



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Earnings release

Second quarter ended September 30, 2016

October 21, 2016

*Welcome to possible*

## Contents

1. Press Release	3
2. Key Financial Metrics	6
3. Key Ratios	6
4. Key Revenue Metrics	7
5. Effort and Utilization	8
6. Key Client Metrics	8
7. Key Employee Metrics	9
8. Infrastructure	9
9. Statutory Financials	10

## Earnings Conference Call for Analysts / Investors

### October 21, 2016 (6:15 PM IST)

Primary Number: +91 22 3938 1087

Secondary number: +91 22 6746 4187

(The numbers listed above are universally accessible from all networks and all countries)

### Toll free numbers:

Singapore: 800 101 2045

Hong Kong: 800 964 448

UK: 0 808 101 1573

US: 1 866 746 2133

Replay of conference call available until October 31, 2016

+91 22 3065 2322 (Playback id: 230712#)

**Webcast** – Participants have the option to attend the conference call by logging in to the online webcast, please note participants in webcast would be in **listen-only** mode. The webcast link is as below.

[Mindtree Q2 FY17 Webcast Link](#)

**Diamond Pass** - [Link](#)

*DiamondPass™ is a Premium Service that enables you to connect to your conference call without having to wait for an operator. If you have a DiamondPass™ click the above link to associate your pin and receive the access details for this conference, if you do not have a DiamondPass™ please register through the link and you will receive your DiamondPass™ for this conference.*

Transcript will be available on [www.mindtree.com](http://www.mindtree.com) after October 31, 2016

## Mindtree reports revenue decline of 3% q-o-q / growth of 7.4% y-o-y in dollar terms

**Bangalore (India) and Warren (NJ), October 21, 2016:** [Mindtree](#), a global technology services company, announced its consolidated results today for the second quarter ended September 30, 2016, as approved by its Board of Directors.

“The volatile macroeconomic environment has resulted in slower ramp-ups and cautious spending in a few large clients across our verticals.” said **Rostow Ramanan, CEO & Managing Director, Mindtree**. “However, we are encouraged by our new wins and strong pipeline. With our investments in digital and managed services, our strategic direction will continue to drive positive outcomes in the medium term.”

### Key financial highlights:

#### Quarter ended September 30, 2016

- In USD terms:
  - Revenue at \$193 million (decline of 3% q-o-q / growth of 7.4% y-o-y).
  - Net profit at \$14.1 million (decline of 23.6% q-o-q / 39.1% y-o-y)
  
- In Rupee terms:
  - Revenue at ₹ 12,954 million (decline of 2.4% q-o-q / growth of 11.1% y-o-y)
  - Net profit at ₹ 948 million (decline of 23.2% q-o-q / 37.1% y-o-y)

*The financial results above are in accordance with Ind AS for the quarter and six months ended September 30, 2016. Accordingly the figures for previous periods have been restated in accordance with Ind AS.*

### Other highlights:

- Clients:
  - 337 active clients as of September 30, 2016
  - \$1 million clients grow by 9 to 107
  - \$25 million clients grow by 1 to 6
  
- People:
  - 16,219 Mindtree Minds as of September 30, 2016
  - Trailing 12 months attrition is 16.4%

- Key wins with leading global clients
  - A major US airline. For this existing client, Mindtree is chosen as the strategic quality engineering and assurance partner to provide testing services for their entire Commercial Application Portfolio. This is also Mindtree's single largest independent testing deal in recent times
  - A leading product company enabling digital transformation for banking and financial enterprises. Mindtree will provide professional services for its digital platform
  - A leader in electronic hardware and software design solutions. Mindtree will provide digital services for its customer entitlement system
  - Multi-year, multi-million digital deal with a global consumer products company. Mindtree has been selected as a Digital anchor partner for a range of digital solutions
  
