

Mindtree Twenty First Annual General Meeting

July 14, 2020

MANAGEMENT:

MR. ANILKUMAR MANIBHAI NAIK – CHAIRMAN, MINDTREE LIMITED
MR. S. N. SUBRAHMANYAN – VICE CHAIRMAN, MINDTREE LIMITED
MR. DEBASHIS CHATTERJEE – CEO AND MANAGING DIRECTOR, MINDTREE LIMITED
MR. R. SHANKAR RAMAN – NON-EXECUTIVE DIRECTOR, MINDTREE LIMITED.
MR. J. D. PATIL – NON-EXECUTIVE DIRECTOR, MINDTREE LIMITED
MS. APURVA PUROHIT – LEAD INDEPENDENT DIRECTOR AND CHAIRPERSON OF NRC, MINDTREE LIMITED
MR. AKSHAYA BHARGAVA –INDEPENDENT DIRECTOR, MINDTREE LIMITED
MR. BIJOU KURIEN – INDEPENDENT DIRECTOR AND CHAIRPERSON OF STAKEHOLDERS RELATIONSHIP COMMITTEE, MINDTREE LIMITED
MR. M. R. PRASANNA – INDEPENDENT DIRECTOR AND CHAIRPERSON OF AUDIT COMMITTEE, MINDTREE LIMITED
MS. DEEPA GOPALAN WADHWA – INDEPENDENT DIRECTOR, MINDTREE LIMITED
MR. VINIT TEREDESAI – CFO, MINDTREE LIMITED
MS. VEDAVALLI SRIDHARAN – COMPANY SECRETARY, MINDTREE LIMITED

Moderator: Over to you, Chairman.

Anilkumar M. Naik: Ladies and gentlemen, good evening. I welcome you all to the 21st Annual General Meeting of the equity shareholders of Mindtree Limited. The meeting is being held through video conferencing and other audio-video means in accordance with a general circular issued by MCA and SEBI. I now request Veda, Company Secretary to introduce all the colleagues.

Vedavalli Sridharan: Thank you, Chairman. Good evening. I am Vedavalli – Company Secretary of your company. I am joining this meeting from Bangalore. Mr. S. N. Subrahmanyam – Vice Chairman of your company joining from Mumbai; Mr. Debashis Chatterjee – CEO and Managing Director of your company joining from Bangalore; Mr. R. Shankar Raman – Non-Executive Director of your company joining from Mumbai; Mr. J. D. Patil – Non-Executive Director joining from Mumbai; Ms. Apurva Purohit – Lead Independent Director and the Chairperson of NRC joining from Mumbai; Mr. Akshaya Bhargava – Independent Director joining from UK; Mr. Bijou Kurien – Independent Director and the Chairperson of Stakeholders Relationship Committee joining this meeting from Bangalore; Mr. M. R. Prasanna – Independent Director and the Chairperson of Audit Committee joining this meeting from Bangalore; Ms. Deepa Gopalan Wadhwa – Independent Director joining from Delhi; Mr. Vinit Teredesai – CFO of your company joining this meeting from Pune. I now hand over to Chairman.

Anilkumar M. Naik: We also have key senior management participating in this meeting from their respective location. The Statutory Auditor, the Secretarial Auditor and the scrutinizers have joined the meeting. We have requisite quorum present through video conference to conduct proceeding of the meeting. Participation through video conference is reckoned for quorum at the MCA circular. The quorum being present, I call the meeting in order, I now request Veda to provide the general instruction to members for participation in the meeting.

Vedavalli Sridharan: Thank you Chairman. Dear shareholders, I thank you for your participation in this AGM. Members may kindly note that this meeting is being held through video conference in accordance with the Companies Act, 2013, circulars of MCA and SEBI circular. Facility for joining this meeting through video



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conference and other audio visual means is available to members on first cum first serve basis. Since physical attendance of members has been dispensed with, the facility for appointment of proxies by members was not applicable for the AGM and hence the availability of proxy register for inspection is not applicable. The register of directors and KMP shareholding and the register of contracts and arrangements are made available at the AGM electronically and is available for inspection. Any member interested in seeing the register may kindly send an email to investors@mindtree.com. The certificate from the auditors of the company as required under SEBI ESOP regulations are uploaded on the website of the company. The company has received requests from few members to register themselves as speakers at the meeting and accordingly, the floor will be open for asking questions. Members can also post their questions on the chat tab on their video conference screens before 4 p.m. IST. The moderator will facilitate the session once the Chairman opens the floor for questions.

