

# Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Earnings release

Third quarter ended December 31, 2019

January 14, 2020

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## Earnings Conference Call for Analysts / Investors

### **January 14, 2020 (6:00 PM IST)**

Mindtree Limited will announce its financial results for the third quarter ended December 31, 2019 on Tuesday, January 14, 2020. The financial results will also be available in the investor section of the company's website <https://www.mindtree.com/about/investors>

Tele conference call for investor and analyst community is on Tuesday, January 14, 2020 at 6.00 p.m. IST.

Replay of conference call available until January 31, 2020  
+91 22 71945757 +91 22 66635757 (Playback id: 230712#)

Transcript will be available on [www.mindtree.com](http://www.mindtree.com) after January 31, 2020

## Mindtree Reports Third Quarter 2019-20 Results

In USD terms, Net Profit rises 44.7% q-o-q  
Revenue grows 1.5% q-o-q / 9.4% y-o-y

**Bangalore (India) and Warren (NJ), January 14, 2020:** [Mindtree](#), a global technology services and Digital transformation company, guiding its clients to achieve faster business outcomes, announced its consolidated results today for the third quarter ended December 31, 2019 as approved by its board of directors.

“As we continue to grow revenue, our sharp focus on driving profitable growth has resulted in expansion of operating margin by 2.6% and a rise in net profit by 44.7% as compared to previous quarter,” said **Debashis Chatterjee, CEO & Managing Director, Mindtree**. “We continue to execute our growth strategy, proactively incubate deals by mining strategic clients and nurture a learning-led culture. The recently concluded Annual Customer Experience Survey results depict industry-leading scores, indicating our exceptional work in delivering quality services to our clients.”

### Key financial highlights:

#### *Quarter ended December 31, 2019*

- In USD:
  - Revenue at \$275.2 million (growth of 1.5% q-o-q / 9.4% y-o-y)
  - Net profit at \$27.7 million (growth of 44.7% q-o-q / 3.1% y-o-y)
  
- In INR:
  - Revenue at ₹19,653 million (growth of 2.7% q-o-q / 10.0% y-o-y)
  - Net profit at ₹1,970 million (growth of 45.9% q-o-q / 3.0% y-o-y)

### Other highlights:

- Clients:
  - 320 active clients as of December 31, 2019
  - \$25 million clients grew by 1, total 5
  - \$10 million clients grew by 1, total 22

- People:
    - 21,561 Mindtree Minds as of December 31, 2019
    - Trailing 12 months attrition is 17.2%
  
  - BOTs\*:
    - Automation is playing a significant role in modernizing our technology service delivery, enhancing both efficiency and speed-to-results for our clients. We are proud to report our BOTs strength that autonomously work along-side our Mindtree Minds, enabling our team to do more and accomplish larger goals
    - We have 715 BOTs employed as of December 31, 2019
- \*Software that acts autonomously, free from any interference, human or otherwise, to perform a significant task which will otherwise be performed by a human*
- Q3 deal wins with leading global clients:

New Clients:

- Mindtree has been empaneled to provide end to end ownership of SAP and Salesforce Application Maintenance and Support Services (AMS) for a global enterprise supplier of Industrial gases
- Mindtree has been awarded the contract to provide datacenter support including AWS Cloud Operations for a leading Retail player in Consumer Electronics & Wireless Services
- Mindtree has been partnered to provide long term road map and strategic services in digital transformation initiatives for a multinational American Personal care corporation

#### Existing Clients:

- For an existing large automotive company in the UK, Mindtree extended its presence in Implementing Business Intelligence, Solution Architecture and Program Delivery across the enterprise CRM portal
- Mindtree will support Digital Marketing Management & Operations for an existing Global leader in computer software and technology
- Recognition:
  - Mindtree named the overall winner of the 2019 ISG Star of Excellence Award™, the industry's first and only recognition program that ranks providers on the quality of their services based on direct feedback from enterprise clients. The Star of Excellence is an independent recognition based on industry wide "Voice of the Customer". ISG considered over 1,400 unique evaluations, 600 unique enterprises, 100 providers for this year. Mindtree was recognized as the winner in North America and Asia Pacific, as well as for achieving the top score for its application development and maintenance (ADM) services
  - Mindtree has been appraised at Level 5 in the Capability Maturity Model Integration (CMMI)® V2.0, which represents a proven commitment to high quality software development processes and delivery standards. Mindtree is one of the first IT organizations to be globally recognized for the suite's Development and Services views
  - Mindtree received a prestigious award from South Asian Federation of Accountants (SAFA) as a mark of recognition of its strong ethics, excellence in financial reporting and corporate governance
  - Mindtree won the 6th Annual IDC Insights Awards 2019 for Excellence in Operations for its IT infrastructure services, [MWatch](#) platform, which enables the delivery of consistent and optimized infrastructure operations services through automation
  - Mindtree won the 2019 Paragon Awards™ in the Excellence category for our outstanding service delivery for a global airline

