



Mindtree

A Larsen & Toubro Group Company

Mindtree Limited

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

Rs in million, 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
Total income	20,001	19,340	17,672	57,903	52,424	71,108
Expenses						
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
Total expenses	17,422	17,506	15,449	52,228	45,221	61,240
Profit before tax	2,579	1,834	2,223	5,675	7,203	9,868
Tax expense						
Current tax (refer note 6)	662	592	263	1,608	1,744	2,456
Deferred tax	(53)	(108)	48	(180)	(98)	(129)
Net profit for the period	1,970	1,350	1,912	4,247	5,557	7,541
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)	-	-
Total other comprehensive income	77	(65)	(21)	(15)	202	197
Total comprehensive income for the period	2,047	1,285	1,891	4,232	5,759	7,738
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

Rs in million

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
Segment revenue						
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
Total	19,653	19,143	17,872	57,138	51,821	70,215
Segment results						
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
Total	3,063	2,482	2,833	7,386	7,842	10,645
Unallocable						
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
Profit before tax	2,579	1,834	2,223	5,675	7,203	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		
	December 31, 2019	March 31, 2019	
ASSETS			
Non-current assets			
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	
Financial assets			
Investments	789	1,200	
Loans	410	675	
Deferred tax assets (Net)	547	388	
Other non-current assets	1,800	1,889	
	18,333	14,118	
Current assets			
Right-of-use assets (refer note 4)	188	-	
Financial assets			
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	-	
	29,237	27,672	
TOTAL ASSETS	47,570	41,790	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,646	1,642	
Other equity	29,933	31,419	
	31,579	33,061	
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	-	5	
Lease liabilities (refer note 4)	5,100	-	
Other financial liabilities	1	1	
Other non current liabilities	-	173	
	5,101	179	
Current liabilities			
Financial liabilities			
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	
	10,890	8,550	
	15,991	8,729	
TOTAL EQUITY AND LIABILITIES	47,570	41,790	
AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS	<i>Rs in million</i>		
Particulars	Nine months ended		
	December 31, 2019	December 31, 2018	
Cash flow from operating activities			
Profit for the period	4,247	5,557	
Adjustments for :			
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	
Net cash provided by operating activities before taxes	9,171	6,466	
Income taxes paid, net of refunds	(1,288)	(1,731)	
Net cash provided by operating activities	7,883	4,735	
Cash flow from investing activities			
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	
Net cash (used in) investing activities	(1,270)	(1,854)	
Cash flow from financing activities			
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)	
Net cash (used in) financing activities	(6,686)	(4,628)	
Effect of exchange differences on translation of foreign currency cash and cash equivalents	63	80	
Net (decrease) in cash and cash equivalents	(10)	(1,667)	
Cash and cash equivalents at the beginning of the period	2,559	3,275	
Cash and cash equivalents at the end of the period	2,549	1,608	

Cash and cash equivalents		Rs in million	
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	
Cash and cash equivalents as per balance sheet	2,560	2,562	
Book overdrafts used for cash management purposes	(11)	(3)	
Cash and cash equivalents as per statement of cash flows	2,549	2,559	

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	Rs million
					As at December 31, 2019
Long-term borrowings (including current portion)	10	-	(5)	-	5
Lease liabilities	-	5,998	(344)	106	5,760
Total liabilities from financing activities	10	5,998	(349)	106	5,765

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	Rs million
					As at December 31, 2018
Long-term borrowings (including current portion)	14	-	(4)	-	10
Short-term borrowings	3,000	-	(3,000)	-	-
Total liabilities from financing activities	3,014	-	(3,004)	-	10

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

1 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.

2 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.

3 Mr. Pradip Menon resigned as the Chief Financial Officer on November 15, 2019.

4 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	Rs in million					
	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 and also with the stock exchanges where it is listed. The information above has been extracted from the audited financial statements as stated.

6 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.

7 EPS for the interim periods are not annualized.

For and on behalf of the Board of Mindtree Limited

Mumbai, India
January 14, 2020

Debashis Chatterjee
CEO & Managing Director