It may be noted that the company reserves the right to restrict the number of members asking questions depending on the availability of time at the AGM. The company had provided an opportunity for voting on all the items mentioned in the notice of AGM. Members who have not tested their vote on the resolutions through remote e-voting shall be eligible to vote through the e-voting system during the meeting by clicking the link www.e-voting.nsdl.com. Please refer to instructions provided in the notice of AGM for e-voting and participation in the AGM through video conference. In case of any difficulty in participation or e-voting, please reach out on the helpline numbers mentioned in the notice of AGM. I now request the Chairman to conduct the proceedings of the meeting.

Anilkumar M. Naik: Thanks, Veda. The company has taken all efforts to enable members to participate and vote at the AGM. I thank all the members for joining this meeting and I hope you are all staying safe. I will now address you to give you as much information in this meeting as possible. I am addressing you at a time when the world is trying to come to terms with pandemic which has disrupted our way of life. The leadership at Mindtree has handled the outset of the pandemic well and shifted to a remote delivery model with minimal loss of productivity. You will be happy to know that your company is well positioned



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to partner with global brand as it deal with pandemic by launching several co-innovation initiative.

To turn now to the performance in FY20, our company has achieved commendable results by combining the pioneering approach of Mindtree with the global network of Larsen & Toubro. This has helped to catalyze the adaptation generation technologies by our customers worldwide. I am confident that Mindtree will achieve its goals and continue to leverage the strength of L&T. Our company's leadership team achieved a smooth transition last year, keeping the core of the organization intact while maintaining the continuity of the business. At the same time, Mindtree strengthened its digital DNA, generating enhanced value for its customers and bringing a sharper focus on cutting edge digital technologies. The strategic calls and investment made by Mindtree over the years and its ability to stay ahead of the market trends have proved to be valuable as COVID-19 has brought about generational upheaval, Mindtree is ready to address the coming changes in societies, cultures, businesses, trade, and governance. Your company can leverage its innovation and entrepreneurial heritage to spearhead technology that helps companies and institution to respond to the disruption and confidently navigate the uncertainty.

There are difficult times ahead, but the next few months, we provide Mindtree with the challenging environment in way to build the strategic levers for the next period of growth. Mindtree will simplify life of customer by providing integrated business solution and it will invest in scalable user experience and data, cognitive technologies to drive business outcome. A cloud first approach will add velocity to the digital transformation of customer and it will focus on enterprise IT transformation to provide the cost saving. The expansion in remote work practices, development of automation to deliver services and robotics to de-risk businesses while safeguarding employees will enable Mindtree to build further on the legacy of differentiated solution. To bring these technologies to market, Mindtree has built partnership in sync with global technology needs and global technology trends. Your company understands that addressing change is the key to the thriving business. Mindtree will focus on new business models that include subscription based project and will build learning platform to support the need of the talent enhancement. It will also



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develop automated delivery system that free up human resources for roles requiring instigative decision making. I am confident that Mindtree's planning for the future will result in continual success. I see a healthy combination of short-term initiative which addresses the emerging growth opportunity and long-term initiative which helps the company, adjust to its additional core. In achieving this objective, Mindtree can count on support from L&T's global network resources. I now wish Debashis and his team the very best in the journey ahead and I now request Debashis, CEO and Managing Director to share the business overview of the year that has gone by and how does he look future outlook. DC!

