b>	<b>20,424</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>69,584</b>	<b>63,614</b>



**Audited Consolidated Financial Results for the Quarter and Six Months Ended September 30, 2021**

(₹ in millions, except per share data)

**AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

Particulars	Six months ended	
	September 30, 2021	September 30, 2020
<b>Cash flow from operating activities</b>		
Profit for the period	7,423	4,667
<i>Adjustments for :</i>		
Income tax expense	2,549	1,678
Depreciation and amortization expenses	1,192	1,166
Impairment loss recognized on non-current assets held for sale	-	2
Share based payments to employees	146	36
Allowance for expected credit losses (Net)	21	122
Finance costs	254	263
Interest income on financial assets at amortised cost	(174)	(90)
Interest income on financial assets at fair value through profit or loss	(17)	-
Net gain on disposal of property, plant and equipment	(4)	(44)
Net gain on disposal of right-of-use assets	-	(1)
Net gain on financial assets designated at fair value through profit or loss	(489)	(484)
Unrealised exchange difference on lease liabilities	30	(55)
Unrealised exchange difference on fair value hedges	(48)	(323)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(39)	42
<i>Changes in operating assets and liabilities</i>		
Trade receivables	(3,662)	1,447
Inventories	3	-
Other assets	(1,315)	1,168
Bank balances other than cash and cash equivalents	-	1,961
Trade payables	1,258	(261)
Other liabilities	(430)	(156)
Provisions	304	659
<b>Net cash provided by operating activities before taxes</b>	<b>7,002</b>	<b>11,797</b>
Income taxes paid, net of refunds	(2,432)	(1,280)
<b>Net cash provided by operating activities</b>	<b>4,570</b>	<b>10,517</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(806)	(198)
Proceeds from sale of property, plant and equipment	5	57
Payment towards initial direct cost of right-of-use assets	-	(5)
Payment towards transfer of business (refer note 9)	(990)	-
Interest income on financial assets at amortised cost	97	98
Interest income on financial assets at fair value through profit or loss	17	-
Proceeds from sale of non-current assets held for sale	-	459
Purchase of investments	(15,773)	(21,025)
Proceeds from sale of investments	12,444	10,657
<b>Net cash (used in) investing activities</b>	<b>(5,006)</b>	<b>(9,957)</b>
<b>Cash flow from financing activities</b>		
Issue of share capital (net of issue expenses paid)	1	1
Payment of lease liabilities	(462)	(384)
Finance costs (including interest towards lease liabilities)	(254)	(263)
Repayment of long-term borrowings	-	(5)
Dividends paid	(2,884)	(1,647)
<b>Net cash (used in) financing activities</b>	<b>(3,599)</b>	<b>(2,298)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	39	(42)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(3,996)</b>	<b>(1,780)</b>
Cash and cash equivalents at the beginning of the period	7,597	3,909
<b>Cash and cash equivalents at the end of the period</b>	<b>3,601</b>	<b>2,129</b>
<b>Cash and cash equivalents</b>		
Particulars	As at	
	September 30, 2021	September 30, 2020
Balances with banks in current accounts and deposit accounts	3,577	2,107
Other bank balances	24	22
<b>Cash and cash equivalents as per balance sheet</b>	<b>3,601</b>	<b>2,129</b>
Book overdrafts used for cash management purposes	-	-
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>3,601</b>	<b>2,129</b>

## Audited Consolidated Financial Results for the Quarter and Six Months Ended September 30, 2021

(₹ in millions, except per share data)

### Reconciliation of liabilities from financing activities for the six months ended September 30, 2021

Particulars	As at April 1, 2021	Proceeds/ Impact of Ind AS 116	Repayment	Fair value changes	As at September 30, 2021
Lease liabilities	5,377	589	(462)	30	5,534
<b>Total liabilities from financing activities</b>	<b>5,377</b>	<b>589</b>	<b>(462)</b>	<b>30</b>	<b>5,534</b>

### Reconciliation of liabilities from financing activities for the six months ended September 30, 2020

Particulars	As at April 1, 2020	Proceeds/ Impact of Ind AS 116	Repayment	Fair value changes	As at September 30, 2020
Long-term borrowings (including current portion)	5	-	(5)	-	-
Lease liabilities	5,663	503	(384)	(55)	5,727
<b>Total liabilities from financing activities</b>	<b>5,668</b>	<b>503</b>	<b>(389)</b>	<b>(55)</b>	<b>5,727</b>

#### Notes to audited consolidated financial results for the quarter and six months ended September 30, 2021

- The information presented above is extracted from the audited consolidated interim financial statements for the quarter and six months ended September 30, 2021, audited consolidated interim financial statements for the quarter ended June 30, 2021 and the audited consolidated financial statements for the year ended March 31, 2021. The consolidated interim financial statements for the quarter and six months ended September 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 on October 12, 2021 and thereafter have been adopted by the Board at its meeting held on October 13, 2021.
- The statement of consolidated financial results has 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.
- Estimation uncertainty relating to COVID-19 outbreak:**  
The Group 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 consolidated financial results in determining the impact on various elements of its consolidated financial results. The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group has accrued its liabilities and also expects to fully recover the carrying amount of inventory, 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 consolidated financial results.
- 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 was approved by the shareholders at the Annual General Meeting held on July 13, 2021. The aforesaid dividend was paid during the period, resulting in a cash outflow of Rs 2,883 million. The Board of Directors at its meeting held on October 13, 2021 have declared an interim dividend of 100% (Rs 10 per equity share of par value Rs 10 each).
- Audited financial results of Mindtree Limited (Standalone Information)**

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
Revenue from operations	25,862	22,917	19,260	48,779	38,348	79,678
Profit before tax	5,319	4,653	3,447	9,972	6,345	14,982
Profit after tax	3,988	3,435	2,537	7,423	4,667	11,103

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

- EPS for the interim periods are not annualized.
- 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'.
- The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Group 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 (the 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 Group will complete its evaluation and will give appropriate impact in its consolidated financial results in the period in which the Code becomes effective and the related rules are published.
- Pursuant to the approval by the Board of Directors on May 14, 2021, the Company entered into a Business Transfer Agreement on May 20, 2021 to acquire the digital transformation business undertaking, incubated and conducted under L&T-NxT ('NxT Digital Business') from Larsen & Toubro Limited (L&T) to enhance the Company's Cloud based IoT and AI capabilities for Industry 4.0, for a cash consideration of Rs 1,980 million (determined based on an independent valuation) and net working capital as on the closing date. The Company has consummated the above transfer of business on July 1, 2021.

The transaction between the Parent (L&T) and Subsidiary (the Company) has been recorded in the books of the Company in accordance with Appendix C – 'Business combinations of entities under common control' of Ind AS 103 – 'Business Combinations' using the pooling of interests method. The financial information pertaining to the transfer of business is not material and accordingly, financial statements / information of the Company in respect of the prior periods has not been restated. Details of the transfer of business is as follows:

Particulars	Amount (Rs millions)
Total net assets transferred	209
Purchase consideration	2,065
<b>Excess of consideration over net assets transferred</b>	<b>1,856</b>
<b>Adjusted against:</b>	
a) Capital reserve	87
b) Retained earnings	1,769

**For more information, please contact:**

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**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. The conditions caused by the COVID-19 pandemic could decrease customer's technology spending, affecting demand for our services, delaying prospective customers' purchasing decisions, and impacting our ability to provide on-site consulting services; all of which could adversely affect our future revenue, margin and overall financial performance. Our operations may also be negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.*