



Mindtree

A Larsen & Toubro Group Company

Mindtree Limited

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

Rs in million, except per share data

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
Revenue from operations	19,143	18,342	17,554	37,485	33,949	70,215
Other income, net	197	220	524	417	803	893
Total income	19,340	18,562	18,078	37,902	34,752	71,108
Expenses						
Employee benefits expense	12,647	12,532	11,171	25,179	21,566	44,212
Finance costs (refer note 5)	138	130	1	268	29	29
Depreciation and amortisation expense (refer note 5)	707	669	403	1,376	803	1,641
Other expenses	4,014	3,969	3,684	7,983	7,374	15,358
Total expenses	17,506	17,300	15,259	34,806	29,772	61,240
Profit before tax	1,834	1,262	2,819	3,096	4,980	9,868
Tax expense						
Current tax (refer note 7)	592	354	834	946	1,481	2,456
Deferred tax	(108)	(19)	(78)	(127)	(146)	(129)
Net profit for the period	1,350	927	2,063	2,277	3,645	7,541
Other comprehensive income:						
A. (i) Items that will not be reclassified to profit or loss	(44)	(35)	(3)	(79)	(48)	(86)
(ii) Income tax relating to items that will not be reclassified to profit or loss	11	8	-	19	11	21
B. (i) Items that will be reclassified to profit or loss	(49)	-	139	(49)	260	262
(ii) Income tax relating to items that will be reclassified to profit or loss	17	-	-	17	-	-
Total other comprehensive income	(65)	(27)	136	(92)	223	197
Total comprehensive income for the period	1,285	900	2,199	2,185	3,868	7,738
Paid up equity share capital (face value Rs. 10/- each)	1,646	1,645	1,642	1,646	1,642	1,642
Reserves	28,455	31,888	28,690	28,455	28,690	31,419
Earnings per share (EPS):						
Basic EPS (Rs.)	8.20	5.64	12.57	13.85	22.22	45.94
Diluted EPS (Rs.)	8.20	5.64	12.55	13.85	22.18	45.85

AUDITED SEGMENT REVENUE AND RESULTS

Rs in million

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
Segment revenue						
Retail, CPG and Manufacturing	4,150	4,077	3,818	8,227	7,600	15,660
Banking, Financial Services and Insurance	4,136	3,953	3,924	8,089	7,579	15,472
High Technology and Media	7,612	7,226	6,892	14,838	13,262	27,586
Travel and Hospitality	3,245	3,086	2,920	6,331	5,508	11,497
Total	19,143	18,342	17,554	37,485	33,949	70,215
Segment results						
Retail, CPG and Manufacturing	664	575	578	1,239	1,193	2,579
Banking, Financial Services and Insurance	468	190	222	658	343	628
High Technology and Media	1,016	892	1,409	1,908	2,673	5,810
Travel and Hospitality	334	184	490	518	800	1,628
Total	2,482	1,841	2,699	4,323	5,009	10,645
Unallocable						
Expenses	707	669	403	1,376	803	1,641
Finance costs	138	130	1	268	29	29
Other income	197	220	524	417	803	893
Profit before tax	1,834	1,262	2,819	3,096	4,980	9,868