- Mindtree named global and US leader in Next-Gen ADM, Agile Development, and Continuous Testing in the ISG Provider Lens™ Next-Gen Application Development & Maintenance (ADM) Services 2019 Quadrant Report
- Mindtree recognized in the ISG Provider Lens™ Public Cloud – Solutions & Service Partners 2019 Quadrant Report as a Rising Star globally and in the US for Public Cloud Transformation Services, and a Rising Star in the US for Managed Public Cloud Services
- Mindtree Named Leader in the Landscape Transformation and Technical Transition Archetypes in the ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners 2019 Archetype Report
- Mindtree Named Innovator in Avasant's Intelligent Automation Services RadarView™ 2019 Report

## 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 300+ 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 more than 15 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 21,000 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. 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)	Q3 FY2019	Q2 FY2020	Q3 FY2020	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	17,872	19,143	19,653	2.7%	10.0%
EBITDA	2,833	2,482	3,063	23.4%	8.1%
Net Profit	1,912	1,350	1,970	45.9%	3.0%
Diluted EPS (Rs.)	11.62	8.20	11.96	45.9%	3.0%

(\$ million)	Q3 FY2019	Q2 FY2020	Q3 FY2020	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	251.5	271.0	275.2	1.5%	9.4%
EBITDA	39.9	35.2	43.0	22.3%	7.8%
Net Profit	26.9	19.2	27.7	44.7%	3.1%

Rupee Dollar Rate	Q3 FY2019	Q2 FY2020	Q3 FY2020
Period Closing rate	69.56	70.64	71.35
Period Average rate	71.06	70.63	71.42

Hedges outstanding in million	Value	Avg. Rate/INR
USD	963.0	75.44
EURO	0.0	0.00
GBP	0.0	0.00

Total hedges outstanding in USD includes on balance sheet hedges of USD 76M & cash flow hedges of USD 887M.

## Key Ratios

Key Ratios	Q3 FY2019	Q2 FY2020	Q3 FY2020
EBITDA Margin (%)	15.9%	13.0%	15.6%
Effective Tax Rate (%)	13.8%	26.4%	23.6%
Net Profit Margin (%)	10.7%	7.1%	10.0%
ROCE (%)	28.7%	21.0%	29.6%
DSO (Days)	71	66	66

Effective Tax Rate = Tax / PBT

ROCE = EBIT / Average Capital Employed. ROCE is annualized

### Key Performance Highlights

- Hi-Tech and Media grew 15.2% y-o-y; BFSI grew 7.7% y-o-y; Retail, CGP & Manufacturing grew 1.0% y-o-y and Travel and Hospitality grew by 9.3% y-o-y
- Digital business grew by 13.5% y-o-y
- EBITDA margin improved by ~260bps as compared to last quarter



## Key Revenue Metrics

Revenue by Geography	Q3 FY2019	Q2 FY2020	Q3 FY2020
US	73.4%	73.7%	74.6%
Europe	18.7%	17.6%	17.0%
India	3.6%	4.2%	4.0%
Rest of the World	4.2%	4.5%	4.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Industry	Q3 FY2019	Q2 FY2020	Q3 FY2020
Hi-Tech & Media	39.4%	39.8%	41.5%
BFSI	21.7%	21.6%	21.3%
Retail, CPG & Manufacturing	22.3%	21.7%	20.6%
Travel & Hospitality	16.7%	16.9%	16.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Service Offering*	Q3 FY2019	Q2 FY2020	Q3 FY2020
<i>Interactive</i>	22.1%	23.8%	22.3%
<i>Data Science and Engineering services</i>	10.9%	11.0%	12.1%
<i>Cloud Services</i>	3.6%	3.0%	3.6%
<i>Others</i>	0.2%	0.2%	0.2%
Digital	36.8%	38.0%	38.2%
Test Engineering	19.0%	18.7%	17.7%
Package Solutions	8.3%	7.0%	6.5%
Infrastructure Management & Tech Support	23.4%	24.6%	24.9%
ADM and Product Engineering	12.5%	11.7%	12.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* [Refer note on Service Offering](#)

Revenue by Project Type	Q3 FY2019	Q2 FY2020	Q3 FY2020
Fixed Cost, Fixed Monthly	56.0%	55.9%	58.7%
Time & Materials	44.0%	44.1%	41.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Effort and Utilization