- Awards and recognition:
  - Recognized in Forbes India's Super 50 2016 list for the second consecutive year based on consistent shareholder returns, sales growth and return on equity
  - Ranked in the NASSCOM Top 20 IT-BPM Employers in India for 2016
  - Awarded the 'Porter Prize for Enabling Smart Connected Products' by Institute for Competitiveness for reshaping industry boundaries, higher product utilization, transcending traditional product boundaries, building capabilities within enterprises, and rethinking & retooling internal processes
  - Recognized as an overall leader in software testing services by NelsonHall, in its Vendor Evaluation and Assessment (NEAT) Report 2016.
  - Named as 2016 Azure Innovation Partner of the Year by Microsoft
  
- Dividend Announcement
  - The Board of Directors, at its meeting held on October 21, 2016 recommended an interim dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) for the quarter ended September 30, 2016

### **About Mindtree**

Mindtree [NSE: MINDTREE] delivers digital transformation and technology services from ideation to execution, enabling Global 2000 clients to outperform the competition. "Born digital," Mindtree takes an agile, collaborative approach to creating customized solutions across the digital value chain. At the same time, our deep expertise in infrastructure and applications management helps optimize your IT into a strategic asset. Whether you need to differentiate your company, reinvent business functions or accelerate revenue growth, we can get you there. Visit [www.mindtree.com](http://www.mindtree.com) to learn more.

**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.*

Visit us at [www.mindtree.com](http://www.mindtree.com). For more information, contact:

**INDIA**

Debi Senapati

Mindtree

+91 99805 56784

[Debi.senapati@mindtree.com](mailto:Debi.senapati@mindtree.com)

**UNITED STATES**

Andrea Dunbeck

Matter Communications

978-518-4555

[adunbeck@matternow.com](mailto:adunbeck@matternow.com)

**EUROPE**

Imogen Nation

Hotwire

+4420 7608 4675

[imogen.nation@hotwirepr.com](mailto:imogen.nation@hotwirepr.com)

## Key Financial Metrics

The financial results below are in accordance with Ind-AS for the quarter and six months ended September 30, 2016. Accordingly the previous period figures have been restated in accordance with Ind-AS.

(Rs. million)	Q2	Q1	Q2	Growth (%)	
	FY2016	FY2017	FY2017	Q-o-Q	Y-o-Y
Revenue	11,657	13,276	12,954	(2.4)%	11.1%
EBITDA	2,195	1,951	1,621	(16.9)%	(26.1)%
Net Profit	1,508	1,235	948	(23.2)%	(37.1)%
Diluted EPS (Rs.)	8.97	7.35	5.64	(23.3)%	(37.2)%

(\$ million)	Q2	Q1	Q2	Growth (%)	
	FY2016	FY2017	FY2017	Q-o-Q	Y-o-Y
Revenue	179.7	199.0	193.0	(3.0)%	7.4%
EBITDA	33.8	29.2	24.1	(17.5)%	(28.7)%
Net Profit	23.2	18.5	14.1	(23.6)%	(39.1)%

Rupee Dollar Rate	Q2	Q1	Q2
	FY2016	FY2017	FY2017
Period Closing rate	65.59	67.52	66.61
Period Average rate	64.91	66.72	67.12

Hedges outstanding at 30-Sept-16		
Currency	Value	Avg. Rate/INR
USD	32.0	68.10
EURO	2.0	76.36
GBP	1.5	89.54

Total hedges outstanding in USD terms is 36M at an average INR rate of 68.09. These are fair value hedges expiring within 31-Dec-16.

## Key Ratios

Key Ratios	Q2	Q1	Q2
	FY2016	FY2017	FY2017
EBITDA Margin (%)	18.8%	14.7%	12.5%
Effective Tax Rate (%)	23.6%	24.3%	25.9%
Net Profit Margin (%)	12.9%	9.3%	7.3%
ROCE (%)	36.4%	26.9%	20.9%
DSO (Days)	77	65	66