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 BALANCE SHEET		<i>Rs in million</i>	
Particulars	As at		
	September 30, 2019	March 31, 2019	
ASSETS			
Non-current assets			
Property, plant and equipment	4,112	3,757	
Capital work in progress	41	297	
Right-of-use assets (refer note 5)	5,964		
Goodwill	4,732	4,732	
Other intangible assets	969	1,180	
Financial assets			
Investments	772	1,200	
Loans	505	675	
Deferred tax assets (Net)	532	388	
Other non-current assets	1,802	1,889	
	19,429	14,118	
Current assets			
Financial assets			
Investments	5,239	6,836	
Trade receivables	13,476	13,356	
Cash and cash equivalents	1,976	2,562	
Loans	12	123	
Other financial assets	2,677	2,528	
Other current assets	1,775	2,267	
	25,155	27,672	
TOTAL ASSETS	44,584	41,790	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,646	1,642	
Other equity	28,455	31,419	
	30,101	33,061	
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	-	5	
Lease liabilities (refer note 5)	5,236	-	
Other financial liabilities	1	1	
Other non current liabilities	-	173	
	5,237	179	
Current liabilities			
Financial liabilities			
Lease liabilities (refer note 5)	628	-	
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	22	3	
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,157	2,128	
Other financial liabilities	2,520	2,434	
Other current liabilities	1,421	1,837	
Provisions	1,746	1,399	
Current tax liabilities (Net)	752	749	
	9,246	8,550	
	14,483	8,729	
TOTAL EQUITY AND LIABILITIES	44,584	41,790	
AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS		<i>Rs in million</i>	
Particulars	Six months ended		
	September 30, 2019	September 30, 2018	
Cash flow from operating activities			
Profit for the period	2,277	3,645	
<i>Adjustments for :</i>			
Income tax expense	819	1,335	
Depreciation and amortization expense	1,376	803	
Share based payments to employees	47	42	
Allowance for expected credit losses	120	93	
Finance costs	268	29	
Interest income on financial assets at amortised cost	(101)	(65)	
Net gain on disposal of property, plant and equipment	(8)	(9)	
Net gain on financial assets designated at fair value through profit or loss	(285)	(124)	
Unrealised exchange difference on lease liabilities	57	-	
Unrealised exchange difference on derivatives	70	53	
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(29)	(136)	
Changes in operating assets and liabilities			
Trade receivables	(240)	(2,921)	
Other assets	248	(337)	
Trade payables	85	434	
Other liabilities	(481)	(294)	
Provisions	347	369	
Net cash provided by operating activities before taxes	4,570	2,917	
Income taxes paid, net of refunds	(991)	(1,046)	
Net cash provided by operating activities	3,579	1,871	
Cash flow from investing activities			
Purchase of property, plant and equipment	(811)	(648)	
Proceeds from sale of property, plant and equipment	8	24	
Interest income on financial assets at amortised cost	52	29	
Purchase of investments	(13,272)	(7,754)	
Proceeds from sale of investments	15,649	8,829	
Net cash provided by investing activities	1,626	480	
Cash flow from financing activities			
Issue of share capital (net of issue expenses paid)	4	3	
Payment of lease liabilities	(204)	-	
Finance costs (including interest towards lease liabilities)	(268)	(40)	
Repayment of long-term borrowings	(5)	(4)	
Repayment of short-term borrowings	-	(3,000)	
Dividends paid (including distribution tax)	(5,351)	(993)	
Net cash (used in) financing activities	(5,824)	(4,034)	
Effect of exchange differences on translation of foreign currency cash and cash equivalents	29	136	
Net (decrease) in cash and cash equivalents	(590)	(1,547)	
Cash and cash equivalents at the beginning of the period	2,559	3,275	
Cash and cash equivalents at the end of the period	1,969	1,728	

Notes to audited consolidated financial results for the quarter and six months ended September 30, 2019

- 1 The consolidated financial results for the quarter and six months ended September 30, 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 October 16, 2019.
- 2 The interim dividend of 30% (Rs 3 per equity share of par value Rs 10 each) declared by the Board of Directors, at its meeting held on April 17, 2019, final dividend of 40% (Rs 4 per equity share of par value Rs 10 each) and the special dividend of 200% (Rs 20 per equity share of par value Rs 10 each) that were approved Annual General Meeting held on July 16, 2019, were paid during the period that resulted in a cash outflow of Rs 5,353 million including dividend distribution tax of Rs 913 million. The Board of Directors at its meeting held on October 16, 2019 have declared an interim dividend of 30% (Rs 3 per equity share of par value Rs 10 each).
- 3 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.
- 4 The following are the board changes:
- i) The Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on July 17, 2019, approved and recommended the appointment of Mr. Anilkumar Manibhai Naik as an Additional Director and designated him as Non-Executive Chairman with effect from July 18, 2019 and the same is approved by shareholders through Postal Ballot by way of special resolution on September 23, 2019.
- ii) The Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on August 2, 2019, approved and recommended the appointment of Mr. Debashis Chatterjee as CEO and Managing Director for a period commencing from August 2, 2019 to August 1, 2024 and the same is approved by shareholders through Postal Ballot on September 23, 2019.
- iii) The Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on August 2, 2019, approved the appointment of Mr. Sekharipuram Narayanan Subrahmanyam as Non-Executive Vice Chairman of the Company with effect from August 2, 2019.
- 5 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 six months ended September 2019, the Group has recognised interest expense on lease liabilities amounting to Rs 138 million and Rs 268 million respectively and depreciation on right-of-use assets amounting to Rs 253 million and Rs 486 million respectively.

6 Audited financial results of Mindtree Limited (Standalone Information)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
Revenue from operations	19,143	18,342	17,554	37,485	33,949	70,215
Profit before tax	1,834	1,262	2,818	3,096	4,979	9,867
Profit after tax	1,350	927	2,062	2,277	3,644	7,540

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 financial statements as stated.

7 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.

8 EPS for the interim periods are not annualized.

For and on behalf of the Board of Mindtree Limited

Mumbai, India
October 16, 2019

Debashis Chatterjee
CEO & Managing Director