



Mindtree

A Larsen & Toubro Group Company

Registered Office Address: Mindtree Limited
Global Village, RVCE Post, Mysore Road,
Bengaluru – 560059, Karnataka, India.
Corporate identity Number (CIN):
L72200KA1999PLC025564
E-mail : info@mindtree.com

Ref: MT/STAT/CS/20-21/56

June 12, 2020

The Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex, Bandra East,
Mumbai 400 051

Dear Sirs,

Subject: Disclosure pursuant to SEBI Circular No.: SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020- Impact of COVID-19 reg.

Please find enclosed the disclosure on impact of COVID-19 on our Company as required pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Annexure 1.

Kindly take the above on record.

Thanking you.

Yours sincerely,
for **Mindtree Limited**

Vedavalli S
Company Secretary

Encl : as above

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Bengaluru – 560059 W www.mindtree.com

D. Steps taken to ensure smooth functioning of operations:

Our top priority continues to be the health and safety of Mindtree Minds while maintaining high levels of services to our Clients. Our process, policy and internal ecosystem were ready in order to build comfort level among our employees with the new way of working. We have further strengthened it by:

- Setting up CFCMT to manage our response and implement any changes to our workforce structure;
- Closely adopting guidelines for health & safety of Mindtree Minds including restricting travel and canceling or postponing events that involve large groups;
- Setup a 24-hour medical hotline for all Mindtree Minds to report any COVID-19 concerns, including diagnoses;
- Boosted our all digital collaboration tool capacity to meet increased demands with most of Mindtree Minds working remotely.

We have been in constant communication with our clients to apprise them on the measures undertaken by us. We are ensuring the balance of customer and business demands on one hand, and employee safety and wellbeing on the other.

E. Estimation of the future impact of COVID-19 on our operations, Demand for the services etc.

COVID-19 outbreak has been creating unprecedented level of uncertainty with major economies virtually coming to a halt. We are well equipped to handle the global crisis based on the business continuity plan that we have successfully implemented to ensure the health and safety of our Mindtree Minds while fully supporting our clients worldwide.

Travel, Transport and Hospitality (TTH) segment is at the front line of today's pandemic situation. We see near-term impact coming from TTH that contributed 16% of our revenues as of Q4FY20. Based on the current assessment and visibility, we expect high single digit decline in overall revenue growth (In USD terms) for Q1FY21 as compared to Q4FY20. At the same time, we are seeing increasing demand in other segments such as Communication, Media and Technology (CMT) & Consumer Packaged Goods (CPG). Accordingly, we expect our Q2FY21 revenues better than Q1FY21.

We are in conversation with clients to carve out specific offerings along with right commercial models to help clients sail through current pandemic situation. We expect demand from our clients for digital and transformational services as they invest into data, cloud-enabled solutions, customer-centric and end user experience businesses. Our focus would be on signing multi-year annuity deals, rationalizing tail-accounts and going deeper in to the limited set of strategic clients. Accordingly, we expect the top-line recovery to fructify during second half of FY21.

Despite the near-term challenges on the revenue, through various cost optimization measures, we expect our Q1FY21 margin to hold at Q4FY20 levels.

F. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt and financing arrangements, if any, assets, internal financial reporting and control, supply chain and other areas

Mindtree has a robust balance sheet and liquidity position with Cash and Investments of INR 13,618 million as on March 31, 2020 with good visibility of additional cash flow generation in FY 21. Our collection cycle remains robust with DSO in the range of 66-68 days. We continue to evaluate and take action, as necessary, to preserve adequate liquidity. This includes limiting discretionary spending across the organization and prioritizing our CAPEX spends judiciously that helps in strengthening the top-line and the bottom-line.

Recently (on Jan 20) the rating agency, India Ratings and Research (Ind-Ra) has upgraded Mindtree Limited's (Mindtree) Long-Term Issuer Rating to 'IND AA+' from 'IND AA'. Our liquidity position is healthy considering the debt-free balance sheet coupled with access to bank credit/lines facilities.

Given the near term challenges in the revenue, we have implemented additional cost optimization measures including deferred salary hikes, optimizing sub-contractors expenses and limiting discretionary spends to contain the impact on the profitability and accordingly we expect our margin in Q1 FY21 to hold at Q4 FY20 levels. Our margin improvement initiatives that started in FY 20 have been yielding good results. We will continue to explore various optimization avenues to drive efficiencies and ensure the profitable growth journey in FY 21.

Our Consistent and robust hedging strategy shall help and contain the impact / volatility on account of exchange rate fluctuations.

We have assessed the impact of COVID-19 as on 31st March, 2020 and expect to fully recover the carrying amount of trade-receivables, unbilled revenues, goodwill, intangible assets, investments and other assets. However, the actual impact of COVID-19 on the various assets may differ from that estimated. We will continue to closely monitor any material changes to future economic conditions.

We have ensured adequate and effective internal controls in place even in the COVID-19 situation and accordingly, there is no impact on the Internal Financial Controls.

We are honoring all our delivery commitments with our customers and financial commitments with respect to Vendor and partners and accordingly there is no impact on the supply chain/ delivery.

G. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business

The Company is well positioned to fulfil its obligations in respect of contracts with the customers, vendors and other partners. It does not foresee any material impact on the business due to non-fulfilment of the obligations by any party.

H. Other relevant material updates about the listed entity's business

The Company will provide an update as and when there is any material impact.