Debashis Chatterjee: Thank you, Chairman and good evening to all of you. Hope you and your loved ones all safe and healthy. When I joined this company last year, I was thinking the prioritization had to be in three ways. We had to provide stability and continuity in the company, we had to accelerate the growth and we had to also do margin enhancement. So we looked at these three areas and I am happy to say that in all these three areas, we did fairly well. From a stability standpoint, we closed the year with revenues of US dollars more than 1 billion. We had record deal signing of US \$1.2 billion. We set the organization for the next phase of growth, we looked at the entire organization design, we simplified it significantly, made it more agile and ensured that we are ready to focus on the next phase of growth and last, but not the least we are very proud to say that during this whole COVID situation, we are one of the organizations who executed the BCP very effectively. The work from home which was planned for the entire organization during the COVID-19 crisis was very well appreciated by our clients and we did that extremely well, absolutely flawlessly.

In terms of accelerating the growth, we have been always focused in terms of client centricity, the customer centric behavior. We put up a plan to ensure that we focused on strategic deals, we set up a new team which was not there before to focus on large deals and large annuity deals and that experiment worked extremely well for the company and we closed a few deals which are fairly large deals, multi-year deals and the other thing which we also did was to ensure that the entire organization rallies behind the leadership in terms of understanding what we are trying to do, which also involved in terms of

reskilling, retraining within the organization, but the entire mantra within the organization has been how do we accelerate growth because growth is something that everybody wants to see.

Last but not the least, we also realized that the margin had taken a hit and we have to get the margin back to a level which was more incomparable to the other IT firms of our size and we knew that it is not something that we can do it overnight, so we put up a very strong plan, we put up a strong team and ensured that we improved the margin quarter-on-quarter as we go along and the investments that we have been doing over a period of time, we also looked at where we should be investing, how do we do more mining of existing accounts and how do we ensure that we are not doing something which is not value add for the clients. So with all these things in place, we were very confident that we can actually do profitable growth for Mindtree and that is what we achieved.

If I look at the overall journey of Mindtree over the several years, we had a very consistent performance in terms of our revenue growth. We had a 16.9% CAGR over the last 5 years in INR terms. The annual revenues grow 8.7% in US dollars and 10.6% in INR for the last year. The margin performance has been very good, very robust. If you look at the margin journey from Q1 all the way to Q4 from 10% to 13% and 17.1% last quarter, in fact we just announced our results. The Q1 of FY21, we have a margin of 18.2%, so the margin journey, the margin plan has been working out very well. The efforts that we had put together in terms of putting the plans, putting the operational discipline within the organization that is working out extremely well. In terms of one of the focus that we had was to create shareholder value. If you look at the stock price, the share price movement, it has increased 7.8 times since IPO, the dividend payout ratios have been very good and if you look at the stock performance for almost the last one year, the stocks were appreciated by 34%, so we will continue to create value for the shareholders as we go along.

Let me talk about a few of the recognitions that we have got as we progressed last year. ISG gave a recognition, ISG recognized us as, they gave us a Star of Excellence Award Winner for 2019. This is a very interesting award. They looked at more than, they polled more than 1400 customers, they looked at



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more than 100 service providers and there was no input which was given by any of the service providers. They just spoke to the individual clients and decided in terms of who comes out the best and I am very proud to say that we were competing with many of the other organizations including the tier 1 organizations and we came at the top. This was a very prestigious award for us last year. We also got the IDC Insights Award, this was given to us for the MWatch platform that we have which helps us in terms of enabling IT infrastructure services and this is something that we do to support our client's IT infrastructure and through a lot of automation. So this is another prestigious award that we got last year. The Paragon Awards, it was given to us for outstanding service delivery, this is an award which was given in conjunction with another client of us. This is the work that we delivered for one of our airline clients and this is again very prestigious for us. I don't want to go through all the awards, but worth mentioning the Mother Teresa Award, we always believe that we should give back to the society from time to time and this is an award which was recognition of Mindtree's giving back to the society and that initiative that we have done from an outreach standpoint.

So let me talk a little bit about how did we deal with this pandemic and what has been our preparedness for the pandemic. As the pandemic struck us, it was quite unprecedented and we first had to look at business continuity. We had to look at, how do we continue the business with our clients without much of a disruption and the good news is that we already had the preparedness for working from home. We already had a policy in place which allows our Mindtree Minds to work from home from time to time for a number of days in a month, so because of that preparedness, we were one of the first companies to get into a very fast execution of business continuity and getting into work from home for bulk of the employees, 99.5% of our employees are working remotely and the good news is that we did not have any disruption, there has been zero disruption on the supply side.

