

Mindtree Limited

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

Particulars	<i>Rs in million, except per share data</i>			
	Quarter ended		Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
Revenue from operations	31,211	28,974	22,917	105,253
Other income, net	395	899	718	3,073
Total income	31,606	29,873	23,635	108,326
Expenses				
Employee benefits expense	18,536	17,503	13,673	63,278
Sub-contractor charges	2,995	2,764	2,588	10,788
Finance costs	122	121	129	502
Depreciation and amortisation expenses	599	596	582	2,420
Other expenses	3,099	2,624	2,011	9,231
Total expenses	25,351	23,608	18,983	86,219
Profit before tax	6,255	6,265	4,652	22,107
Tax expense				
Current tax	1,668	1,298	1,249	5,546
Deferred tax	(129)	236	(31)	32
Net profit for the period	4,716	4,731	3,434	16,529
Other comprehensive income:				
A. (i) Items that will not be reclassified to profit or loss	70	42	28	107
(ii) Income tax relating to items that will not be reclassified to profit or loss	(14)	(9)	(6)	(24)
B. (i) Items that will be reclassified to profit or loss	(3,212)	(405)	(80)	1,373
(ii) Income tax relating to items that will be reclassified to profit or loss	1,146	141	28	(480)
Total other comprehensive income / (loss)	(2,010)	(231)	(30)	976
Total comprehensive income for the period	2,706	4,500	3,404	17,505
Paid up equity share capital (face value Rs.10 each)	1,648	1,648	1,647	1,648
Reserves	55,888	53,091	44,983	53,091
Earnings per share (EPS) (refer note 6):				
Basic EPS (Rs.)	28.61	28.71	20.85	100.31
Diluted EPS (Rs.)	28.57	28.66	20.83	100.25

AUDITED SEGMENT REVENUE AND RESULTS

Particulars	<i>Rs in million</i>			
	Quarter ended		Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
Segment revenue				
Retail, CPG and Manufacturing	6,195	6,560	5,059	24,859
Banking, Financial Services and Insurance	5,804	5,261	4,162	18,764
Communications, Media and Technology	13,759	12,546	10,420	45,818
Travel, Transportation and Hospitality	4,815	4,178	3,053	14,524
Healthcare	638	429	223	1,288
Total	31,211	28,974	22,917	105,253
Segment results				
Retail, CPG and Manufacturing	828	1,005	550	3,785
Banking, Financial Services and Insurance	1,045	883	902	3,638
Communications, Media and Technology	3,680	3,293	2,550	11,276
Travel, Transportation and Hospitality	982	907	582	3,122
Healthcare	46	(5)	61	135
Total	6,581	6,083	4,645	21,956
Unallocable				
Expenses	599	596	582	2,420
Finance costs	122	121	129	502
Other income	395	899	718	3,073
Profit before tax	6,255	6,265	4,652	22,107

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) and Healthcare (HCARE). 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 BALANCE SHEET		<i>Rs in million</i>	
Particulars	As at		
	June 30, 2022	March 31, 2022	
ASSETS			
Non-current assets			
Property, plant and equipment	4,371	4,223	
Capital work-in-progress	41	215	
Right-of-use assets	4,867	4,724	
Goodwill	4,732	4,732	
Other intangible assets	65	73	
Financial assets			
Investments	2,626	3,116	
Other financial assets	1,141	2,464	
Deferred tax assets (net)	1,114	-	
Other non-current assets	1,126	1,286	
	20,083	20,833	
Current assets			
Inventory	39	41	
Financial assets			
Investments	26,674	22,391	
Trade receivables	16,755	17,313	
Cash and cash equivalents	10,517	10,513	
Other financial assets	5,698	5,827	
Other current assets	4,503	4,655	
	64,186	60,740	
TOTAL ASSETS	84,269	81,573	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,648	1,648	
Other equity	55,888	53,091	
	57,536	54,739	
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4,867	4,661	
Other financial liabilities	593	4	
Deferred tax liabilities (net)	-	161	
	5,460	4,826	
Current liabilities			
Financial liabilities			
Lease liabilities	932	896	
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	73	95	
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,670	5,262	
Other financial liabilities	5,765	6,885	
Other current liabilities	3,380	4,318	
Provisions	2,629	2,442	
Current tax liabilities (net)	2,824	2,110	
	21,273	22,008	
	26,733	26,834	
TOTAL EQUITY AND LIABILITIES	84,269	81,573	

