



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Second quarter ended September 30, 2015 (Q2 FY2016)

October 15, 2015

*Welcome to possible*



Dear Shareholder,

We are happy to share that we had a stellar quarter in all fronts. Our recent strong deal wins and strategic acquisitions will fuel growth and enhance our leadership in the digital space. We are also excited about our new state-of-the-art global learning center at Bhubaneswar, focused on building the digital workforce of tomorrow. These are great strides that will continue to yield impressive results for our clients in a rapidly changing business environment.

Key highlights and summary financial results of the quarter are provided in the next section.

Thank you for your continued support and encouragement.

Warm regards,

A handwritten signature in black ink that reads "N. Krishnakumar".

Krishnakumar Natarajan  
**CEO and Managing Director**

A handwritten signature in black ink that reads "Jagannathan Chakravarthi".

Jagannathan Chakravarthi  
**CFO**

Bangalore  
October 15, 2015

**Key financial highlights:**

- In USD terms:
  - Revenue at \$180.3 million (growth of 16.4% q-o-q / 22.6% y-o-y). Organic revenue (without acquisitions of last quarter) growth of 8.1% q-o-q and 13.9% y-o-y
  - Net profit at \$24.3 million (growth of 11.2% q-o-q / 6.8% y-o-y)
  
- In Rupee terms:
  - Revenue at ₹ 11,693 million (growth of 19.1% q-o-q / 31.6% y-o-y)
  - Net profit at ₹ 1,582 million (growth of 14.5% q-o-q / 15.1% y-o-y)

**Other highlights:**

- Clients:
  - 296 active clients as of September 30, 2015
  
- Employees:
  - 15,582 employees as of September 30, 2015
  - Added 1,801 employees during the quarter on a gross basis
  - Trailing 12 months attrition is at 17.1%.
  
- Multi-year and multi-million dollar wins with leading global clients (In addition to the two wins already announced during the quarter):
  - World leader in computer software and technology. For this existing client, Mindtree will provide operational and analytical services for their cloud platform
  - Global interactive entertainment software Company. For this existing client, Mindtree will provide sales analytics solutions
  - Global Communications Company. For this existing client, Mindtree is selected as the preferred partner for providing development, analytics and testing services for its customer experience management product

- Awards and recognition:
  - Mindtree was awarded the Digital transformation Czar award under the Digital Transformation category at the CIO 100 awards organized by the IDG group.
  - Mindtree won the NCPEDP-Mphasis Universal Design Award for 2015 under Category C for companies or organizations that have taken up the cause of Accessibility and Universal Design
  - Mindtree was recognized as the EPG Emerging Azure partner of the Year in FY15 by Microsoft
  - Mindtree named in Forbes India's first ever Super 50 list based on consistent shareholder returns, sales growth and return of equity.
  
- Dividend announcement:
  - The Board of Directors, at its meeting held on October 15, 2015 recommended an interim dividend of 40% (₹ 4 per equity share of par value ₹ 10 each) for the quarter ended September 30, 2015.

**Extract of the audited consolidated financial results for the quarter and half year ended September 30, 2015**  
**(Rs. in millions, except per share data)**

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
Income from software services	11,693	9,816	8,886	21,509	17,321	35,619
<b>Expenses</b>						
Employee benefits expense	6,868	5,712	5,193	12,580	10,050	20,747
Depreciation and amortisation expense	317	322	235	639	463	1,018
Other expenses	2,661	2,370	1,938	5,031	3,831	7,780
<b>Profit from operations before other income and finance costs</b>	<b>1,847</b>	<b>1,412</b>	<b>1,520</b>	<b>3,259</b>	<b>2,977</b>	<b>6,074</b>
Other income	131	167	139	298	212	656
Foreign exchange gain/(loss)	64	202	102	266	239	179
<b>Profit before finance costs</b>	<b>2,042</b>	<b>1,781</b>	<b>1,761</b>	<b>3,823</b>	<b>3,428</b>	<b>6,909</b>
Finance costs	2	-	-	2	-	1
<b>Profit before tax</b>	<b>2,040</b>	<b>1,781</b>	<b>1,761</b>	<b>3,821</b>	<b>3,428</b>	<b>6,908</b>
Tax expense	458	399	387	857	760	1,545
<b>Net profit for the period</b>	<b>1,582</b>	<b>1,382</b>	<b>1,374</b>	<b>2,964</b>	<b>2,668</b>	<b>5,363</b>
Paid up equity share capital (face value Rs. 10/- each)	838	838	836	838	836	837
Reserves	21,593	20,390	17,973	21,593	17,973	19,287
Basic EPS (Rs.)	18.87	16.51	16.43	35.38	31.94	64.14
Diluted EPS (Rs.)	18.82	16.45	16.36	35.27	31.79	63.85

**AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**
*Rs in million*

Particulars	As at	
	September 30, 2015	March 31, 2015
<b>Shareholders' funds</b>		
Share capital	838	837
Reserves and surplus	21,593	19,287
	<b>22,431</b>	<b>20,124</b>
Share application money pending allotment	4	4
<b>Non-current liabilities</b>		
Long-term borrowings	18	23
Other long-term liabilities	761	334
	<b>779</b>	<b>357</b>
<b>Current liabilities</b>		
Trade payables	250	536
Other current liabilities	4,228	3,465
Short-term provisions	1,863	2,063
	<b>6,341</b>	<b>6,064</b>
<b>Total</b>	<b>29,555</b>	<b>26,549</b>
<b>Non-current assets</b>		
Goodwill on consolidation	5,063	922
Fixed assets		
Tangible assets	5,042	4,513
Intangible assets	102	120
Capital work-in-progress	43	354
Non-current investments	158	8
Deferred tax assets (net)	518	449
Long-term loans and advances	1,679	1,640
Other non-current assets	17	17
	<b>12,622</b>	<b>8,023</b>
<b>Current assets</b>		
Current investments	2,710	5,343
Trade receivables	9,220	6,963
Cash and bank balances	2,124	3,763
Short-term loans and advances	1,232	1,451
Other current assets	1,647	1,006
	<b>16,933</b>	<b>18,526</b>
<b>Total</b>	<b>29,555</b>	<b>26,549</b>

### Key Ratios

Key Ratios	Q2	Q1	Q2
	FY2015	FY2016	FY2016
EBITDA Margin (%)	19.8%	17.7%	18.5%
Effective Tax Rate (%)	22.0%	22.4%	22.5%
Net Profit Margin (%)	15.5%	14.1%	13.5%
ROCE (%)	38.4%	34.4%	37.4%
DSO (Days)	72	69	77

Effective Tax Rate = Tax / PBT

ROCE = EBIT / Average Capital Employed. ROCE is annualized

**Note:**

This report along with more information on our quarterly results is also available in the investors section of our website ([www.mindtree.com](http://www.mindtree.com)). This report is for information purposes. Investors should rely on their own analysis while taking investment decisions and not rely on this report alone.

In the spirit of sensitivity towards the environment we are circulating this over email to shareholders who have updated their e-mail addresses with the depository participant. Please update your email addresses with your depository participant.

For more information, please contact [investors@mindtree.com](mailto:investors@mindtree.com)

**Safe Harbor:**

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

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