



Mindtree Limited

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AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

Rs in million, except per share data

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018*	March 31, 2019
Revenue from operations	18,342	18,394	16,395	70,215
Other income, net	220	290	279	893
Total income	18,562	18,684	16,674	71,108
Expenses				
Employee benefits expense	12,532	11,504	10,395	44,211
Finance costs (refer note 6)	130	-	28	29
Depreciation and amortisation expense (refer note 6)	669	428	400	1,641
Other expenses	3,969	4,088	3,690	15,360
Total expenses	17,300	16,020	14,513	61,241
Profit before tax	1,262	2,664	2,161	9,867
Tax expense				
Current tax (refer note 8)	354	712	647	2,456
Deferred tax	(19)	(31)	(68)	(129)
Net profit for the period	927	1,983	1,582	7,540
Other comprehensive income				
A. (i) Items that will not be reclassified to profit or loss	(35)	(7)	(45)	(86)
(ii) Income tax relating to items that will not be reclassified to profit or loss	8	2	11	21
B. Items that will be reclassified to profit or loss	-	-	121	262
Total other comprehensive income	(27)	(5)	87	197
Total comprehensive income for the period	900	1,978	1,669	7,737
Paid up equity share capital (face value Rs. 10/- each)	1,645	1,642	1,640	1,642
Reserves	31,887	31,418	27,067	31,418
Earnings per share (EPS):				
Basic EPS (Rs.)	5.64	12.08	9.65	45.94
Diluted EPS (Rs.)	5.64	12.05	9.62	45.84

* Refer note 7

AUDITED SEGMENT REVENUE AND RESULTS

Rs in million

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018*	March 31, 2019
Segment revenue				
Retail, CPG and Manufacturing	4,077	4,076	3,782	15,660
Banking, Financial Services and Insurance	3,953	4,015	3,655	15,472
High Technology and Media	7,226	7,290	6,370	27,586
Travel and Hospitality	3,086	3,013	2,588	11,497
Total	18,342	18,394	16,395	70,215
Segment results				
Retail, CPG and Manufacturing	575	673	615	2,578
Banking, Financial Services and Insurance	190	184	121	628
High Technology and Media	892	1,560	1,264	5,810
Travel and Hospitality	184	385	310	1,628
Total	1,841	2,802	2,310	10,644
Unallocable				
Expenses	669	428	400	1,641
Finance costs	130	-	28	29
Other income	220	290	279	893
Profit before tax	1,262	2,664	2,161	9,867

* Refer note 7

Notes on segment information

Principal segments

The Company 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 Company 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 STANDALONE BALANCE SHEET
Rs in million

Particulars	As at	
	June 30, 2019	March 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment	3,777	3,757
Capital work in progress	474	297
Right-of-use assets (refer note 6)	5,998	-
Goodwill	4,730	4,730
Other intangible assets	1,070	1,180
Financial assets		
Investments	924	1,216
Loans	523	675
Deferred tax assets (Net)	407	388
Other non-current assets	1,806	1,889
	19,709	14,132
Current assets		
Financial assets		
Investments	8,534	6,836
Trade receivables	13,153	13,356
Cash and cash equivalents	1,887	2,547
Loans	25	123
Other financial assets	2,400	2,528
Other current assets	2,185	2,268
	28,184	27,658
TOTAL ASSETS	47,893	41,790
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,645	1,642
Other equity	31,887	31,418
	33,532	33,060
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	-	5
Lease liabilities (refer note 6)	5,122	-
Other financial liabilities	1	1
Other non current liabilities	-	173
	5,123	179
Current liabilities		
Financial liabilities		
Lease liabilities (refer note 6)	579	-
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	4	3
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,347	2,128
Other financial liabilities	2,362	2,434
Other current liabilities	1,743	1,838
Provisions	1,514	1,399
Current tax liabilities (Net)	689	749
	9,238	8,551
	14,361	8,730
TOTAL EQUITY AND LIABILITIES	47,893	41,790

AUDITED STANDALONE CASH FLOW INFORMATION

Particulars	<i>Rs in million</i>		
	Quarter ended June 30, 2019	Quarter ended June 30, 2018	Year ended March 31, 2019
A. Net cash flow from operating activities	1,912	116	6,304
B. Net cash flow from / (used in) investing activities	(1,763)	755	(1,933)
C. Net cash flow (used in) financing activities	(813)	(2,429)	(5,221)
D. Effect of exchange differences on translation of foreign currency cash and cash equivalents	5	75	132
Net (decrease) in cash and cash equivalents (A+B+C+D)	(659)	(1,483)	(718)
Cash and cash equivalents at the beginning of the period	2,544	3,262	3,262
Cash and cash equivalents at the end of the period	1,885	1,779	2,544

Notes to audited standalone financial results for the quarter ended June 30, 2019

