



Mindtree

## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Earnings release

Fourth quarter ended March 31, 2017

April 20, 2017

*Welcome to possible*

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## Earnings Conference Call for Analysts / Investors

### April 20, 2017 (5:30 PM IST)

Primary Number: +91 22 3938 1087

(The number listed above is universally accessible from all networks and all countries)

Local Access Number: 3940 3977

Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune

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Replay of conference call available until April 30, 2017

+91 22 3065 2322 (Playback id: 230712#)

**Webcast** – Participants have the option to attend the conference call by logging in to the online webcast, please note participants in webcast would be in **listen-only** mode. The webcast link is as below.

[Mindtree Q4 FY17 Webcast Link](#)

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Transcript will be available on [www.mindtree.com](http://www.mindtree.com) after April 25, 2017

## Mindtree reports constant currency revenue growth of 11.2% in FY17; Recommends final dividend

**Bangalore (India) and Warren (NJ), April 20, 2017:** [Mindtree](#), a global Digital transformation and technology services company, announced its consolidated results today for the fourth quarter and year ended March 31, 2017 as approved by its Board of Directors.

“This past year, Mindtree has continued to build on its historical strength as a leader in helping clients deploy Digital technologies to spur business growth. We’ve also seen a significant increase in Mindtree successfully competing for large managed services opportunities.” said **Rostow Ravanan, CEO & Managing Director, Mindtree**. “Over the last 5 years, Mindtree has been amongst the fastest growing company in our sector, and with the market continuing to move towards our established sweet spots, we are well-positioned for the year ahead and beyond.”

### Key financial highlights:

#### *Quarter ended March 31, 2017*

- In USD:
  - Revenue at \$195.6 million (growth of 1.8% q-o-q / 0.3% y-o-y, constant currency growth of 2% q-o-q).
  - Net profit at \$14.4 million (decline of 5.6% q-o-q / 25.9% y-o-y)
- In Rupees:
  - Revenue at ₹ 13,181 million (growth of 1.8% q-o-q / decline of 0.2% y-o-y)
  - Net profit at ₹ 972 million (decline of 5.8% q-o-q / 26.8% y-o-y)

#### *Year ended March 31, 2017*

- In USD:
  - Revenue at \$779.8 million (growth of 9.4%, constant currency growth of 11.2%)
  - Net profit at \$62.3 million (decline of 26%)
- In Rupees:
  - Revenue at ₹ 52,364 million (growth of 12.1%)
  - Net profit at ₹ 4,186 million (decline of 24.2%)

**Other highlights:**

- Clients:
  - 328 active clients as of March 31, 2017
  - \$1 million clients grow by 5 for a total of 111
  
- People:
  - 16,470 Mindtree Minds as of March 31, 2017
  - Trailing 12 months attrition is 15.1%
  
- Multi-year and multi-million dollar wins with leading global clients:
  - Building a unified digital user experience platform for a leading healthcare liability insurance company
  - Providing managed services for multiple applications to a global leader in computer software and technology
  - Transforming core billing, policy and claims systems using Duck Creek software and a SaaS offering for a leading automobile insurance company
  - Application Maintenance Support for SAP S/4 HANA suite on cloud for an industrial equipment distributor
  - Designing and deploying a Business Warehouse on HANA platform across a leading retailer's foods, health & beauty divisions
  
- Dividend Announcement:
  - The Board of Directors at its meeting held on March 27, 2017, have declared an interim dividend of 20% (₹ 2 per equity share of par value of ₹ 10 each) for the quarter ended March 31, 2017. Further, the Board of Directors at its meeting held on April 20, 2017 have recommended a final dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) for the year ended March 31, 2017, subject to shareholder approval.