The next one is the customer and the outlook. There were multiple customer appreciations received as we executed the business continuity. We had many of our clients reaching out to us and talking to us about the work we have done in terms of implementing work from home and how they have been very appreciative of it. Overall, I think we do anticipate some softness in the first



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half of the year, but we expect the topline to recover in the second half of the year. Let us talk about the health and safety. This is something which is extremely critical for us from an employee standpoint and we ensured that we form a crisis management team. The crisis management team was formed in a hub-and-spoke model, almost during the first week of March ensuring that they look at business continuity, customers, and outlook as well as health and safety of our employees. We have 24/7 medical helpline for our Mindtree Minds and families as well and we have been doing a lot of counselling through the helplines and making sure that all our Mindtree Minds across the world are safe and we can take care of them and their families during this unprecedented crisis.

Last but not the least, as all these things were going on, it was also very important to have steady communications with our clients. I think I must say that during this pandemic time, we over-communicated with our clients, not only just myself, but the Chairman, Vice Chairman, we all reached out to clients as and when it is required. There were multiple communications to our Mindtree Minds and which also ensured that everybody felt that we care, we care for them, the clients felt we care for them, the Mindtree Minds felt we care for them.

Moving on, this is something which is very important for us as we always believe in giving it back to the society, we have donated 20 crores to the PM Cares Fund and we also felt that we can do more, in fact some of our Mindtree Minds came back and they wanted to volunteer more in terms of donating for the pandemic and what we did was we collected the amounts and Mindtree also made matching contribution, so we had an additional 12 crores which we wanted to distribute. The Mindtree Minds across the world contributed and they had a request, they said that we should donate in such a way that all the states in which we operate they can get benefit. So what you see over here on this slide is we distributed the 12 crores including the matching contribution from the employer to all the states that we operate in, Karnataka, Tamil Nadu, Telangana, Orissa and Maharashtra and it was again very well appreciated by all the states and when we communicated this back to our Mindtree Minds, they were very appreciative that we listened to them and they were very



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satisfied that all the states they belong to, they all got some benefit from and we could do something, we could lend a helping hand during this pandemic.

We have to also think of the back to office plan, we are working on various initiatives ensuring that as and when we get back to office what will be the protocols, what will be the social distancing norms, so there is a lot of preparedness that has happened across all the locations of Mindtree and we are very confident that we are doing our best as per the guidelines given by the government. As per the state guidelines, we will follow all the guidelines and we are absolute ready, as and when we are ready to get back to work which we are hopeful it should happen very soon, we are ready to take it our Mindtree Minds back to the office premises.

Before I conclude, I must say what are my focus and priorities. The first focus that I have is my profitable growth, in fact I have always said that it is very important to grow, but also important to have a profitable growth, we have to have the right margins for our growth. So keeping that in mind, we will be targeting profitable growth. That is our endeavor. The second thing is people. If you look at this industry, it is all about the people that you have, the employees that you have, the Mindtree Minds that you have and it is important for them to be consistently future ready because technology is changing so fast. It is very important that we have our Mindtree Minds also reskilled and retrained on the latest technologies. So my endeavor is to make sure that the people that we have should be constantly future ready, so that if you have a future-ready talent, then I am sure we can go greater miles and do much better work for our clients. So that will be my second priority. These priorities are not necessarily in a specific order. The third one is, we will continue to give back to the society. This is something which we are very passionate about. In fact, when I talked to my colleagues at the Mindtree Minds, they are very supportive, they are very passionate about giving it back to the society, so we will continue to do whatever we can to give back to the society from time to time and last, but not the least, whatever we do, we do it for the shareholders and we want to create value for you. So with that I will pause and I will come to the end of my presentation and thank you for your confidence in us and I look forward to your continued support. I will now request the Chairman to take over.

Anilkumar M. Naik: Thank you, DC. It was an excellent presentation and I compliment you for that. Now, I request CFO to read the auditor's report. Vinit!