Metrics	Q3 FY2019	Q2 FY2020	Q3 FY2020	Growth (%)	
				Q-o-Q	Y-o-Y
<b>Billed Hours</b>					
Onsite	1,662,898	1,846,329	1,752,333	(5.1)%	5.4%
Offshore	5,721,424	6,696,374	6,526,287	(2.5)%	14.1%
<b>Total</b>	<b>7,384,322</b>	<b>8,542,703</b>	<b>8,278,620</b>	<b>(3.1)%</b>	<b>12.1%</b>
<b>Fee Revenue (\$ 000)</b>					
Fee Revenue	247,237	267,095	271,188	1.5%	9.7%

### Utilization

Including Trainees	74.6%	77.0%	75.9%
Excluding Trainees	76.4%	79.0%	78.0%

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

## Key Client Metrics

Metrics	Q3 FY2019	Q2 FY2020	Q3 FY2020
<b>Client Details</b>			
Number of Active clients	340	343	320
New Clients Added	23	14	7
\$1 mn clients	116	130	134
\$5 mn clients	44	47	47
\$10 mn clients	21	21	22
\$25 mn clients	4	4	5
\$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	Q3 FY2019	Q2 FY2020	Q3 FY2020
Top Client	20.0%	20.6%	23.1%
Top 5 Clients	33.8%	33.2%	36.1%
Top 10 Clients	44.1%	43.1%	45.6%

Contribution to revenues is based on revenues for the quarter.

Total Contract Value signed(TCV) (USD M)	Q3 FY2019	Q2 FY2020	Q3 FY2020
Renewals	184	186	128
New	72	121	79
<b>Total</b>	<b>256</b>	<b>307</b>	<b>207</b>
Expiring within 1 year	212	239	174
Expiring > 1 year	44	68	33
Digital	136	140	127

## Key Employee Metrics

<b>Mindtree Minds</b>	<b>Q3 FY2019</b>	<b>Q2 FY2020</b>	<b>Q3 FY2020</b>
Total Mindtree Minds	19,908	21,267	21,561
Software Professionals	18,713	20,001	20,348
Sales	257	265	247
Support	938	1,001	966
Gross Additions	1,214	1,400	1,202
Net Additions	506	332	294
Attrition (Last Twelve Months)	13.4%	16.5%	17.2%
Women employees	31%	32%	32%
Nationalities*	65	74	78

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

<b>BOTs*</b>	518	700	715
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\*A BOT is defined as a software that acts autonomously, free from any interference, human or otherwise, to perform a significant task which will otherwise be performed by a human.

**Audited Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2019 (₹ in millions, except per share data)**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
Revenue from operations	19,653	19,143	17,872	57,138	51,821	70,215
Other income, net	348	197	(200)	765	603	893
<b>Total income</b>	<b>20,001</b>	<b>19,340</b>	<b>17,672</b>	<b>57,903</b>	<b>52,424</b>	<b>71,108</b>
<b>Expenses</b>						
Employee benefits expense	12,535	12,647	11,142	37,714	32,708	44,212
Finance costs (refer note 4)	133	138	-	401	29	29
Depreciation and amortisation expense (refer note 4)	699	707	410	2,075	1,213	1,641
Other expenses	4,055	4,014	3,897	12,038	11,271	15,358
<b>Total expenses</b>	<b>17,422</b>	<b>17,506</b>	<b>15,449</b>	<b>52,228</b>	<b>45,221</b>	<b>61,240</b>
<b>Profit before tax</b>	<b>2,579</b>	<b>1,834</b>	<b>2,223</b>	<b>5,675</b>	<b>7,203</b>	<b>9,868</b>
Tax expense						
Current tax (refer note 6)	662	592	263	1,608	1,744	2,456
Deferred tax	(53)	(108)	48	(180)	(98)	(129)
<b>Net profit for the period</b>	<b>1,970</b>	<b>1,350</b>	<b>1,912</b>	<b>4,247</b>	<b>5,557</b>	<b>7,541</b>
Other comprehensive income:						
A. (i) Items that will not be reclassified to profit or loss	7	(44)	(31)	(72)	(79)	(86)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2)	11	8	17	19	21
B. (i) Items that will be reclassified to profit or loss	110	(49)	2	61	262	262
(ii) Income tax relating to items that will be reclassified to profit or loss	(38)	17	-	(21)	-	-
<b>Total other comprehensive income</b>	<b>77</b>	<b>(65)</b>	<b>(21)</b>	<b>(15)</b>	<b>202</b>	<b>197</b>
<b>Total comprehensive income for the period</b>	<b>2,047</b>	<b>1,285</b>	<b>1,891</b>	<b>4,232</b>	<b>5,759</b>	<b>7,738</b>
Paid up equity share capital (face value Rs. 10/- each)	1,646	1,646	1,642	1,646	1,642	1,642
Reserves	29,933	28,455	30,008	29,933	30,008	31,419
Earnings per share (EPS) (refer note 7):						
Basic EPS (Rs.)	11.97	8.20	11.64	25.82	33.87	45.94
Diluted EPS (Rs.)	11.96	8.20	11.62	25.82	33.80	45.85