Effective Tax Rate = Tax / PBT

ROCE = EBIT / Average Capital Employed. ROCE is annualized

## Key Revenue Metrics

Revenue by Geography	Q2 FY2016	Q1 FY2017	Q2 FY2017
US	63.1%	66.7%	67.6%
Europe	26.6%	23.1%	21.4%
India	3.2%	3.1%	3.5%
Rest of the World	7.0%	7.1%	7.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Industry	Q2 FY2016	Q1 FY2017	Q2 FY2017
Technology, Media and Services	34.1%	36.1%	36.7%
BFSI	25.6%	24.9%	24.7%
Retail, CPG & Manufacturing	26.1%	24.1%	24.2%
Travel & Hospitality	14.2%	15.0%	14.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Service Offering	Q2 FY2016	Q1 FY2017	Q2 FY2017
Development	23.1%	22.7%	22.0%
Engineering	8.6%	9.8%	9.8%
Maintenance	21.0%	17.3%	17.8%
Consulting	2.8%	4.1%	3.8%
Package Implementation	13.4%	13.9%	13.1%
IP Led Revenue	1.3%	1.0%	1.2%
Independent Testing	12.9%	12.8%	12.4%
Infrastructure Management & Tech Support	16.9%	18.4%	19.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Digital	<b>36.7%</b>	<b>39.9%</b>	<b>40.0%</b>

Digital includes Social Media, Mobility, Analytics, Cloud, Web-commerce.

Revenue by Project Type	Q2 FY2016	Q1 FY2017	Q2 FY2017
Fixed Cost, Fixed Monthly	49.7%	48.7%	50.6%
Time & Materials	50.3%	51.3%	49.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue Mix	Q2 FY2016	Q1 FY2017	Q2 FY2017
<b>Effort</b>			
Onsite	20.0%	22.9%	23.3%
Offshore	80.0%	77.1%	76.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Revenue</b>			
Onsite	52.4%	59.5%	59.2%
Offshore	47.6%	40.5%	40.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Effort and Utilization

Metrics	Q2 FY2016	Q1 FY2017	Q2 FY2017	Growth (%)	
				Q-o-Q	Y-o-Y
<b>Billed Hours</b>					
Onsite	1,152,159	1,387,455	1,387,696	0.0%	20.4%
Offshore	4,613,339	4,681,805	4,573,034	(2.3)%	(0.9)%
<b>Total</b>	<b>5,765,498</b>	<b>6,069,260</b>	<b>5,960,730</b>	<b>(1.8)%</b>	<b>3.4%</b>
<b>Fee Revenue (\$ 000)</b>					
Onsite	93,323	117,194	113,379	(3.3)%	21.5%
Offshore	84,864	79,611	78,138	(1.9)%	(7.9)%
<b>Total</b>	<b>178,187</b>	<b>196,805</b>	<b>191,517</b>	<b>(2.7)%</b>	<b>7.5%</b>
<b>Utilization</b>					
Including Trainees	71.4%	71.4%	71.4%		
Excluding Trainees	73.3%	72.0%	73.1%		

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

## Key Client Metrics

Metrics	Q2 FY2016	Q1 FY2017	Q2 FY2017
<b>Client Details</b>			
Number of Active clients	296	343	337
New Clients Added	18	17	18
\$1 mn clients	92	98	107
\$5 mn clients	29	31	30
\$10 mn clients	13	16	16
\$25 mn clients	6	5	6
\$50 mn clients	2	2	2

Million Dollar Clients are based on trailing 12 months revenue.

Client Contribution to Revenue	Q2 FY2016	Q1 FY2017	Q2 FY2017
Top Client	10.6%	13.1%	14.4%
Top 5 Clients	31.6%	29.6%	30.0%
Top 10 Clients	45.3%	42.6%	42.5%
Revenue from Repeat Business	98.9%	98.2%	97.8%

Contribution to revenues is based on revenues for the quarter.

Total Contract Value signed(TCV) (USD M)	Q2 FY2016	Q1 FY2017	Q2 FY2017
Renewals	130	184	119
New	63	36	65
<b>Total</b>	<b>193</b>	<b>220</b>	<b>183</b>
Expiring within 1 year	157	209	152
Expiring > 1 year	36	11	31
Digital	105	93	64

### Key Employee Metrics

Mindtree Minds	Q2 FY2016	Q1 FY2017	Q2 FY2017
Total Mindtree Minds	15,582	16,110	16,219
Software Professionals	14,655	15,092	15,189
Sales	211	247	254
Support	716	771	776
Gross Additions	1,801	210	744
Net Additions	1,155	(513)	109
Attrition (Last Twelve Months)	17.1%	16.5%	16.4%
Women employees	28%	28%	29%
Nationalities*	39	48	52