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS		<i>Rs in million</i>			
Particulars	Quarter ended				
	June 30, 2022	June 30, 2021			
Cash flow from operating activities					
Profit for the period	4,716	3,434			
<i>Adjustments for :</i>					
Income tax expense	1,539	1,218			
Depreciation and amortization expenses	599	582			
Share based payments to employees	91	36			
Allowance for expected credit losses (Net)	27	29			
Finance costs	122	129			
Interest income on financial assets at amortised cost	(146)	(81)			
Interest income on financial assets at fair value through profit or loss	-	(9)			
Net gain on financial assets designated at fair value through profit or loss	(15)	(227)			
Unrealised exchange difference on lease liabilities	82	43			
Unrealised exchange difference on fair value hedges	173	(20)			
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(377)	(40)			
	6,811	5,094			
<i>Changes in operating assets and liabilities</i>					
Trade receivables	531	(1,475)			
Inventories	2	-			
Other assets	(769)	(1,061)			
Trade payables	386	1,288			
Other liabilities	(1,980)	(1,770)			
Provisions	187	106			
Net cash provided by operating activities before taxes	5,168	2,182			
Income taxes paid, net of refunds	(744)	(985)			
Net cash provided by operating activities	4,424	1,197			
Cash flow from investing activities					
Purchase of property, plant and equipment and intangible assets	(427)	(224)			
Payment towards transfer of business	(396)	-			
Interest income on financial assets at amortised cost	97	47			
Interest income on financial assets at fair value through profit or loss	-	9			
Purchase of investments	(12,779)	(9,350)			
Proceeds from sale of investments	9,043	5,090			
Net cash (used in) investing activities	(4,462)	(4,428)			
Cash flow from financing activities					
Payment of lease liabilities	(214)	(226)			
Finance costs (including interest towards lease liabilities)	(122)	(129)			
Dividends paid	(1)	-			
Net cash (used in) financing activities	(337)	(355)			
Effect of exchange differences on translation of foreign currency cash and cash equivalents	377	40			
Net increase in cash and cash equivalents	2	(3,546)			
Cash and cash equivalents at the beginning of the period	10,513	7,597			
Cash and cash equivalents at the end of the period	10,515	4,051			
Cash and cash equivalents		<i>Rs in million</i>			
Particulars	As at				
	June 30, 2022	June 30, 2021			
Balances with banks in current accounts and deposit accounts	10,435	4,026			
Other bank balances	82	25			
Cash and cash equivalents as per balance sheet	10,517	4,051			
Book overdrafts used for cash management purposes	(2)	-			
Cash and cash equivalents as per statement of cash flows	10,515	4,051			
Reconciliation of liabilities from financing activities for the quarter ended June 30, 2022		<i>Rs in million</i>			
Particulars	As at April 1, 2022	Proceeds/ Impact of Ind AS 116	Repayment	Fair value changes	As at June 30, 2022
Lease liabilities	5,557	374	(214)	82	5,799
Total liabilities from financing activities	5,557	374	(214)	82	5,799
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

Notes to audited consolidated financial results for the quarter ended June 30, 2022

- 1 The information presented above is extracted from the audited consolidated interim financial statements for the quarter ended June 30, 2022 and audited consolidated interim financial statements for the quarter and year ended March 31, 2022. The consolidated interim financial statements for the quarter ended June 30, 2022 has 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 July 12, 2022 and thereafter has been adopted by the Board at its meeting held on July 13, 2022.
- 2 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.
- 3 **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, 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.
- 4 The Board of Directors had recommended a final dividend of 270% (Rs 27 per equity share of par value Rs 10 each) for the financial year ended March 31, 2022 which is subject to the approval of shareholders at the Annual General Meeting to be held on July 13, 2022.

5 Audited financial results of Mindtree Limited (Standalone Information)

Particulars	Quarter ended			Rs in million
	June 30, 2022	March 31, 2022	June 30, 2021	Year ended March 31, 2022
Revenue from operations	31,211	28,974	22,917	105,253
Profit before tax	6,255	6,264	4,653	22,106
Profit after tax	4,716	4,730	3,435	16,528

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 standalone financial results as stated.

- 6 EPS for the interim periods are not annualized.
- 7 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. 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.
- 8 During the quarter, the Company has acquired 6.64% stake in COPE Healthcare Consulting Inc., USA ('COPE') for a consideration of Rs 343 million pursuant to a Stock Purchase Agreement entered on April 4, 2022 to expand its healthcare business. COPE is a healthcare consulting, implementation and co-management leader in population health management, value-based care and payment, workforce development and data analytics.
- 9 The Board of Directors of the Company at its meeting held on May 6, 2022, has approved the Scheme of Amalgamation and Arrangement ('Scheme') under the Companies Act, 2013, for merger of the Company (Amalgamating Company) with Larsen & Toubro Infotech Limited ('Amalgamated Company' / 'LTI') with an appointed date of April 1, 2022. The Scheme is subject to requisite approvals from the shareholders and creditors of the Company and the Amalgamated Company, regulators including the Stock Exchanges, the Securities and Exchange Board of India ('SEBI'), and the Honourable National Company Law Tribunals (NCLT) having jurisdiction over the Company and the Amalgamated Company. The proposed merger, inter-alia, aims to create an efficient and scaled-up IT services provider. Upon the Scheme becoming effective, the shareholders of the Company will be issued shares of LTI in the ratio of 73 equity shares of LTI for every 100 equity shares of the Company. The name of the combined entity is proposed to be 'LTIMindtree Limited', leveraging the advantages of both the brands and creating value for all the stakeholders. A steering committee has been set up to oversee the merger and integration related activities.
As on the date of adoption of these consolidated financial results by the Board, the Company has received approval from the Stock Exchanges and NCLT process is in progress.

For and on behalf of the Board of Mindtree Limited

Mumbai, India
July 13, 2022

Debashis Chatterjee
CEO & Managing Director