*Note: The financial results above are in accordance with Ind AS for the quarter and year ended March 31, 2017. Accordingly the figures for previous periods have been restated in accordance with Ind AS.*



## **About Mindtree**

Mindtree [NSE: MINDTREE] delivers digital transformation and technology services from ideation to execution, enabling Global 2000 clients to outperform the competition. “Born digital,” Mindtree takes an agile, collaborative approach to creating customized solutions across the digital value chain. At the same time, our deep expertise in infrastructure and applications management helps optimize your IT into a strategic asset. Whether you need to differentiate your company, reinvent business functions or accelerate revenue growth, we can get you there. Visit [www.mindtree.com](http://www.mindtree.com) to learn more.

## **Safe harbour**

*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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## Key Financial Metrics

The financial results below are in accordance with Ind-AS for the quarter ended March 31, 2017. Accordingly the previous period figures have been restated in accordance with Ind-AS.

(Rs. million)	Q4	Q3	Q4	Growth (%)	
	FY2016	FY2017	FY2017	Q-o-Q	Y-o-Y
Revenue	13,203	12,953	13,181	1.8%	(0.2)%
EBITDA	2,187	1,740	1,869	7.4%	(14.6)%
Net Profit	1,327	1,031	972	(5.8)%	(26.8)%
Diluted EPS (Rs.)	7.89	6.13	5.77	(5.8)%	(26.8)%

(\$ million)	Q4	Q3	Q4	Growth (%)	
	FY2016	FY2017	FY2017	Q-o-Q	Y-o-Y
Revenue	195.0	192.2	195.6	1.8%	0.3%
EBITDA	32.5	25.8	27.7	7.4%	(14.6)%
Net Profit	19.5	15.3	14.4	(5.6)%	(25.9)%

Rupee Dollar Rate	Q4	Q3	Q4
	FY2016	FY2017	FY2017
Period Closing rate	66.25	67.93	64.85
Period Average rate	67.73	67.40	67.38

Hedges outstanding at 31-Mar-17		
Currency	Value	Avg. Rate/INR
USD	19.0	66.79
EURO	1.0	72.66
GBP	2.5	83.78

Total hedges outstanding in USD terms is 23M at an average INR rate of 66.9. These are fair value hedges expiring within 30-Jun-17.

## Key Ratios

Key Ratios	Q4	Q3	Q4
	FY2016	FY2017	FY2017
EBITDA Margin (%)	16.6%	13.4%	14.2%
Effective Tax Rate (%)	25.1%	25.3%	22.8%
Net Profit Margin (%)	10.0%	8.0%	7.4%
ROCE (%)	30.3%	22.2%	19.8%
DSO (Days)	74	71	65

Effective Tax Rate = Tax / PBT

ROCE = EBIT / Average Capital Employed. ROCE is annualized

### Key Performance Highlights

- Constant Currency Revenue growth of 11.2% in FY 17; 9.4% in reported terms
- Strong contract closures of \$926 Mn during the year FY 17
- In FY 17 - Digital grew by 18.3%; Technology, Media & Services grew by 16.5%; Retail, CPG & Manufacturing grew by 6.9%; BFSI grew by 5.1%; Travel & Hospitality grew by 4.6%
- Quarterly Annualized Attrition is at 13.2% which is the best since 2014

## Key Revenue Metrics

Revenue by Geography	Q4 FY2016	Q3 FY2017	Q4 FY2017
US	65.8%	68.7%	69.8%
Europe	24.6%	20.8%	20.8%
India	2.8%	3.1%	2.8%
Rest of the World	6.9%	7.4%	6.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Industry	Q4 FY2016	Q3 FY2017	Q4 FY2017
Technology, Media and Services	35.3%	36.7%	37.5%
BFSI	24.4%	24.1%	24.7%
Retail, CPG & Manufacturing	23.8%	24.1%	23.0%
Travel & Hospitality	16.4%	15.1%	14.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Service Offering	Q4 FY2016	Q3 FY2017	Q4 FY2017
Development	23.0%	22.3%	21.4%
Engineering	9.8%	9.5%	9.5%
Maintenance	18.0%	17.6%	18.3%
Consulting	4.0%	3.9%	4.0%
Package Implementation	13.7%	12.4%	12.6%
IP Led Revenue	1.3%	1.4%	1.3%
Independent Testing	12.7%	12.6%	12.5%
Infrastructure Management & Tech Support	17.4%	20.3%	20.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Digital	<b>38.7%</b>	<b>39.4%</b>	<b>39.6%</b>

Digital includes Social Media, Mobility, Analytics, Cloud, Web-commerce.