Vinit Teredesai: Thank you, Chairman and good evening to everyone. The statutory auditors have issued an unmodified opinion on the standalone and consolidated financial statements of the company. There are no qualifications in the secretarial audit report. Kindly refer page number 179 to 185 and page number 227 to 231 of the annual report for the statutory audit report. Thank you very much and back to you, Chairman.

Anilkumar M. Naik: Thank you, Vinit. Since the notice has already been circulated, the notice has been taken as read. I am pleased to bring to your kind notice that the company had provided the e-voting facility to cast your vote on all resolution at the AGM. The members who have not casted their votes through remote e-voting will have the opportunity to vote now. I now hand over to Veda to take up various resolutions.

Vedavalli Sridharan: Thank you, Chairman. Kindly refer to the resolutions as mentioned in the notice. We will open the floor for questions after the resolutions are tabled. Adoption of audited standalone financial statements and audited consolidated financial statements of the company for the financial year ended March 31, 2020. To confirm the payment of interim dividend of Rs. 3 per equity share and to declare a final dividend of Rs. 10 per equity share of Rs. 10 each amounting to a total dividend of Rs. 13 per equity share for the financial year 2019-20. To appoint a Director in place of Mr. J. D. Patil who retires by rotation and being eligible, offers himself for reappointment. Reappointment of Deloitte Haskins & Sells, Chartered Accountants as statutory auditors. For resolution number 5 to 11, reclassification of the following promoters along with their relatives that is Mr. Krishnakumar Natarajan, Mr. Rostow Ramanan, Mr. Parthasarathy, Mr. Subroto Bagchi, LSO Investment Private Limited, Mr. Kamran Ozair, Mr. Scott Staples from Promoter, Promoter Group to Public category. For special businesses, the text of the resolutions along with explanatory statements are provided in the notice. Members are requested to keep their questions brief and specific. The moderator will facilitate the questions on the video feature. To avoid repetitions, the answer to all the questions will be provided towards the end. While the members are queuing

up for questions, may I request the team to play a short video on digital functioning.

Video Presentation (28.12 - 34.43)

Moderator: Veda, over to you.

Vedavalli Sridharan: Dear shareholders, thanks once again for taking time to participate in today's AGM. Please note the below instructions. Kindly turn on video when you are projected on the screen, kindly unmute yourself and please mention your name, DP ID, client ID and the location from where you are joining before asking the question. Each shareholder will have 2 minutes for asking questions. Once you complete your question, you can log off and continue to watch proceedings. The board will be providing the answers at the end to avoid repetitions.

Moderator: Thank you. We have the first question from the line of Priyadarshan Ramakrishna Naik. Kindly proceed sir.

Priyadarshan R. Naik: Firstly, I am Priyan R. Naik. My number is IN30214810817664 and I am speaking from Bangalore. Congratulations on an outstanding performance, Rs. 7800 crores, we are delighted. I am also delighted to meet AMN Sir, even though it is virtually. I have a few concerns, 3 or 4 of them and I will just mention them one by one. The first is the profit, it was 754 crores last year, it has come down to 631 crores about 19%. I am sure there are several reasons, this is the first year and so on. Very gratifying of course is the EBITDA is higher at 1090 crores. I was very happy to also see the quarter-on-quarter margin is increasing every time and you have reached a very good figure. Concern number two is the manpower. Again delighted to see a growth of 8%, 20,204 Mindtree Minds to 21,991 above 22,000 Mindtree Minds right now. That is wonderful, but my concern is the attrition rate. You have an attrition rate of 17.4%, last year it was only 14.2%. This is almost reaching the L&T Infotech figure of 17.5% thereabouts. Ironically, even L&T Infotech's attrition rate has now come down to 16.5%. I am sure there are several issues, I suppose the COVID-19 situation will only help with the attrition rate, but I hope our company's attrition rate will come down to the industry norms and especially the Bangalore industry norms, 12.5%, 13% and so on. Coming to my next