**AUDITED SEGMENT REVENUE AND RESULTS**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
<b>Segment revenue</b>						
Retail, CPG and Manufacturing	4,048	4,150	3,984	12,275	11,584	15,660
Banking, Financial Services and Insurance	4,195	4,136	3,878	12,284	11,457	15,472
High Technology and Media	8,139	7,612	7,034	22,977	20,296	27,586
Travel and Hospitality	3,271	3,245	2,976	9,602	8,484	11,497
<b>Total</b>	<b>19,653</b>	<b>19,143</b>	<b>17,872</b>	<b>57,138</b>	<b>51,821</b>	<b>70,215</b>
<b>Segment results</b>						
Retail, CPG and Manufacturing	740	664	712	1,979	1,905	2,579
Banking, Financial Services and Insurance	627	468	101	1,285	444	628
High Technology and Media	1,317	1,016	1,577	3,225	4,250	5,810
Travel and Hospitality	379	334	443	897	1,243	1,628
<b>Total</b>	<b>3,063</b>	<b>2,482</b>	<b>2,833</b>	<b>7,386</b>	<b>7,842</b>	<b>10,645</b>
<b>Unallocable</b>						
Expenses	699	707	410	2,075	1,213	1,641
Finance costs	133	138	-	401	29	29
Other income	348	197	(200)	765	603	893
<b>Profit before tax</b>	<b>2,579</b>	<b>1,834</b>	<b>2,223</b>	<b>5,675</b>	<b>7,203</b>	<b>9,868</b>

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

The Group is structured into four industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), High Technology and Media (Hi-tech) and Travel and Hospitality (TH). Accordingly, 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 Nine Months Ended December 31, 2019 (₹ in millions, except per share data)

AUDITED CONSOLIDATED BALANCE SHEET		
Particulars	As at	
	December 31, 2019	March 31, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,582	3,757
Capital work in progress	95	297
Right-of-use assets (refer note 4)	5,521	-
Goodwill	4,732	4,732
Other intangible assets	857	1,180
<b>Financial assets</b>		
Investments	789	1,200
Loans	410	675
Deferred tax assets (Net)	547	388
Other non-current assets	1,800	1,889
	<b>18,333</b>	<b>14,118</b>
<b>Current assets</b>		
Right-of-use assets (refer note 4)	188	-
<b>Financial assets</b>		
Investments	8,057	6,836
Trade receivables	13,592	13,356
Cash and cash equivalents	2,560	2,562
Loans	97	123
Other financial assets	2,872	2,528
Other current assets	1,559	2,267
Non-current assets held for sale	312	-
	<b>29,237</b>	<b>27,672</b>
<b>TOTAL ASSETS</b>	<b>47,570</b>	<b>41,790</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,646	1,642
Other equity	29,933	31,419
	<b>31,579</b>	<b>33,061</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	-	5
Lease liabilities (refer note 4)	5,100	-
Other financial liabilities	1	1
Other non current liabilities	-	173
	<b>5,101</b>	<b>179</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Lease liabilities (refer note 4)	660	-
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	14	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,394	2,128
Other financial liabilities	3,277	2,434
Other current liabilities	1,804	1,837
Provisions	1,687	1,399
Current tax liabilities (Net)	1,054	749
	<b>10,890</b>	<b>8,550</b>
	<b>15,991</b>	<b>8,729</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>47,570</b>	<b>41,790</b>