Revenue by Project Type	Q4 FY2016	Q3 FY2017	Q4 FY2017
Fixed Cost, Fixed Monthly	47.7%	52.5%	52.8%
Time & Materials	52.3%	47.5%	47.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue Mix	Q4 FY2016	Q3 FY2017	Q4 FY2017
<b>Effort</b>			
Onsite	22.3%	23.5%	24.4%
Offshore	77.7%	76.5%	75.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Revenue</b>			
Onsite	57.6%	60.2%	60.5%
Offshore	42.4%	39.8%	39.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Effort and Utilization

Metrics	Q4 FY2016	Q3 FY2017	Q4 FY2017	Growth (%)	
				Q-o-Q	Y-o-Y
<b>Billed Hours</b>					
Onsite	1,320,161	1,357,257	1,440,240	6.1%	9.1%
Offshore	4,606,976	4,426,659	4,469,309	1.0%	(3.0)%
<b>Total</b>	<b>5,927,138</b>	<b>5,783,916</b>	<b>5,909,548</b>	<b>2.2%</b>	<b>(0.3)%</b>
<b>Fee Revenue (\$ 000)</b>					
Onsite	111,156	114,075	117,113	2.7%	5.4%
Offshore	81,887	75,556	76,457	1.2%	(6.6)%
<b>Total</b>	<b>193,042</b>	<b>189,631</b>	<b>193,570</b>	<b>2.1%</b>	<b>0.3%</b>
<b>Utilization</b>					
Including Trainees	69.4%	71.3%	70.9%		
Excluding Trainees	70.6%	72.3%	72.7%		

Utilization is calculated as Billed Hours by Available Hours. Available hours does not exclude leave hours.

## Key Client Metrics

Metrics	Q4 FY2016	Q3 FY2017	Q4 FY2017
<b>Client Details</b>			
Number of Active clients	348	348	328
New Clients Added	37	21	20
\$1 mn clients	101	106	111
\$5 mn clients	31	30	30
\$10 mn clients	15	17	16
\$25 mn clients	6	4	4
\$50 mn clients	2	1	1
\$100 mn clients	-	1	1

Million Dollar Clients are based on trailing 12 months revenue.

Client Contribution to Revenue	Q4 FY2016	Q3 FY2017	Q4 FY2017
Top Client	11.6%	14.1%	14.3%
Top 5 Clients	29.5%	30.1%	30.7%
Top 10 Clients	42.6%	42.3%	41.9%
Revenue from Repeat Business	96.0%	98.7%	98.7%

Contribution to revenues is based on revenues for the quarter.

Total Contract Value signed(TCV) (USD M)	Q4 FY2016	Q3 FY2017	Q4 FY2017
Renewals	209	170	135
New	72	144	74
<b>Total</b>	<b>281</b>	<b>314</b>	<b>209</b>
Expiring within 1 year	247	234	182
Expiring > 1 year	34	80	27
Digital	82	103	50



## Key Employee Metrics

<b>Mindtree Minds</b>	<b>Q4 FY2016</b>	<b>Q3 FY2017</b>	<b>Q4 FY2017</b>
Total Mindtree Minds	16,623	16,099	16,470
Software Professionals	15,623	15,068	15,413
Sales	265	253	271
Support	735	778	786
Gross Additions	1,020	470	914
Net Additions	380	(120)	371
Attrition (Last Twelve Months)	15.7%	16.1%	15.1%
Women employees	28%	29%	29%
Nationalities*	48	55	51

\*Nationalities represent the count of countries to which Mindtree minds belong to.