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concern, this is about the digital business. Our company is the leader in digital backbone, digital product lifecycle. The whole focus is on digital. Last time, the percentage of revenue of digital was 49.3%, almost 50%. I am a bit concerned that has fallen to 38.16%. This is something which needs a lot of thinking from the Mindtree Minds and the think tank which you have there and your CEO and so on and I am sure you will work on this. Coming to the last of my concerns with AMN sir, I want stock split, all the L&T Group companies, their Rs. 10 shares have all split to Rs. 2, Rs. 5, I think in one or two cases. The benefits of course are very well known, increase in liquidity, increase in making the shares more affordable and so on and so forth. Let us hope Sir that this year you will give us a stock split and of course a bonus. Mindtree gave a bonus in 2014, 2016 and now one more is very much due and we know that with AMN sir's hand or AMN sir's involvement or AMN sir's reputation, we can really look forward to a bonus this year. My congratulations once again. Best wishes. All the best and I hope next year, I will be able to meet AMN sir in person and to meet him and to be able to shake hands with him. Thank you very much.

Moderator:

Thank you. We have the next question from Santosh Kumar Saras. Kindly proceed sir.

Santhosh Kumar Saras: Respected Chairman and all board of members and Directors, all my fellow shareholders those who are present in today's meeting through video and audio, Greetings to all of you. I would like to thank and congratulate the board members and financial officer for their achievement through the year in spite of business difficulty faced due to pandemic. Thanks to CSR committee for spending 343.5 million in total in spite of this is actually 275% more than your statutory limit CSR expenditure for the year was 123.29. Thanks to the management for contributing 200 million to the Prime Minister Care Fund, so kindly have you any plan to merge company with L&T Infotech in future, what is your future plan to increase female employee percentage from present 32.39% and being a service sector, this is very less. It should be around 40% to 50% in order to promote further gender equality. Sir, we have list disabled people only 0.2%, in 45 out of 21,000, it is also required to increase because if you not help, because our service industry, we can give job them easily. Sir, due to current pandemic situation, many IT firms permitted their employee to



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work remotely to maintain social distancing norms that are required to restrict spreading of disease and looking into safety of employee. Additionally, due to this ongoing situation for a human, this has started to become new normal and many firms now that they are not looking forward to bring all their employee to office in near future. In some cases, they have announced permanent work from home for a major percent of their staff. Also, many firms, IT firms including Wipro works from SEZ and STPI location. Can you let me know that what are plans of Mindtree regarding bringing back employee to offices or adopting to working remotely for noncritical staff and also what kind of necessary relaxation we are asking from government to support us on these and also affect the business operation. Sir, as per Company Act 2013, you have to compulsorily mention the DIN number of the directors and ACS number of company secretary everywhere, their name address and not mentioning is offence, this is not mentioned in your case. Lastly, can you let me know what is the estimate expenses of this meeting through video conference including sending notice and email and sir, what was the last year expenses for physical holding, AGM at venue, including postage, printing of notice and annual cost etc. Sir we are talking through Digital India last year you had meeting in Bangalore and I have attended and before that also I have attended in Bangalore but this time by chance this meeting is happening so I did not get a chance to go to Bangalore I hope next year your meeting will held in Bangalore and I will get a chance to attend. Apart from that I have a request that this video meeting is very good according to me and in this expenses are less and the biggest advantage is that all your shareholders who are outside like in Madras, Delhi, Mumbai, Kolkata like I am attending from Kolkata you will get a chance to listen to all of them so I have a request that in future with the physical meeting if you can for 30 to 45 minutes of video meeting organize that would be great. Jai Hind, Jai Bharat. Thank you.

Moderator: Thank you sir. The next question is from the line of Arjun Jain. Please go ahead.

Arjun Jain: Respected members and board of directors, this is a very demanding situation during the times of the COVID-19, but there are certain couples of questions which I want to ask, but first of all I would like to congratulate on this aspect that this AGM which is being held is quite a novice and a new method and I