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

### Infrastructure

	Completed		Available for Expansion	
	Built up area (sq ft 000)	No. of Seats	Built up area (sq ft 000)	No. of Seats
<b>As of Sep 30, 2016</b>				
Bangalore	1,286	12,877	-	-
Chennai	294	2,680	-	-
Pune	149	1,361	-	-
Hyderabad	93	787	-	-
Bhubaneswar	95	543	-	-
<b>Total</b>	<b>1,917</b>	<b>18,248</b>	-	-

Note: Land available for expansion - 12 acres in Bhubaneswar.

**Audited Consolidated Financial Results for the Quarter and Six Months ended September 30, 2016**  
**(Rs. in millions, except per share data)**

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
Income from software services	12,954	13,276	11,657	26,230	21,432	46,730
<b>Expenses</b>						
Employee benefits expense	8,526	8,366	6,794	16,892	12,555	27,991
Depreciation and amortisation expense	463	468	409	931	748	1,658
Other expenses	2,807	2,959	2,668	5,766	5,010	10,529
<b>Profit from operations before other income, foreign exchange gain/ (loss) and finance costs</b>	<b>1,158</b>	<b>1,483</b>	<b>1,786</b>	<b>2,641</b>	<b>3,119</b>	<b>6,552</b>
Other income	198	110	168	308	296	447
Foreign exchange gain/ (loss)	(28)	88	64	60	266	392
<b>Profit before finance costs</b>	<b>1,328</b>	<b>1,681</b>	<b>2,018</b>	<b>3,009</b>	<b>3,681</b>	<b>7,391</b>
Finance costs	47	51	45	98	54	160
<b>Profit before tax</b>	<b>1,281</b>	<b>1,630</b>	<b>1,973</b>	<b>2,911</b>	<b>3,627</b>	<b>7,231</b>
Tax expense	333	395	465	728	836	1,706
<b>Net profit for the period</b>	<b>948</b>	<b>1,235</b>	<b>1,508</b>	<b>2,183</b>	<b>2,791</b>	<b>5,525</b>
Other comprehensive income	(241)	(105)	(47)	(346)	(8)	(242)
<b>Total comprehensive income</b>	<b>707</b>	<b>1,130</b>	<b>1,461</b>	<b>1,837</b>	<b>2,783</b>	<b>5,283</b>
Paid up equity share capital (face value Rs. 10/- each)	1,680	1,678	838	1,680	838	1,678
Reserves	23,761	23,625	21,935	23,761	21,935	22,471
Basic EPS (Rs.)	5.65	7.36	9.00	13.01	16.66	32.95
Diluted EPS (Rs.)	5.64	7.35	8.97	12.98	16.61	32.87

**AUDITED SEGMENT WISE REVENUE AND RESULTS**

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
<b>Segment revenue</b>						
Retail, CPG and Manufacturing	3,134	3,194	3,039	6,328	5,202	11,394
Banking, Financial Services and Insurance	3,204	3,306	2,983	6,510	5,614	11,970
Technology, Media and Services	4,748	4,791	3,978	9,539	7,437	16,116
Travel and Hospitality	1,868	1,985	1,657	3,853	3,179	7,250
<b>Total</b>	<b>12,954</b>	<b>13,276</b>	<b>11,657</b>	<b>26,230</b>	<b>21,432</b>	<b>46,730</b>
<b>Segment results</b>						
Retail, CPG and Manufacturing	324	496	665	820	1,128	2,183
Banking, Financial Services and Insurance	295	356	487	651	824	1,627
Technology, Media and Services	906	892	790	1,798	1,452	3,153
Travel and Hospitality	96	207	253	303	463	1,247
<b>Total</b>	<b>1,621</b>	<b>1,951</b>	<b>2,195</b>	<b>3,572</b>	<b>3,867</b>	<b>8,210</b>
<b>Unallocable</b>						
Expenses	463	468	409	931	748	1,658
Finance costs	47	51	45	98	54	160
Other income	198	110	168	308	296	447
Foreign exchange gain/ (loss)	(28)	88	64	60	266	392
<b>Profit before tax</b>	<b>1,281</b>	<b>1,630</b>	<b>1,973</b>	<b>2,911</b>	<b>3,627</b>	<b>7,231</b>

