

Mindtree Limited

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020
Rs in million, except per share data

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from operations	20,505	19,653	18,394	77,643	70,215
Other income, net	183	348	290	756	893
Total income	20,688	20,001	18,684	78,399	71,108
Expenses					
Employee benefits expense	12,933	12,535	11,504	50,647	44,212
Finance costs (refer note 6)	128	133	-	529	29
Depreciation and amortisation expense (refer note 6)	679	699	428	2,754	1,641
Other expenses (refer note 8)	4,335	4,055	4,087	16,181	15,358
Total expenses	18,075	17,422	16,019	70,111	61,240
Profit before tax	2,613	2,579	2,665	8,288	9,868
Tax expense					
Current tax (refer note 9)	725	662	712	2,333	2,456
Deferred tax	(174)	(53)	(31)	(354)	(129)
Net profit for the period	2,062	1,970	1,984	6,309	7,541
Other comprehensive income:					
A. (i) Items that will not be reclassified to profit or loss	(37)	7	(7)	(109)	(86)
(ii) Income tax relating to items that will not be reclassified to profit or loss	9	(2)	2	26	21
B. (i) Items that will be reclassified to profit or loss	(3,189)	110	-	(3,128)	262
(ii) Income tax relating to items that will be reclassified to profit or loss	1,114	(38)	-	1,093	-
Total other comprehensive income (loss)	(2,103)	77	(5)	(2,118)	197
Total comprehensive income (loss) for the period	(41)	2,047	1,979	4,191	7,738
Paid up equity share capital (face value Rs. 10/- each)	1,646	1,646	1,642	1,646	1,642
Reserves	29,922	29,933	31,419	29,922	31,419
Earnings per share (EPS) (refer note 10):					
Basic EPS (Rs.)	12.53	11.97	12.08	38.35	45.94
Diluted EPS (Rs.)	12.52	11.96	12.05	38.33	45.85

AUDITED SEGMENT REVENUE AND RESULTS
Rs in million

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
Segment revenue					
Retail, CPG and Manufacturing	4,164	4,048	4,076	16,439	15,660
Banking, Financial Services and Insurance	4,195	4,195	4,015	16,479	15,472
High Technology and Media	8,816	8,139	7,290	31,793	27,586
Travel and Hospitality	3,330	3,271	3,013	12,932	11,497
Total	20,505	19,653	18,394	77,643	70,215
Segment results					
Retail, CPG and Manufacturing	865	740	674	2,844	2,579
Banking, Financial Services and Insurance	716	627	184	2,001	628
High Technology and Media	1,529	1,317	1,560	4,754	5,810
Travel and Hospitality	402	379	385	1,299	1,628
Total	3,512	3,063	2,803	10,898	10,645
Unallocable					
Expenses	954	699	428	2,837	1,641
Finance costs	128	133	-	529	29
Other income	183	348	290	756	893
Profit before tax	2,613	2,579	2,665	8,288	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		
	March 31, 2020	March 31, 2019	
ASSETS			
Non-current assets			
Property, plant and equipment	3,400	3,757	
Capital work in progress	136	297	
Right-of-use assets (refer note 6)	5,201	-	
Goodwill	4,732	4,732	
Other intangible assets	759	1,180	
Financial assets			
Investments	804	1,200	
Loans	457	675	
Deferred tax assets (Net)	1,835	388	
Other non-current assets	1,693	1,889	
	19,017	14,118	
Current assets			
Financial assets			
Investments	6,944	6,836	
Trade receivables	14,389	13,356	
Cash and cash equivalents	3,909	2,562	
Bank balances other than cash and cash equivalents	1,961	-	
Loans	99	123	
Other financial assets	2,805	2,528	
Other current assets	1,981	2,267	
Non-current assets held for sale	461	-	
	32,549	27,672	
	51,566	41,790	
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,646	1,642	
Other equity	29,922	31,419	
	31,568	33,061	
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	-	5	
Lease liabilities (refer note 6)	4,964	-	
Other financial liabilities	1,798	1	
Other non current liabilities	-	173	
	6,762	179	
Current liabilities			
Financial liabilities (refer note 6)			
Lease liabilities (refer note 6)	699	-	
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	8	3	
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,579	2,128	
Other financial liabilities	5,250	2,434	
Other current liabilities	1,596	1,837	
Provisions	1,724	1,399	
Current tax liabilities (Net)	1,380	749	
	13,236	8,550	
	19,998	8,729	
	51,566	41,790	
AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS			
Particulars		<i>Rs in million</i>	
		Year ended	
		March 31, 2020	March 31, 2019
Cash flow from operating activities			
Profit for the year		6,309	7,541
<i>Adjustments for:</i>			
Income tax expense		1,979	2,327
Depreciation and amortization expense		2,754	1,641
Impairment loss recognized on non-current assets held for sale		39	-
Share based payments to employees		102	89
Allowance for expected credit losses		160	107
Finance costs		529	29
Interest income on financial assets at amortised cost		(189)	(146)
Net gain on disposal of property, plant and equipment		(12)	(19)
Net gain on disposal of right-of-use assets		(8)	-
Net gain on financial assets designated at fair value through profit or loss		(509)	(421)
Unrealised exchange difference on lease liabilities		246	-
Unrealised exchange difference on derivatives		320	(95)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(288)	(133)
Changes in operating assets and liabilities			
Trade receivables		(1,193)	(3,308)
Other assets		(157)	(348)
Bank balances other than cash and cash equivalents		(1,961)	-
Trade payables		537	423
Other liabilities		908	692
Provisions		325	181
Net cash provided by operating activities before taxes		9,891	8,560
Income taxes paid, net of refunds		(1,640)	(2,255)
Net cash provided by operating activities		8,251	6,305
Cash flow from investing activities			
Purchase of property, plant and equipment		(1,241)	(1,747)
Proceeds from sale of property, plant and equipment		21	39
Interest income on financial assets at amortised cost		133	76
Purchase of investments		(33,066)	(18,161)
Proceeds from sale of investments		33,924	17,860
Net cash (used in) investing activities		(229)	(1,933)
Cash flow from financing activities			
Issue of share capital (net of issue expenses paid)		4	3
Payment of lease liabilities		(490)	-
Finance costs (including interest towards lease liabilities)		(529)	(40)
Repayment of long-term borrowings		(5)	(4)
Repayment of short-term borrowings		-	(3,000)
Dividends paid (including distribution tax)		(5,940)	(2,180)
Net cash (used in) financing activities		(6,960)	(5,221)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		288	133
Net increase / (decrease) in cash and cash equivalents		1,350	(716)
Cash and cash equivalents at the beginning of the year		2,559	3,275
Cash and cash equivalents at the end of the year		3,909	2,559

