



**Mindtree Limited**

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**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017**

*Rs in million, except per share data*

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
Income from software services	11,963	11,758	12,011	47,526	43,398
<b>Expenses</b>					
Employee benefits expense	7,682	7,548	7,237	30,215	25,732
Depreciation and amortisation expense	336	327	341	1,331	1,318
Other expenses	2,358	2,426	2,520	9,952	9,653
<b>Profit from operations before other income, foreign exchange gain/ (loss) and finance costs</b>	<b>1,587</b>	<b>1,457</b>	<b>1,913</b>	<b>6,028</b>	<b>6,695</b>
Other income	133	113	250	633	608
Foreign exchange gain/ (loss)	(223)	23	25	(154)	365
<b>Profit before finance costs</b>	<b>1,497</b>	<b>1,593</b>	<b>2,188</b>	<b>6,507</b>	<b>7,668</b>
Finance costs	46	46	62	190	159
<b>Profit before tax</b>	<b>1,451</b>	<b>1,547</b>	<b>2,126</b>	<b>6,317</b>	<b>7,509</b>
Tax expense	319	363	473	1,426	1,699
<b>Net profit for the period</b>	<b>1,132</b>	<b>1,184</b>	<b>1,653</b>	<b>4,891</b>	<b>5,810</b>
Other comprehensive income	3	5	(4)	(11)	(27)
<b>Total comprehensive income</b>	<b>1,135</b>	<b>1,189</b>	<b>1,649</b>	<b>4,880</b>	<b>5,783</b>
Paid up equity share capital (face value Rs. 10/- each)	1,680	1,680	1,678	1,680	1,678
Reserves	25,898	25,572	22,963	25,898	22,963
Basic EPS (Rs.)	6.74	7.05	9.85	29.13	34.66
Diluted EPS (Rs.)	6.73	7.04	9.83	29.08	34.56

**AUDITED SEGMENT WISE REVENUE AND RESULTS**

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
<b>Segment revenue</b>					
Retail, CPG and Manufacturing	2,371	2,414	2,393	9,683	9,345
Banking, Financial Services and Insurance	3,055	2,929	3,100	12,086	11,189
Technology, Media and Services	4,584	4,478	4,397	18,057	15,704
Travel and Hospitality	1,953	1,937	2,121	7,700	7,160
<b>Total</b>	<b>11,963</b>	<b>11,758</b>	<b>12,011</b>	<b>47,526</b>	<b>43,398</b>
<b>Segment results</b>					
Retail, CPG and Manufacturing	309	357	450	1,497	2,055
Banking, Financial Services and Insurance	270	186	441	1,084	1,545
Technology, Media and Services	1,038	988	940	3,893	3,151
Travel and Hospitality	306	253	423	885	1,262
<b>Total</b>	<b>1,923</b>	<b>1,784</b>	<b>2,254</b>	<b>7,359</b>	<b>8,013</b>
<b>Unallocable</b>					
Expenses	336	327	341	1,331	1,318
Finance costs	46	46	62	190	159
Other income	133	113	250	633	608
Foreign exchange gain/ (loss)	(223)	23	25	(154)	365
<b>Profit before tax</b>	<b>1,451</b>	<b>1,547</b>	<b>2,126</b>	<b>6,317</b>	<b>7,509</b>

**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), Technology, Media and Services (TMS) and Travel and Hospitality (TH). Accordingly, the Company has presented its segment results under these business segments. During the current year, the Company has restructured its verticals and accordingly, the previous period/ year figures have been restated and presented in line with the current 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 STATEMENT OF ASSETS AND LIABILITIES**