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think in near future, we could provide a provision for this also, so that the investors which are sitting in the distance and the remote part of the country, they can also attend with the physical facility along with this video facility that would create transparency to the company and it would cater the investors to directly meet the board of directors and ask their questions, so this is a new method and I request this company to kindly enhance this in the newer future AGMs, so that the investors who aren't able to come like the old people, they aren't able to come, they could directly proceed with this video facility. Now, my name is Arjun Jain and my BO ID is 1208160002198071 and I am speaking from Nagpur. My first question is that post COVID, what would be the strategy pertaining to the Mindtree, whether we could see the Mindtree merging with the L&T Technology Services thereby creating synergy such as L&T Mindtree or simply the Mindtree would go away with L&T Technology Services being the sole head of this? So this was my first question. My second question is, in the special businesses, the earlier promoters like Krishnakumar Natarajan, Mr. Rostow Ramanan, N. S. Parthasarathy, Sanjay Kumar Panda, all have reclassified themselves under the "Public" category. They were coming under the promoter category, now they have come under the public category. Now, my question is whether there is an agreement or some restraint with them which the company has created with them, so that these persons now since they have been classified under the public category, is there any restraint or conjunction agreement, so that they do not bulk sell their shares in the open market, so as to create another management change because these persons have shares much more than 10 lakhs or 5 lakhs. So if they trigger the bulk sell in the open market, this would create another management change, so is there any agreement with them, so as to restrain them in the near future for a certain period, probably for 6 months or one year, is there any agreement which I wanted to ask? Now, coming to the questions pertaining to this annual report, there are three questions mainly, why is the travel expense is so high in the light of the coronavirus which is at page number 100 of the annual report? Why is the travel expense is so high in the light of coronavirus when in fact there isn't much traveling and compared to the last previous year, from the previous financial year, it has increased. I want some clarification over this aspect. Now, my second and third questions are interrelated, can you elaborate on the staff welfare experience because there is a classification of only 4 to 5 points, but

the entire structure has not been explained under what circumstances the staff welfare experience has been spent, so I would require the board of members and the directors to kindly elaborate on the staff welfare experience, under what category and under what expenses it has been incurred and why it has increased from the previous year? And next question is that whether the company has paid any amount to the political parties which is being provided under the ambit of section 182 of the Companies Act 2013 and if yes, there is nowhere it could be found in the financial results, so I would like and request the board of the directors to kindly elaborate on this aspect and I would like to end my questions that in this demanding situation, I think which is the tip of the iceberg whether any future understanding would be there between the Mindtree and the L&T to create and hamper the progress of the overall company? So I would like to end my questions, Jai Hind, Jai Bharat. Thank you.

Moderator: Thank you sir. Ladies and gentlemen, that was the last question. I now hand the proceedings to Veda.

Vedavalli Sridharan: We now conclude questions. While we provide answers to the question shortly, I request to play a short video on our CSR activities.

Video Presentation (53.02-70.25)

Moderator: Over to you, Chairman.

Anilkumar M. Naik: I think one of the question in the beginning was that there had been bonus and split issues in 14 and 16 and whether company is considering that this year? While it is really very much benefit to the shareholder in entire L&T group companies, mine and all of you know COVID-19 has brought huge challenges for every company, even many of them have challenges to even exist. So this year is inappropriate time to do anything whether stock split, bonus share or anything of that sort, let us bring the company to a very serious profitable growth. I hope we do it in a year or two and we will certainly think about it then. Then, there was a talk about merger of IT group companies. Whether it is LTTS or LTI all are marketing their own products and the synergy is being carried out by these companies bidding together. But time is not right for any merger at this stage because there is a considerable variation between the two

companies what they do as well as the maturity in profit has to come almost in equilibrium. Then there is no agreement with the promoter of the kind that you were asking and I hope they will not take irresponsible steps like a bulk sharing because they will equally suffer. There was no political donation at all and I think the remaining questions will be answered by CFO and then DC and then it will be back to me. Vinit?

Vinit Teredesai:

Yes sir. Thank you, Chairman. I will answer three questions. One was with reference to drop in margin, the EBITDA margin from 15.2 to 14%. In financial year 20, the EBITDA margin was at 14% and dropped by 1% compared to the financial year 19 due to wage hike and one-time special incentive provided to Mindtree Minds. The company has taken various cost optimization measures and is progressing well on margin enhancement over the last 5 quarters. We have closed the Q1 financial year 21 EBITDA at 18.2%. There was a second question which was with reference to increase in travel expenses and why it has not, why travel has happened during the COVID scenario? Well, COVID had hit us during the last week of March and till that point of time travel expenses were getting incurred. If you look at the travel expenses as a percentage of revenue, it has come down to 4.2% versus 4.3% in financial year 19. Last, there was a question on staff welfare expenses. The staff welfare expenses were increased due to increase in headcount. We added around 1700 minds during the financial year 20 and there were one-time expenses on account of 20th anniversary celebrations. Thank you very much and back to you, Chairman.