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

The Group is structured into four verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS) and Travel and Hospitality (TH). Accordingly, the Group has presented its segment results under these business segments. During the current year, the Group has restructured its verticals and accordingly, the previous period/ year figures have been restated and presented in line with the current 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, 2016 (Rs. in millions, except per share data)

Particulars	As at		
	September 30, 2016	March 31, 2016	April 1, 2015
<b>AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES</b>			
<i>Rs in million</i>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3,947	4,173	4,325
Capital work in progress	288	232	354
Goodwill	4,646	4,815	669
Other intangible assets	2,266	2,632	317
Financial assets			
Investments	58	62	12
Loans	663	655	614
Other financial assets	199	189	-
Deferred tax assets (net)	512	406	547
Other non-current assets	1,449	1,331	1,158
	<b>14,028</b>	<b>14,495</b>	<b>7,996</b>
<b>Current assets</b>			
Financial assets			
Investments	3,750	2,266	5,490
Trade receivables	9,288	9,728	6,963
Cash and cash equivalents	1,364	2,332	3,763
Loans	10	38	136
Other financial assets	2,719	2,761	1,337
Other current assets	890	1,149	1,009
	<b>18,021</b>	<b>18,274</b>	<b>18,698</b>
<b>TOTAL ASSETS</b>	<b>32,049</b>	<b>32,769</b>	<b>26,694</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	1,680	1,678	837
Other equity	23,761	22,471	20,428
	<b>25,441</b>	<b>24,149</b>	<b>21,265</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	14	18	23
Other financial liabilities	477	747	227
Other non current liabilities	77	91	128
	<b>568</b>	<b>856</b>	<b>378</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	-	415	-
Trade payables	1,535	1,890	1,418
Other financial liabilities	1,780	2,774	2,011
Other current liabilities	934	1,049	586
Provisions	1,430	1,289	797
Current tax liabilities (net)	361	347	239
	<b>6,040</b>	<b>7,764</b>	<b>5,051</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,049</b>	<b>32,769</b>	<b>26,694</b>

### Notes to audited consolidated financial results for the quarter and six months ended September 30, 2016

- 1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on October 21, 2016.
- 2 The Board of Directors at its meeting held on October 21, 2016 have recommended an interim dividend of 30% (Rs 3 per equity share of par value Rs 10 each).
- 3 The Company appointed Mr. Milind Sarwate as an Independent Director, effective July 19, 2016. Further, the Board of Directors has appointed Mr. Parthasarathy N S as Executive Vice Chairman of the Company, effective October 21, 2016 and has recommended the appointment of Mr. Akshaya Bhargava as an Independent Director of the Company, effective December 12, 2016. Mr. Ramesh Ramanathan has resigned as an Independent Director of the Company, effective October 21, 2016 and the Board of Directors has accepted the same.
- 4 The Company has filed an application before the Hon'ble High Court of Karnataka for a composite scheme of amalgamation ("the scheme") of Discoverure Solutions L.L.C. and Relational Solutions Inc., wholly owned subsidiaries of the Company, with the Company with an appointed date of April 1, 2015. Pending requisite approvals, no effect has been given for the scheme in these financial results.
- 5 Transition to Indian Accounting Standards (Ind AS)

The Group's interim consolidated financial statements for the quarter and six months ended September 30, 2016 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the interim Ind AS consolidated financial statements for the quarter and six months ended September 30, 2016, be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

- equity as at April 1, 2015;
- equity as at September 30, 2015;
- equity as at March 31, 2016;
- total comprehensive income for the quarter and six-months ended September 30, 2015; and
- total comprehensive income for the year ended March 31, 2016;