Particulars	<i>Rs in million</i>		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3,753	4,109	4,319
Capital work in progress	192	232	354
Other intangible assets	51	92	120
<b>Financial assets</b>			
Investments	8,666	8,586	1,071
Loans	663	651	613
Other financial assets	209	189	-
Deferred tax assets (net)	840	734	545
Other non-current assets	1,290	1,292	1,158
	<b>15,664</b>	<b>15,885</b>	<b>8,180</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	5,869	2,266	5,490
Trade receivables	8,061	8,825	6,798
Cash and cash equivalents	2,250	1,924	3,669
Loans	12	37	136
Other financial assets	2,042	2,458	1,335
Other current assets	896	982	1,006
	<b>19,130</b>	<b>16,492</b>	<b>18,434</b>
<b>TOTAL ASSETS</b>	<b>34,794</b>	<b>32,377</b>	<b>26,614</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	1,680	1,678	837
Other equity	25,898	22,963	20,420
	<b>27,578</b>	<b>24,641</b>	<b>21,257</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	18	23
Other financial liabilities	195	747	227
Other non current liabilities	71	92	127
	<b>279</b>	<b>857</b>	<b>377</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	942	400	-
Trade payables	1,326	1,432	1,379
Other financial liabilities	2,412	2,668	1,995
Other current liabilities	944	833	587
Provisions	1,095	1,276	792
Current tax liabilities (net)	218	270	227
	<b>6,937</b>	<b>6,879</b>	<b>4,980</b>
	<b>7,216</b>	<b>7,736</b>	<b>5,357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,794</b>	<b>32,377</b>	<b>26,614</b>

**Notes to audited standalone financial results for the quarter and year ended March 31, 2017**

- The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on April 20, 2017.
- The Board of Directors at its meeting held on March 27, 2017 has declared an interim dividend of 20% (Rs 2 per equity share of par value of Rs 10 each) for the quarter ended March 31, 2017. Further, the Board of Directors at its meeting held on April 20, 2017 has recommended a final dividend of 30% (Rs 3 per equity share of par value Rs 10 each) which is subject to approval of shareholders.
- The Board of Directors has accepted and taken on record the retirement of Dr. Albert Hieronimus as independent director, effective April 1, 2017, due to the completion of his tenure as independent director.
- The Company had filed an application before the Hon'ble High Court of Karnataka for a composite scheme of amalgamation ("the scheme") of Discoverure Solutions L.L.C. and Relational Solutions Inc., wholly owned subsidiaries of the Company, with the Company with an appointed date of April 1, 2015. Pursuant to the notification of certain sections of the Companies Act, 2013 on amalgamation, the application has been transferred to the National Company Law Tribunal (NCLT). Pending requisite approvals, no effect has been given for the scheme in the financial statements.
- Transition to Indian Accounting Standards (Ind AS)  
The Company's interim financial statements for the quarter and year ended March 31, 2017 are 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 interim Ind AS financial statements for the quarter and year ended March 31, 2017, 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 financial statements under both Ind AS and Indian GAAP as at 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 March 31, 2016; and
- total comprehensive income for the quarter and year ended March 31, 2016

**(i) Equity reconciliation:-**

Particulars	Note	<i>Rs. in million</i>	
		As at March 31, 2016	As at April 1, 2015
<b>Equity under previous GAAP</b>		<b>24,164</b>	<b>20,113</b>
Proposed dividend and tax thereon	iii	606	1,009
Fair valuation of investments	ii	112	101
Effect of discounting of security deposit and reclassification of land as operating lease	vi	20	16
Discounting of consideration receivable	v	(81)	-
Business combination	i	(198)	(9)
Others		18	27
<b>Equity as per Ind AS</b>		<b>24,641</b>	<b>21,257</b>

**(ii) Total comprehensive income reconciliation**

Particulars	Note	Rs. in million	
		For the quarter ended March 31, 2016	For the year ended March 31, 2016
<b>Net income under previous GAAP</b>		<b>1,775</b>	<b>6,049</b>
Fair valuation of investments	ii	19	10
Employee benefits	iv	4	27
Effect of discounting of security deposit and reclassification of land as operating lease	vi	-	4
Business combination	i	(62)	(190)
Discounting of consideration receivable	v	(81)	(81)
Others		(2)	(9)
<b>Profit for the period under Ind AS</b>		<b>1,653</b>	<b>5,810</b>
Other comprehensive income		(4)	(27)
<b>Total comprehensive income under Ind AS</b>		<b>1,649</b>	<b>5,783</b>

**(iii) Explanations for reconciliation of equity and profit**

## i. Business combination:

Under Ind AS, contingent consideration payable on business combination is measured at fair value while under previous GAAP it is recognised at cost.

## ii. Fair valuation of investments:

a) Under Ind AS, financial assets and financial liabilities designated at fair value through profit and 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 on defined benefit plans were recognised in the statement of 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 the 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 is 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.

6 EPS for the quarter ended March 31, 2017 is not annualized.

7 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.

For and on behalf of the Board  
For Mindtree Limited

Bengaluru, India  
April 20, 2017

Rostow Ramanan  
CEO & Managing Director