## Infrastructure

	<b>Completed</b>		<b>Available for Expansion</b>	
	Built up area (sq ft 000)	No. of Seats	Built up area (sq ft 000)	No. of Seats
<b>As of Mar 31, 2017</b>				
Bangalore	1,286	12,905	-	-
Chennai	294	2,680	-	-
Pune	149	1,361	-	-
Hyderabad	93	781	-	-
Bhubaneswar	95	543	-	-
<b>Total</b>	<b>1,917</b>	<b>18,270</b>	-	-

Note: Land available for expansion - 12 acres in Bhubaneswar.

**Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2017 (Rs. in millions, 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	13,181	12,953	13,203	52,364	46,730
<b>Expenses</b>					
Employee benefits expense	8,700	8,533	8,190	34,125	27,991
Depreciation and amortisation expense	468	459	475	1,858	1,658
Other expenses	2,612	2,680	2,826	11,058	10,529
<b>Profit from operations before other income, foreign exchange gain/ (loss) and finance costs</b>	<b>1,401</b>	<b>1,281</b>	<b>1,712</b>	<b>5,323</b>	<b>6,552</b>
Other income	133	112	88	553	447
Foreign exchange gain/ (loss)	(228)	32	31	(136)	392
<b>Profit before finance costs</b>	<b>1,306</b>	<b>1,425</b>	<b>1,831</b>	<b>5,740</b>	<b>7,391</b>
Finance costs	47	46	63	191	160
<b>Profit before tax</b>	<b>1,259</b>	<b>1,379</b>	<b>1,768</b>	<b>5,549</b>	<b>7,231</b>
Tax expense	287	348	441	1,363	1,706
<b>Net profit for the period</b>	<b>972</b>	<b>1,031</b>	<b>1,327</b>	<b>4,186</b>	<b>5,525</b>
Other comprehensive income	(234)	(41)	(151)	(621)	(242)
<b>Total comprehensive income</b>	<b>738</b>	<b>990</b>	<b>1,176</b>	<b>3,565</b>	<b>5,283</b>
Paid up equity share capital (face value Rs. 10/- each)	1,680	1,680	1,678	1,680	1,678
Reserves	24,091	24,162	22,471	24,091	22,471
Basic EPS (Rs.)	5.78	6.14	7.91	24.93	32.95
Diluted EPS (Rs.)	5.77	6.13	7.89	24.89	32.87

**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
	<i>Rs in million</i>				
<b>Segment revenue</b>					
Retail, CPG and Manufacturing	3,032	3,116	3,148	12,476	11,394
Banking, Financial Services and Insurance	3,250	3,122	3,231	12,882	11,970
Technology, Media and Services	4,939	4,757	4,662	19,235	16,116
Travel and Hospitality	1,960	1,958	2,162	7,771	7,250
<b>Total</b>	<b>13,181</b>	<b>12,953</b>	<b>13,203</b>	<b>52,364</b>	<b>46,730</b>
<b>Segment results</b>					
Retail, CPG and Manufacturing	330	343	508	1,493	2,183
Banking, Financial Services and Insurance	280	222	341	1,153	1,627
Technology, Media and Services	953	920	918	3,671	3,153
Travel and Hospitality	306	255	420	864	1,247
<b>Total</b>	<b>1,869</b>	<b>1,740</b>	<b>2,187</b>	<b>7,181</b>	<b>8,210</b>
<b>Unallocable</b>					
Expenses	468	459	475	1,858	1,658
Finance costs	47	46	63	191	160
Other income	133	112	88	553	447
Foreign exchange gain/ (loss)	(228)	32	31	(136)	392
<b>Profit before tax</b>	<b>1,259</b>	<b>1,379</b>	<b>1,768</b>	<b>5,549</b>	<b>7,231</b>