## Audited Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2019 (₹ in millions, except per share data)

Particulars	Nine months ended	
	December 31, 2019	December 31, 2018
<b>Cash flow from operating activities</b>		
Profit for the period	4,247	5,557
<i>Adjustments for :</i>		
Income tax expense	1,428	1,646
Depreciation and amortization expense	2,075	1,213
Share based payments to employees	72	63
Allowance for expected credit losses	146	122
Finance costs	401	29
Interest income on financial assets at amortised cost	(146)	(102)
Net gain on disposal of property, plant and equipment	(13)	(12)
Net gain on financial assets designated at fair value through profit or loss	(390)	(255)
Unrealised exchange difference on lease liabilities	106	-
Unrealised exchange difference on derivatives	68	(76)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(63)	(80)
Changes in operating assets and liabilities		
Trade receivables	(382)	(3,331)
Other assets	331	496
Trade payables	355	442
Other liabilities	648	492
Provisions	288	262
<b>Net cash provided by operating activities before taxes</b>	<b>9,171</b>	<b>6,466</b>
Income taxes paid, net of refunds	(1,288)	(1,731)
<b>Net cash provided by operating activities</b>	<b>7,883</b>	<b>4,735</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(1,020)	(1,056)
Proceeds from sale of property, plant and equipment	13	28
Interest income on financial assets at amortised cost	89	46
Purchase of investments	(20,394)	(13,128)
Proceeds from sale of investments	20,042	12,256
<b>Net cash (used in) investing activities</b>	<b>(1,270)</b>	<b>(1,854)</b>
<b>Cash flow from financing activities</b>		
Issue of share capital (net of issue expenses paid)	4	3
Payment of lease liabilities	(344)	-
Finance costs (including interest towards lease liabilities)	(401)	(40)
Repayment of long-term borrowings	(5)	(4)
Repayment of short-term borrowings	-	(3,000)
Dividends paid (including distribution tax)	(5,940)	(1,587)
<b>Net cash (used in) financing activities</b>	<b>(6,686)</b>	<b>(4,628)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	63	80
<b>Net (decrease) in cash and cash equivalents</b>	<b>(10)</b>	<b>(1,667)</b>
Cash and cash equivalents at the beginning of the period	2,559	3,275
<b>Cash and cash equivalents at the end of the period</b>	<b>2,549</b>	<b>1,608</b>

## Audited Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2019 (₹ in millions, except per share data)

Particulars	As at	
	December 31, 2019	March 31, 2019
Balances with banks in current accounts and deposit accounts	2,537	2,546
Other bank balances	23	16
<b>Cash and cash equivalents as per balance sheet</b>	<b>2,560</b>	<b>2,562</b>
Book overdrafts used for cash management purposes	(11)	(3)
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>2,549</b>	<b>2,559</b>

Reconciliation of liabilities from financing activities for the nine months ended December 31, 2019					
Particulars	As at March 31, 2019	Proceeds/ impact of Ind AS 116	Repayment	Fair value changes	As at December 31, 2019
Long-term borrowings (including current portion)	10	-	(5)	-	5
Lease liabilities	-	5,998	(344)	106	5,760
<b>Total liabilities from financing activities</b>	<b>10</b>	<b>5,998</b>	<b>(349)</b>	<b>106</b>	<b>5,765</b>

Reconciliation of liabilities from financing activities for the nine months ended December 31, 2018					
Particulars	As at March 31, 2018	Proceeds	Repayment	Fair value changes	As at December 31, 2018
Long-term borrowings (including current portion)	14	-	(4)	-	10
Short-term borrowings	3,000	-	(3,000)	-	-
<b>Total liabilities from financing activities</b>	<b>3,014</b>	<b>-</b>	<b>(3,004)</b>	<b>-</b>	<b>10</b>

### Notes to audited consolidated financial results for the quarter and nine months ended December 31, 2019

- The consolidated financial results for the quarter and nine months ended December 31, 2019 have been prepared in accordance with the recognition and measurement principles laid down in 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 January 14, 2020.
- The statement of consolidated financial results have 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.
- Mr. Pradip Menon resigned as the Chief Financial Officer on November 15, 2019.
- The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated.

On transition to Ind AS 116, the Group recognised right-of-use assets amounting to Rs 6,369 million, related accumulated depreciation amounting to Rs 138 million, lease liabilities amounting to Rs 5,800 million and Rs 157 million (credit) in retained earnings as at April 1, 2019. The Group has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

During the quarter and nine months ended December 31, 2019, the Group has recognised interest expense on lease liabilities amounting to Rs 133 million and Rs 401 million respectively and depreciation on right-of-use assets amounting to Rs 240 million and Rs 726 million respectively.

### 5 Audited financial results of Mindtree Limited (Standalone Information)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
Revenue from operations	19,653	19,143	17,872	57,138	51,821	70,215
Profit before tax	2,579	1,834	2,224	5,675	7,203	9,867
Profit after tax	1,970	1,350	1,913	4,247	5,557	7,540

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 financial statements as stated.

- Tax expense for the year ended March 31, 2019 is after considering the tax reversal arising pursuant to the Scheme of Amalgamation of the Company's wholly-owned subsidiary.
- EPS for the interim periods are not annualized.

## 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. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.