Cash and cash equivalents		Rs in million			
Particulars	As at				
	March 31, 2020	March 31, 2019			
Balances with banks in current accounts and deposit accounts	3,886	2,546			
Other bank balances	23	16			
Cash and cash equivalents as per balance sheet	3,909	2,562			
Book overdrafts used for cash management purposes	-	(3)			
Cash and cash equivalents as per statement of cash flows	3,909	2,559			

Reconciliation of liabilities from financing activities for the year ended March 31, 2020						Rs million
Particulars	As at March 31, 2019	Proceeds/ impact of Ind AS 116	Repayment	Fair value changes	As at	
					March 31, 2020	March 31, 2019
Long-term borrowings (including current portion)	10	-	(5)	-	5	5
Lease liabilities	-	5,907	(490)	246	5,663	5,663
Total liabilities from financing activities	10	5,907	(495)	246	5,668	5,668

Reconciliation of liabilities from financing activities for the year ended March 31, 2019						Rs million
Particulars	As at March 31, 2018	Proceeds	Repayment	Fair value changes	As at	
					March 31, 2019	March 31, 2018
Long-term borrowings (including current portion)	14	-	(4)	-	10	10
Short-term borrowings	3,000	-	(3,000)	-	-	-
Total liabilities from financing activities	3,014	-	(3,004)	-	10	10

Notes to audited consolidated financial results for the quarter and year ended March 31, 2020

1 The information presented above is extracted from the audited consolidated interim financial statements for the quarter and year ended March 31, 2020 and the audited consolidated financial statements for the year ended March 31, 2020. The consolidated interim financial statements for the quarter and year ended March 31, 2020 have 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 consolidated financial statements for the year ended March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter. The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on April 24, 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 **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 financial statements in determining the impact on various elements of its financial statements. 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 expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

4 The Board of Directors have recommended a final dividend of 100% (Rs 10 per equity share of par value Rs 10 each) for the financial year ended March 31, 2020 which is subject to the approval of shareholders at the Annual General Meeting.

5 **Board changes and changes in Key Managerial Personnel:**
(i) Mr. Milind Sarwate, Independent Director, has resigned from the company due to the re-organization of his portfolio of Board membership across various companies with effect from April 24, 2020. The Board has placed on record its appreciation for the valuable services and contribution by him during his tenure.
(ii) Mr. Senthil Kumar was appointed as the Chief Financial Officer with effect from March 11, 2020.

6 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 year ended March 31, 2020, the Group has recognised interest expense on lease liabilities amounting to Rs 128 million and Rs 529 million respectively and depreciation on right-of-use assets amounting to Rs 233 million and Rs 959 million respectively.

7 Audited financial results of Mindtree Limited (Standalone Information)

Particulars	Rs in million			
	Quarter ended		Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2019
Revenue from operations	20,505	19,653	18,394	77,643
Profit before tax	2,612	2,579	2,664	8,287
Profit after tax	2,061	1,970	1,983	6,308

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.

8 Other expenses includes:
(i) Foreign exchange loss of Rs 275 million and Rs 83 million (net of foreign exchange income) for the quarter and year ended March 31, 2020 respectively. In the comparative periods, the net foreign exchange gain presented under other income aggregating to Rs 187 million, Rs 47 million and Rs 267 million for the quarter ended December 31, 2019, quarter ended March 31, 2019 and year ended March 31, 2019 respectively.
(ii) Contribution of Rs 200 million towards PM CARES Fund for the quarter and year ended March 31, 2020.

9 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.

10 EPS for the interim periods are not annualized.

For and on behalf of the Board of Mindtree Limited

Bengaluru, India
April 24, 2020

Debashis Chatterjee
CEO & Managing Director