

Mindtree Limited
CIN: L72200KA1999PLC025564
Registered Office: Global Village, RVCE Post, Mysore Road, Bengaluru - 560 059
Website: www.mindtree.com ; email: investors@mindtree.com ; Ph: +91 80 6706 4000 ; Fax: +91 80 6706 4100

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

Particulars	<i>Rs in million, except per share data</i>					
	Quarter ended			Six months ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Revenue from operations	34,004	31,211	25,862	65,215	48,779	105,253
Other income, net	486	395	748	831	1,466	3,073
Total income	34,490	31,606	26,610	66,046	50,245	108,326
Expenses						
Employee benefits expense	20,474	18,536	15,644	39,010	29,317	63,278
Sub-contractor charges	3,418	2,995	2,747	6,413	5,335	10,788
Finance costs	135	122	125	257	254	502
Depreciation and amortisation expenses	651	599	610	1,250	1,192	2,420
Other expenses	3,145	3,099	2,164	6,194	4,175	9,231
Total expenses	27,823	25,351	21,290	53,124	40,273	86,219
Profit before tax	6,667	6,255	5,320	12,922	9,972	22,107
Tax expense						
Current tax	1,575	1,668	1,387	3,243	2,636	5,546
Deferred tax	5	(129)	(56)	(124)	(87)	32
Net profit for the period	5,087	4,716	3,989	9,803	7,423	16,529
Other comprehensive income:						
A. (i) Items that will not be reclassified to profit or loss	31	70	41	101	69	107
(ii) Income tax relating to items that will not be reclassified to profit or loss	(11)	(14)	(10)	(25)	(16)	(24)
B. (i) Items that will be reclassified to profit or loss	(2,165)	(3,212)	876	(5,377)	796	1,373
(ii) Income tax relating to items that will be reclassified to profit or loss	545	1,146	(306)	1,691	(278)	(480)
Total other comprehensive income / (loss)	(1,600)	(2,010)	601	(3,610)	571	976
Total comprehensive income for the period	3,487	2,706	4,590	6,193	7,994	17,505
Paid up equity share capital (face value Rs.10 each)	1,649	1,648	1,648	1,649	1,648	1,648
Reserves	55,036	55,888	44,944	55,036	44,944	53,091
Earnings per share (EPS) (refer note 6):						
Basic EPS (Rs.)	30.86	28.61	24.21	59.46	45.06	100.31
Diluted EPS (Rs.)	30.83	28.57	24.19	59.41	45.03	100.25

AUDITED SEGMENT REVENUE AND RESULTS

Particulars	<i>Rs in million</i>					
	Quarter ended			Six months ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Segment revenue						
Retail, CPG and Manufacturing	6,341	6,195	6,566	12,536	11,625	24,859
Banking, Financial Services and Insurance	6,590	5,804	4,536	12,394	8,698	18,764
Communications, Media and Technology	14,790	13,759	10,995	28,549	21,415	45,818
Travel, Transportation and Hospitality	5,399	4,815	3,489	10,214	6,542	14,524
Healthcare	884	638	276	1,522	499	1,288
Total	34,004	31,211	25,862	65,215	48,779	105,253
Segment results						
Retail, CPG and Manufacturing	740	828	1,140	1,568	1,690	3,785
Banking, Financial Services and Insurance	1,213	1,045	921	2,258	1,823	3,638
Communications, Media and Technology	3,900	3,680	2,454	7,580	5,004	11,276
Travel, Transportation and Hospitality	1,226	982	766	2,208	1,348	3,122
Healthcare	78	46	26	124	87	135
Total	7,157	6,581	5,307	13,738	9,952	21,956
Unallocable						
Expenses	841	599	610	1,390	1,192	2,420
Finance costs	135	122	125	257	254	502
Other income	486	395	748	831	1,466	3,073
Profit before tax	6,667	6,255	5,320	12,922	9,972	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		
	September 30, 2022	March 31, 2022	
ASSETS			
Non-current assets			
Property, plant and equipment	4,721	4,223	
Capital work-in-progress	17	215	
Right-of-use assets	5,090	4,724	
Goodwill	4,732	4,732	
Other intangible assets	57	73	
Financial assets			
Investments	2,513	3,116	
Other financial assets	877	2,464	
Deferred tax assets (net)	1,654	-	
Other non-current assets	1,201	1,286	
	20,862	20,833	
Current assets			
Inventory	37	41	
Financial assets			
Investments	22,135	22,391	
Trade receivables	18,058	17,313	
Cash and cash equivalents	13,603	10,513	
Other financial assets	5,494	5,827	
Other current assets	4,463	4,655	
	63,790	60,740	
TOTAL ASSETS	84,652	81,573	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,649	1,648	
Other equity	55,036	53,091	
	56,685	54,739	
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	5,170	4,661	
Other financial liabilities	1,239	4	
Deferred tax liabilities (net)	-	161	
	6,409	4,826	
Current liabilities			
Financial liabilities			
Lease liabilities	964	896	
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	87	95	
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,584	5,262	
Other financial liabilities	6,421	6,885	
Other current liabilities	3,648	4,318	
Provisions	2,851	2,442	
Current tax liabilities (net)	2,003	2,110	
	21,558	22,008	
	27,967	26,834	
TOTAL EQUITY AND LIABILITIES	84,652	81,573	