Anilkumar M. Naik:

DC, would you like to reply why the attrition rate had been very high, 17.4% but it is somewhat heartening to note that it has come down to 16.6% which is 0.8% lower, but I think what they are asking is even that should be further brought down. In Bangalore IT industry average being 14%.

Debashis Chatterjee:

Yes, I will take that sir. There was this question on the leadership and increase in attrition rate to 17.4%, up from 14.2%. And there was also a question of the increase in the lady minds within Mindtree, the women workforce. So let me address both of them. Mindtree Minds are our key assets. We continue to strengthen our employee engagement initiatives in terms of learning and reskilling. We do regular townhalls, we do planning, we plan career path aligns



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in terms of emerging areas and we also help to retain as well as attract new talents. So the good news is the attrition rate is coming down as of June 20, as per the last 12 months data, the attrition rate has come down to 16.6%. We highly encourage employment of lady minds more and if you look at FY20, there is an increase of 2% in the last 2 years and there is a constant program to improve diversity. There were couple of other questions which I would like to answer. There was a question in the light of global economic challenges, what is the way forward for Mindtree. There is a short term challenge on business due to COVID-19 and our focus would be signing multiyear annuity deals, rationalizing the tail accounts and going deeper into the limited set of strategic customers. Accordingly, we expect the topline recovery to fructify during the second half of FY21. Profitable growth through cost optimization and margin expansion will continue. We have a robust balance sheet and debt free with strong liquidity position with good visibility of additional cash flow generation in FY21.

There were couple of other questions, one was on digital in terms of percentage of digital revenues. Last year FY20, the entire classification of digital was changed and it was changed for a reason, but recently we also realized that the entire world is moving towards digital and in fact the earnings that we have done today, in our earnings release we have also indicated our future strategy where we explained the various service lines that we are going to focus on and all the service lines are related to digital in some way or the other. So my view is that over a period of time, it is probably better to look at the individual service lines rather than just talking about digital revenues and we are going to talk about more of that from the next quarter onwards. But digital or the so called erstwhile digital is still on the rise in terms of the delivery that we do for our clients. There was a question on work from home. Yes, we have done work from home, but work from home is not a solution forever. But as we get the preparedness, the readiness done for getting our Mindtree Minds back to the offices, to the premises, we will keep two things in mind, one is the safety of our associates effective of our Mindtree Minds. Unless we find absolutely safe, we will not try to bring them back to office. And second thing is, we are also going to working with our clients very closely ensuring that whatever we do, we keep our clients also in sync with our approach. But one thing is for certain

that the work from home is not a permanent solution for anyone of us. Over to you, Veda.

Vedavalli Sridharan: Thank you, DC. There was a question on cost of physical meeting as compared to virtual meeting. So the cost of physical meeting for last year was around 50 lakhs and the cost of virtual meeting for this year is around 8 to 10 lakhs. Sir, there was also a suggestion from the shareholder that if this meeting can be conducted through VC next year as well. The management will evaluate and then take decisions appropriately at that point in time. So that is all we had and over to Chairman.

Anilkumar M. Naik: Thanks, Veda. Members may note that the e-voting on the NSDL platform will continue to be available for the next 30 minutes. Members who have not casted their votes yet are requested to do so. Mr. Nagendra D Rao, practicing Company Secretary, had been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The results shall be declared within 2 days. I hereby authorize Veda, the Company Secretary to declare the results of the voting and place the same on the website of the company. The results shall be placed on the company's website and also on the website of NSDL and communicated to the stock exchanges on which the company is listed. The resolutions are deemed to be passed today subject to the receipt of votes in favor. We are very grateful to all the shareholders who have joined us today and continue to support the excellent work being done by the senior management and top management as well as all employees. I now declare the meeting as formally closed. Thank you very much and I hope next year we will meet personally.