- 1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on July 17, 2019.
- 2 The Board of Directors, at its meeting held on April 17, 2019, had declared an interim dividend of 30% (Rs 3 per equity share of par value Rs 10 each) which was paid during the period and resulted in a cash outflow of Rs 594 million including dividend distribution tax of Rs 101 million. The Board of Directors had recommended a final dividend of 40% (Rs 4 per equity share of par value Rs 10 each) for the financial year ended March 31, 2019 which was approved by the shareholders at the Twentieth Annual General Meeting of the Company held on July 16, 2019. Further, the Board of Directors had recommended a special dividend of 200% (Rs 20 per equity share of par value Rs 10 each) to celebrate the twin achievements of exceeding USD 1 billion annual revenue milestone and 20th anniversary of the Company which was also approved by the shareholders at the Twentieth Annual General Meeting of the Company held on July 16, 2019.
- 3 The statement of financial results have been audited by the Company's auditors. The Company's auditors have issued an unmodified audit opinion on the financial results. The audit report has been filed with the stock exchanges and is also available on the Company's website.
- 4 As per the arrangement mentioned in the draft letter of offer of Larsen & Toubro Limited ('L&T') dated April 02, 2019, received by the Company, the shares held by (a) V. G. Siddhartha (b) Coffee Day Trading Limited and (c) Coffee Day Enterprises Limited aggregating to 19.95% of the shares in Mindtree Limited was transferred to SCB Escrow A/C - Project Carnation, Lotus & Marigold. The above shareholding interest was subsequently transferred to L&T during the quarter. The shareholding of L&T as at June 30, 2019 is 28.86% which has increased to 60.59% subsequent to the balance sheet date pursuant to which, the Company has become a subsidiary of L&T. Accordingly, L&T has become the Promoter / Parent Company of the Company.
- 5 The following board changes have taken place during July - 2019;
 - i) At the Board meeting held on July 5, 2019, Mr. Krishnakumar Natarajan, Executive Chairman, Mr. Parthasarathy NS, Executive Vice Chairman and Chief Operating Officer and Mr. Rostow Ravanan, CEO and Managing Director of the Company have submitted their resignations, as members of the Board of Directors of Mindtree Limited and as employees of the Company. They will stay as Board members till July 17, 2019 and as employees in line with their employment contracts to ensure smooth transition.
 - ii) Mr. Subroto Bagchi, Non-Executive Director of the Company, who retires by rotation did not offer himself for re-appointment at the Twentieth Annual General Meeting held on July 16, 2019.
 - iii) The Nomination and Remuneration Committee and the Board of Directors of the Company have approved and recommended the appointments of Mr. Sekharipuram Narayanan Subrahmanyam, Mr. Jayant Damodar Patil and Mr. Ramamurthi Shankar Raman as Non-Executive Directors of the Company with effect from July 16, 2019 and the shareholders have approved the same at the Twentieth Annual General Meeting of the Company held on July 16, 2019.
 - iv) The Nomination and Remuneration Committee and the Board of Directors of the Company have approved and recommended the appointment of Mr. Prasanna Rangacharya Mysore as Independent Director of the Company for a period commencing from July 16, 2019 to March 31, 2022 and the shareholders have approved the same at the Twentieth Annual General Meeting of the Company held on July 16, 2019.
 - v) The Nomination and Remuneration Committee and the Board of Directors of the Company have approved and recommended the appointment of Mrs. Deepa Gopalan Wadhwa as Independent Director of the Company for a term of five years from July 16, 2019 to July 15, 2024 and the shareholders have approved the same at the Twentieth Annual General Meeting of the Company held on July 16, 2019.
- 6 The Company 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 Company 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 Company 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 Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

During the quarter, the Company has recognised interest expense on lease liabilities amounting to Rs 130 million and depreciation on right-of-use assets amounting to Rs 233 million.

7 The Board of Directors at its meeting held on October 06, 2017, had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Magnet 360, LLC ("Magnet") ("Transferor Company") with Mindtree Limited ("Transferee Company") with an appointed date of April 01, 2017. The Company had filed an application with the National Company Law Tribunal (NCLT), Bengaluru Bench. The Scheme was approved by NCLT during the year ended March 31, 2019 vide order dated November 29, 2018. The amalgamation has been accounted under the 'pooling of interests' method based on the carrying value of the assets and liabilities of Magnet as included in the consolidated Balance Sheet of the Company as at the earliest period presented.

Since the above transaction results in a common control business combination, considering the requirements of Ind AS 103 – Business Combinations, the accounting for the above transactions have been given effect retrospectively by the Company. Accordingly, the financial statements for the corresponding period (quarter ended June 30, 2018) has been restated to give effect to the above Scheme.

The audited standalone financial results for the comparative periods as previously published are as follows:

Particulars	<i>Rs in million</i>
	Quarter ended June 30, 2018
Revenue from operations	15,947
Profit before tax	2,169
Profit after tax	1,591

The audited standalone total assets, liabilities and equity for the comparative periods as previously published are as follows:

Particulars	<i>Rs in million</i>
	As at June 30, 2018
Total assets	37,577
Total liabilities	8,015
Total equity	29,562

8 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.

9 EPS for the interim periods are not annualized.

For and on behalf of the Board of Mindtree Limited

Bengaluru, India
July 17, 2019

Rostow Ravanan
CEO & Managing Director