**Notes on segment information**
**Principal segments**

The Group 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 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 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 Consolidated Financial Results for the Quarter and Year ended March 31, 2017 (Rs. in millions, except per share data)**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3,809	4,173	4,325
Capital work in progress	192	232	354
Goodwill	4,470	4,815	669
Other intangible assets	1,941	2,632	317
Financial assets			
Investments	58	62	12
Loans	667	655	614
Other financial assets	209	189	-
Deferred tax assets (net)	624	409	547
Other non-current assets	1,326	1,328	1,158
	<b>13,296</b>	<b>14,495</b>	<b>7,996</b>
<b>Current assets</b>			
Financial assets			
Investments	5,869	2,266	5,490
Trade receivables	8,962	9,728	6,963
Cash and cash equivalents	2,508	2,332	3,763
Loans	12	38	136
Other financial assets	2,225	2,761	1,337
Other current assets	1,034	1,149	1,009
	<b>20,610</b>	<b>18,274</b>	<b>18,698</b>
<b>TOTAL ASSETS</b>	<b>33,906</b>	<b>32,769</b>	<b>26,694</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	1,680	1,678	837
Other equity	24,091	22,471	20,428
	<b>25,771</b>	<b>24,149</b>	<b>21,265</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	18	23
Other financial liabilities	230	767	227
Other non current liabilities	71	91	128
	<b>314</b>	<b>876</b>	<b>378</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	978	415	-
Trade payables	1,651	1,890	1,418
Other financial liabilities	2,638	2,754	2,011
Other current liabilities	1,126	1,049	586
Provisions	1,105	1,289	797
Current tax liabilities (net)	323	347	239
	<b>7,821</b>	<b>7,744</b>	<b>5,051</b>
	<b>8,135</b>	<b>8,620</b>	<b>5,429</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,906</b>	<b>32,769</b>	<b>26,694</b>

**Notes to audited consolidated 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 Group's interim consolidated 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 consolidated 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 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 March 31, 2016; and
- total comprehensive income for the quarter and year ended March 31, 2016

**(i) Equity reconciliation**

Particulars	Note	As at March 31, 2016	As at April 1, 2015
<b>Equity under previous GAAP attributable to:</b>			
Mindtree Limited		23,957	20,128
Non-controlling interests		-	-
<b>Equity under previous GAAP</b>		<b>23,957</b>	<b>20,128</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	(482)	(16)
Others		17	27
<b>Equity as per Ind AS</b>		<b>24,149</b>	<b>21,265</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 attributable to :</b>			
Mindtree Limited		1,560	6,033
Non-controlling interests		-	-
<b>Net income under previous GAAP</b>		<b>1,560</b>	<b>6,033</b>
Fair valuation of investments	ii	19	10
Employee benefits	iv	5	28
Effect of discounting of security deposit and reclassification of land as operating lease	vi	-	4
Business combination	i	(174)	(460)
Discounting of consideration receivable	v	(81)	(81)
Others		(2)	(9)
<b>Profit for the period under Ind AS</b>		<b>1,327</b>	<b>5,525</b>
Other comprehensive income		(151)	(242)
<b>Total comprehensive income under Ind AS</b>		<b>1,176</b>	<b>5,283</b>

**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 intangible assets in the statement of profit and loss. Under previous GAAP, the assets and liabilities of the acquiree are recognised at their book values.

Further, 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 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 Audited financial results of Mindtree Limited (Standalone Information)**

Particulars	Rs in million					
	Quarter ended			Year ended		
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016	
Revenues	11,963	11,758	12,011	47,526	43,398	
Profit before tax	1,451	1,547	2,126	6,317	7,509	
Profit after tax	1,132	1,184	1,653	4,891	5,810	

Note: The audited results of Mindtree Limited for the above mentioned periods are available in the investors section in [www.mindtree.com](http://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.

8 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 more information please contact:**

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***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.*

*Welcome to possible*