



Mindtree Limited

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**AUDITED STANDALONE 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	12,031	12,011	9,582	43,398
<b>Expenses</b>				
Employee benefits expense	7,418	7,239	5,625	25,732
Depreciation and amortisation expense	337	341	320	1,318
Other expenses	2,647	2,502	2,311	9,653
<b>Profit from operations before other income, foreign exchange gain and finance costs</b>	<b>1,629</b>	<b>1,929</b>	<b>1,326</b>	<b>6,695</b>
Other income	190	235	128	608
Foreign exchange gain	79	25	198	365
<b>Profit before finance costs</b>	<b>1,898</b>	<b>2,189</b>	<b>1,652</b>	<b>7,668</b>
Finance costs	51	63	9	159
<b>Profit before tax</b>	<b>1,847</b>	<b>2,126</b>	<b>1,643</b>	<b>7,509</b>
Tax expense	413	473	356	1,699
<b>Net profit for the period</b>	<b>1,434</b>	<b>1,653</b>	<b>1,287</b>	<b>5,810</b>
<b>Total comprehensive income</b>	<b>1,434</b>	<b>1,649</b>	<b>1,326</b>	<b>5,783</b>
Paid up equity share capital (face value Rs. 10/- each)				
Reserves	24,421	22,963	20,757	22,963
Basic EPS (Rs.)	8.54	9.83	7.69	34.66
Diluted EPS (Rs.)	8.53	9.81	7.66	34.56

**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
<b>Segment revenue</b>				
Retail, CPG and Manufacturing	2,462	2,392	2,164	9,345
Banking, Financial Services and Insurance	3,089	3,100	2,438	11,189
Technology, Media and Services	4,513	4,398	3,459	15,704
Travel and Hospitality	1,967	2,121	1,521	7,160
<b>Total</b>	<b>12,031</b>	<b>12,011</b>	<b>9,582</b>	<b>43,398</b>
<b>Segment operating income</b>				
Retail, CPG and Manufacturing	479	455	473	2,055
Banking, Financial Services and Insurance	345	446	303	1,545
Technology, Media and Services	921	943	663	3,151
Travel and Hospitality	221	426	214	1,262
<b>Total</b>	<b>1,966</b>	<b>2,270</b>	<b>1,653</b>	<b>8,013</b>
<b>Unallocable</b>				
Expenses	337	341	327	1,318
Finance costs	51	63	9	159
Other income (including foreign exchange gain)	269	260	326	973
<b>Profit before tax</b>	<b>1,847</b>	<b>2,126</b>	<b>1,643</b>	<b>7,509</b>

**Notes on segment information**

**Principal segments**

The Company 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 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 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 STANDALONE STATEMENT OF ASSETS AND LIABILITIES**
*Rs in million*

Particulars	As at		
	June 30, 2016	March 31, 2016	April 1, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3,847	4,109	4,319
Capital work in progress	345	232	354
Other intangible assets	74	92	120
<b>Financial assets</b>			
Investments	8,682	8,586	1,071
Loans	657	651	613
Other financial assets	194	189	-
Deferred tax assets (net)	775	734	545
Other non-current assets	1,373	1,292	1,158
	<b>15,947</b>	<b>15,885</b>	<b>8,180</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	3,008	2,266	5,490
Trade receivables	8,503	8,825	6,798
Cash and cash equivalents	1,402	1,924	3,669
Loans	15	37	136
Other financial assets	2,478	2,458	1,335
Other current assets	829	982	1,006
	<b>16,235</b>	<b>16,492</b>	<b>18,434</b>
	<b>32,182</b>	<b>32,377</b>	<b>26,614</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	1,678	1,678	837
Other equity	24,421	22,963	20,420
	<b>26,099</b>	<b>24,641</b>	<b>21,257</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	18	23
Other financial liabilities	528	747	227
Other non current liabilities	84	92	127
	<b>626</b>	<b>857</b>	<b>377</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	-	400	-
Trade payables	1,089	1,432	1,379
Other financial liabilities	1,875	2,668	1,995
Other current liabilities	796	833	587
Provisions	1,290	1,276	792
Current tax liabilities (net)	407	270	227
	<b>5,457</b>	<b>6,879</b>	<b>4,980</b>
	<b>6,083</b>	<b>7,736</b>	<b>5,357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,182</b>	<b>32,377</b>	<b>26,614</b>

**Notes to audited 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 Company's financial statements for the quarter ended June 30, 2016 are the first interim 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 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 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 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	As at		
		March 31, 2016	June 30, 2015	April 1, 2015
<b>Equity under previous GAAP</b>		<b>24,164</b>	<b>21,200</b>	<b>20,112</b>
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	(198)	(16)	(8)
Others		18	23	27
<b>Equity as per Ind AS</b>		<b>24,641</b>	<b>21,595</b>	<b>21,257</b>

**(ii) Total comprehensive income reconciliation**

Particulars	Note	For the year ended	
		March 31, 2016	June 30, 2015
<b>Net income under previous GAAP</b>		<b>6,049</b>	<b>1,370</b>
Fair valuation of investments	ii	10	(33)
Employee benefits	iv	27	(39)
Effect of discounting of security deposit and reclassification of land as operating lease	vi	4	1
Business combination	i	(190)	(9)
Discounting of consideration receivable	v	(81)	-
Others		(9)	(3)
<b>Profit for the period under Ind AS</b>		<b>5,810</b>	<b>1,287</b>
Other comprehensive income		(27)	39
<b>Total comprehensive income under Ind AS</b>		<b>5,783</b>	<b>1,326</b>

**(iii) 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 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 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 recognized 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 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  
July 18, 2016

Rostow Ravanan  
CEO & Managing Director