



Mindtree Limited
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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

Rs in million, except per share data

Particulars	Quarter ended			Year ended
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
Income from software services	13,276	13,203	9,775	46,730
Expenses				
Employee benefits expense	8,366	8,188	5,761	27,991
Depreciation and amortisation expense	468	475	339	1,658
Other expenses	2,959	2,809	2,342	10,529
Profit from operations before other income, foreign exchange gain and finance costs	1,483	1,731	1,333	6,552
Other income	110	74	128	447
Foreign exchange gain	88	31	202	392
Profit before finance costs	1,681	1,836	1,663	7,391
Finance costs	51	63	9	160
Profit before tax	1,630	1,773	1,654	7,231
Tax expense	395	443	371	1,706
Net profit for the period	1,235	1,330	1,283	5,525
Total comprehensive income	1,130	1,180	1,322	5,283
Paid up equity share capital (face value Rs. 10/- each)	1,678	1,678	838	1,678
Reserves	23,625	22,471	20,760	22,471
Basic EPS (Rs.)	7.36	7.93	7.66	32.95
Diluted EPS (Rs.)	7.35	7.91	7.63	32.87

AUDITED SEGMENT WISE REVENUE AND RESULTS

Primary segment information

Rs in million

Particulars	Quarter ended			Year ended
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
Segment revenue				
Retail, CPG and Manufacturing	3,194	3,147	2,163	11,394
Banking, Financial Services and Insurance	3,306	3,231	2,631	11,970
Technology, Media and Services	4,791	4,663	3,459	16,116
Travel and Hospitality	1,985	2,162	1,522	7,250
Total	13,276	13,203	9,775	46,730
Segment operating income				
Retail, CPG and Manufacturing	496	512	463	2,183
Banking, Financial Services and Insurance	366	347	337	1,627
Technology, Media and Services	892	925	662	3,153
Travel and Hospitality	207	422	210	1,247
Total	1,951	2,206	1,672	8,210
Unallocable				
Expenses	468	475	339	1,658
Finance costs	51	63	9	160
Other income (including foreign exchange gain)	198	105	330	839
Profit before tax	1,630	1,773	1,654	7,231

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 capital employed

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary 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 STATEMENT OF ASSETS AND LIABILITIES
Rs in million

Particulars	As at		
	June 30, 2016	March 31, 2016	April 1, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	3,913	4,173	4,325
Capital work in progress	345	232	354
Goodwill	4,771	4,815	669
Other intangible assets	2,460	2,632	317
Financial assets			
Investments	158	62	12
Loans	661	655	614
Other financial assets	194	189	-
Deferred tax assets (net)	474	406	547
Other non-current assets	1,432	1,331	1,158
	14,408	14,495	7,996
Current assets			
Financial assets			
Investments	3,008	2,266	5,490
Trade receivables	9,476	9,728	6,963
Cash and cash equivalents	1,755	2,332	3,763
Loans	16	38	136
Other financial assets	2,762	2,761	1,337
Other current assets	927	1,149	1,009
	17,944	18,274	18,698
TOTAL ASSETS	32,352	32,769	26,694
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,678	1,678	837
Other equity	23,625	22,471	20,428
	25,303	24,149	21,265
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	18	23
Other financial liabilities	528	747	227
Other non current liabilities	84	91	128
	626	856	378
Current liabilities			
Financial liabilities			
Borrowings	-	415	-
Trade payables	1,523	1,890	1,418
Other financial liabilities	2,037	2,774	2,011
Other current liabilities	1,061	1,049	586
Provisions	1,306	1,289	797
Current tax liabilities (net)	496	347	239
	6,423	7,764	5,051
	7,049	8,620	5,429
TOTAL EQUITY AND LIABILITIES	32,352	32,769	26,694

Notes to audited consolidated financial results for the quarter ended June 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 July 18, 2016.
- 2 Transition to Indian Accounting standards (Ind AS)

The Group's consolidated financial statements for the quarter ended June 30, 2016 are the first interim consolidated financial statements 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 first Ind AS consolidated financial statements for the quarter ended June 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 June 30, 2015;
- equity as at March 31, 2016;
- total comprehensive income for the quarter ended June 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 June 30, 2015	As at April 1, 2015
Equity under previous GAAP attributable to:				
Mindtree Limited		23,956	21,228	20,128
Non-controlling interests		-	-	-
Equity under previous GAAP		23,956	21,228	20,128
Proposed dividend and tax thereon	iii	606	302	1,009
Fair valuation of investments	ii	112	69	101
Effect of discounting of security deposit and reclassification of land as operating lease	vi	20	17	16
Discounting of consideration receivable	v	(81)	-	-
Business combination	i	(481)	(38)	(16)
Others		17	20	27
Equity as per Ind AS		24,149	21,598	21,265

(ii) Total comprehensive income reconciliation*Rs in million*

Particulars	Notes	For the year ended	For the quarter ended
		March 31, 2016	June 30, 2015
Net income under previous GAAP attributable to :			
Mindtree Limited		6,033	1,382
Non-controlling interests		-	-
Net income under previous GAAP		6,033	1,382
Fair valuation of investments	ii	10	(33)
Employee benefits	iv	28	(39)
Effect of discounting of security deposit and reclassification of land as operating lease	vi	4	1
Business combination	i	(460)	(23)
Discounting of consideration receivable	v	(81)	-
Others		(9)	(5)
Profit for the period under Ind AS		5,525	1,283
Other comprehensive income		(242)	39
Total comprehensive income under Ind AS		5,283	1,322

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 purchase consideration in excess of the networth of the acquired entity is considered as goodwill which is not subject to amortisation but is tested for impairment.

ii. Fair valuation of investments:

a) Under Ind AS, financial assets and financial liabilities designated at fair value through profit & 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 were recognised in the statement 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 are 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.

3 EPS for the quarter is not annualized. EPS for comparable period is adjusted for bonus issue.

4 Audited financial results of Mindtree Limited (Standalone Information)

Particulars	Quarter ended			Year ended March 31, 2016
	June 30, 2016	March 31, 2016	June 30, 2015	
Revenues	12,031	12,011	9,582	43,398
Profit before tax	1,847	2,126	1,643	7,509
Profit after tax	1,434	1,653	1,287	5,810

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.

5 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 and on behalf of the Board
For Mindtree Limited

Bengaluru, India
July 18, 2016

Rostow Ravanan
CEO & Managing Director