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS		<i>Rs in million</i>			
Particulars	Six months ended				
	September 30, 2022	September 30, 2021			
Cash flow from operating activities					
Profit for the period	9,803	7,423			
<i>Adjustments for :</i>					
Income tax expense	3,119	2,549			
Depreciation and amortization expenses	1,250	1,192			
Share based payments to employees	198	146			
Allowance for expected credit losses (Net)	74	21			
Finance costs	257	254			
Interest income on financial assets at amortised cost	(292)	(174)			
Interest income on financial assets at fair value through profit or loss	(8)	(17)			
Net gain on disposal of property, plant and equipment	(13)	(4)			
Net gain on financial assets designated at fair value through profit or loss	(260)	(489)			
Unrealised exchange difference on lease liabilities	141	30			
Unrealised exchange difference on fair value hedges	80	(48)			
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(846)	(39)			
	13,503	10,844			
<i>Changes in operating assets and liabilities</i>					
Trade receivables	(819)	(3,662)			
Inventories	4	3			
Other assets	(1,046)	(1,315)			
Trade payables	314	1,258			
Other liabilities	(1,179)	(430)			
Provisions	409	304			
Net cash provided by operating activities before taxes	11,186	7,002			
Income taxes paid, net of refunds	(3,247)	(2,432)			
Net cash provided by operating activities	7,939	4,570			
Cash flow from investing activities					
Purchase of property, plant and equipment and intangible assets	(1,166)	(806)			
Proceeds from sale of property, plant and equipment	14	5			
Payment towards transfer of business	(819)	(990)			
Interest income on financial assets at amortised cost	235	97			
Interest income on financial assets at fair value through profit or loss	8	17			
Purchase of investments	(19,910)	(15,773)			
Proceeds from sale of investments	21,073	12,444			
Net cash (used in) investing activities	(565)	(5,006)			
Cash flow from financing activities					
Issue of share capital (net of issue expenses paid)	6	1			
Payment of lease liabilities	(426)	(462)			
Finance costs (including interest towards lease liabilities)	(257)	(254)			
Dividends paid	(4,453)	(2,884)			
Net cash (used in) financing activities	(5,130)	(3,599)			
Effect of exchange differences on translation of foreign currency cash and cash equivalents	846	39			
Net increase/ (decrease) in cash and cash equivalents	3,090	(3,996)			
Cash and cash equivalents at the beginning of the period	10,513	7,597			
Cash and cash equivalents at the end of the period	13,603	3,601			
Cash and cash equivalents		<i>Rs in million</i>			
Particulars	As at				
	September 30, 2022	September 30, 2021			
Balances with banks in current accounts and deposit accounts	13,530	3,577			
Other bank balances	73	24			
Cash and cash equivalents as per balance sheet	13,603	3,601			
Book overdrafts used for cash management purposes	-	-			
Cash and cash equivalents as per statement of cash flows	13,603	3,601			
Reconciliation of liabilities from financing activities for the six months ended September 30, 2022					
Particulars	<i>Rs in million</i>				
	As at April 1, 2022	Proceeds/ Impact of Ind AS 116	Repayment	Fair value changes	As at September 30, 2022
Lease liabilities	5,557	862	(426)	141	6,134
Total liabilities from financing activities	5,557	862	(426)	141	6,134
Reconciliation of liabilities from financing activities for the six months ended September 30, 2021					
Particulars	<i>Rs in million</i>				
	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
Total liabilities from financing activities	5,377	589	(462)	30	5,534

Notes to audited consolidated financial results for the quarter and six months ended September 30, 2022

1 The information presented above is extracted from the audited consolidated interim financial statements for the quarter and six months ended September 30, 2022, audited consolidated interim financial statements for the quarter ended June 30, 2022 and audited consolidated financial statements for the year ended March 31, 2022. The consolidated interim financial statements for the quarter and six months ended September 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 and thereafter has been adopted by the Board at its meeting held on October 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 was approved by the shareholders at the Annual General Meeting held on July 13, 2022. The aforesaid dividend was paid during the period.

5 Audited financial results of Mindtree Limited (Standalone Information)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
Revenue from operations	34,004	31,211	25,862	65,215	48,779	105,253
Profit before tax	6,668	6,255	5,319	12,923	9,972	22,106
Profit after tax	5,088	4,716	3,988	9,804	7,423	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 The Board of Directors of the Company at its meeting held on May 6, 2022, 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 appointed date of April 1, 2022. 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 'LTI Mindtree 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, shareholders and unsecured creditors. Hearing before NCLT Bengaluru bench was held on October 12, 2022 and Order has been reserved. Amalgamated Company has received approval from NCLT Mumbai bench vide its Order dated September 19, 2022. The proposed Scheme does not have any impact on the consolidated financial results of the Company for the quarter and six months ended September 30, 2022.

For and on behalf of the Board of Mindtree Limited

Mumbai, India
October 13, 2022

Debashis Chatterjee
CEO & Managing Director