**(i) Equity reconciliation**

Particulars	Note	Rs in million		
		As at March 31, 2016	As at September 30, 2015	As at April 1, 2015
<b>Equity under previous GAAP attributable to:</b>				
Mindtree Limited		23,956	22,435	20,128
Non-controlling interests		-	-	-
<b>Equity under previous GAAP</b>		<b>23,956</b>	<b>22,435</b>	<b>20,128</b>
Proposed dividend and tax thereon	iii	606	403	1,009
Fair valuation of investments	ii	112	83	101
Effect of discounting of security deposit and reclassification of land as operating lease	vi	20	18	16
Discounting of consideration receivable	v	(81)	-	-
Business combination	i	(481)	(188)	(16)
Others		17	22	27
<b>Equity as per Ind AS</b>		<b>24,149</b>	<b>22,773</b>	<b>21,265</b>

**(ii) Total comprehensive income reconciliation**

Particulars	Note	Rs in million		
		For the year ended March 31, 2016	For six months ended September 30, 2015	For the quarter ended September 30, 2015
<b>Net income under previous GAAP attributable to :</b>				
Mindtree Limited		6,033	2,964	1,582
Non-controlling interests		-	-	-
<b>Net income under previous GAAP</b>		<b>6,033</b>	<b>2,964</b>	<b>1,582</b>
Fair valuation of investments	ii	10	(18)	15
Employee benefits	iv	28	20	59
Effect of discounting of security deposit and reclassification of land as operating lease	vi	4	2	1
Business combination	i	(460)	(172)	(149)
Discounting of consideration receivable	v	(81)	-	-
Others		(9)	(5)	-
<b>Profit for the period under Ind AS</b>		<b>5,525</b>	<b>2,791</b>	<b>1,508</b>
Other comprehensive income		(242)	(8)	(47)
<b>Total comprehensive income under Ind AS</b>		<b>5,283</b>	<b>2,783</b>	<b>1,461</b>

**Explanations for reconciliation of equity and profit**

i. Business combination: Under Ind AS, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. This has resulted in the recognition of intangible assets and consequent amortisation of such intangibles in the statement of profit and loss. Under previous GAAP, the assets and liabilities of the acquiree are recognised at their book values.

ii. Fair valuation of investments:

a) Under Ind AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss. Under previous GAAP, they are measured at lower of cost or net realisable value. Mutual fund investments have been classified as FVTPL. Consequently, increase in fair value of such investments in quoted mutual funds has resulted in a gain.

b) Under Ind AS, financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value (net of deferred taxes) recognized directly in other comprehensive income. Under previous GAAP, they are measured at cost with provision for diminution other than temporary. Investments in equity instruments have been classified as FVTOCI. Consequently, fair value of such equity instruments designated at FVTOCI has resulted in a gain in other comprehensive income.

iii. Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earning is higher.

iv. Under previous GAAP, actuarial gains and losses on defined benefit plans were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability /asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit and loss.

v. Under Ind AS, the deferred consideration on sale of land is measured at fair value. Under previous GAAP, such consideration is carried at initial transaction value. The difference between initial transaction value and fair value on the date of sale is reduced from profit on sale of land and subsequent change in the fair value of such deferred consideration is recognised as notional interest income in the statement of profit and loss.

vi. Under Ind AS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. The lease rentals paid in advance are charged to the statement of profit and loss over the lease term.

Under Ind AS, financial instruments other than those designated at FVTPL and FVTOCI are measured at amortised cost. Under previous GAAP, they are recognised at cost. Security deposits are carried at amortised cost using effective interest method.

6 EPS for the quarter and six months ended September 30, 2016 is not annualized. EPS for comparable period is adjusted for bonus issue.

**7 Audited financial results of Mindtree Limited (Standalone Information)**

Particulars	Rs in million						
	Quarter ended			Six months ended		Year ended	
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016	
Revenues	11,774	12,031	10,646	23,805	20,228	43,398	
Profit before tax	1,472	1,847	1,923	3,319	3,566	7,509	
Profit after tax	1,141	1,434	1,466	2,575	2,753	5,810	

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.

8 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.



**For more information please contact:**

Sushanth Pai  
Mindtree Limited  
Sushanth.pai@mindtree.com

***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.*

*Welcome to possible*