



Mindtree

A Larsen & Toubro Group Company

Integrated Annual Report 2020-21



Analyze.
Reimagine.
Transform.

Contents

Introduction

02 Report profile

Mindtree at a glance

- 04 Who we are
- 06 Value created for stakeholders
- 08 Service offerings
- 10 Industries served
- 12 Geographical presence

Year in review

- 14 Operational highlights
- 16 Key performance indicators
- 18 Chairman’s message
- 20 Chief Executive Officer and Managing Director’s message
- 22 Chief Financial Officer’s message

Analyze. Reimagine. Transform.

- 28 Analyze
- 32 Reimagine
- 36 Transform

Our approach to value creation

- 40 Business model
- 42 Operating context
- 44 Our value creation strategy
- 46 Stakeholder engagement
- 48 Materiality
- 49 Risk management

ESG focus

- 54 ESG update
- 56 Environment
- 62 Social
- 76 Governance

Statutory reports

- 86 Management Discussion and Analysis
- 104 Business Responsibility Report
- 111 Directors’ Report
- 156 Corporate Governance Report
- 182 Risk Management Report

Financial statements

- 184 Standalone Financial Statements
- 238 Consolidated Financial Statements
- 291 IFRS Financial Statements

Global Presence and Notice

- 338 Global Presence
- 340 Notice of the Twenty Second Annual General Meeting

FY21 highlights

Financial

Revenue	EBITDA	Profit After Tax
INR 79,678 Million	INR 16,567 Million	INR 11,105 Million
↑ 2.6%	↑ 52.0%	↑ 76.0%

Environment

Energy consumption	Water consumption	Waste recycled
15.7 kWh in Million	38,881 KL	94.6%

Social

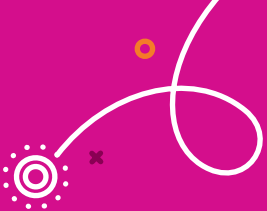
Average training hours per Mindtree Minds	CSR spend	New customers added
113 Hours	INR 80 Million	26

Governance

Independent Directors on Board	Average attendance rate in Board meeting	Median Director age
50%	97%	63 years

- A robust pipeline with a good mix of annuity deals
- A recalibrated 4X4X4 vision to build deeper strategic relationships, ensure seamless delivery and strengthen capabilities
- Healthy order book of USD 1,382 Million with a growth of 12.3%
- Full year dividend of INR 25 per share [compared to INR 13 per share in FY20]

↑ Y-o-Y growth



Digital transformation today is key to retaining the competitive edge in a hyper-connected world, the guarantor of improved business outcomes and sustained customer value. Those who adapt to this necessary disruption stand out as winners!

At Mindtree, we pride ourselves on being a trusted partner to our customers who can bring to their businesses a comprehensive tech advantage. With our digital expertise, omnichannel approach and deep industry knowledge, we enable them to leverage the right technologies and processes at the right stage in their digital transformation journey.

We help businesses succeed in the digital age by setting up systems that help them to analyze, reimagine and transform.

Analyze.

Intelligent processing of data across all key touchpoints through various channels in real time, collating and organizing it.

PG.28

Reimagine.


Process big data thus obtained using advanced intelligent technologies, such as Artificial Intelligence and Machine Learning, to draw out actionable insights that feed into organization strategy, and over time, provide business intelligence.

PG.32

Transform.

Enable implementation of key responses across digital channels through tailored technological solutions. These include intelligent self-optimizing tools and platforms which help businesses understand better the impact of their strategy and recast it in time.

PG.36



Visit our
Online Integrated Annual
Report 2020-21
Download the Report

About our Integrated Annual Report

Our FY21 Integrated Annual Report provides relevant information to our shareholders and other stakeholders about performance, governance, material risks and opportunities, strategy and future prospects of Mindtree Limited (Mindtree).

Scope of reporting

Reporting period







The report, published annually, provides material information relating to the Company's strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance from April 1, 2020 to March 31, 2021.

Financial and non-financial reporting

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Our capitals

All organizations depend on various forms of capital for their value creation. Our ability to create long-term value is interrelated and fundamentally dependent on various forms of capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

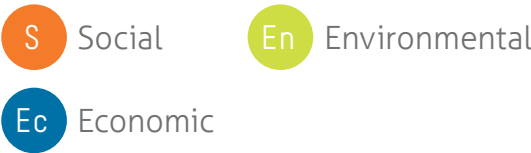
-  Financial Capital
-  Manufactured Capital
-  Human Capital
-  Social and Relationship Capital
-  Intellectual Capital
-  Natural Capital

Reporting boundary

This report covers information on Indian and international operations of Mindtree. It also includes its subsidiaries – Mindtree Software (Shanghai) Co. Ltd. (China) and Bluefin Solutions Sdn Bhd. (Malaysia), collectively referred to as 'the Group'.







Materiality

Mindtree's FY21 Integrated Annual Report focuses on information that is material to its business. It provides a concise overview of the Company's performance, prospects and ability to provide sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been taken into account and all material information has been included in this report.



Stakeholders

Our relationships with our stakeholders play a key role in our efficiency to deliver integrated business solutions to our customers.

-  Employees
-  Partners and suppliers
-  Investors and shareholders
-  Regulatory and public policy makers
-  Customers
-  Communities and NGOs

Report alignment

This report aligns with the principles and guidelines of the:

- International <IR> framework of the International Integrated Reporting Council (IIRC)
 - United Nations Sustainable Development Goals (UNSDGs)
 - United Nations Global Compact Principles (UNGC)
 - National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of business (NVG-SEE)
- The Companies Act, 2013 (and the rules made thereunder)
 - Indian Accounting Standards and International Financial Reporting Standards
 - Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - Secretarial Standards issued by the Institute of Company Secretaries of India

Sustainability/ESG indices

We are proud to have our efforts in sustainable development recognized by industry-leading rating and ranking agencies.

- Attained global leadership league as A- top performer in the 2020 Climate Change ranking by Carbon Disclosure Project (CDP)



Board responsibility statement

The Board of Directors acknowledges its responsibilities to ensure the integrity of this Integrated Annual Report. The Board has, accordingly, applied its collective mind and believes the report addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner.

Forward-looking statements

Certain statements in this document constitute 'forward-looking statements', which involve known and unknown risks and opportunities, other uncertainties, and important factors that could turn out to be materially different following the publication of actual results.

These forward-looking statements speak only as of the date of this document. The Company undertakes no obligation to update publicly, or release any revisions, to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events.

Supporting the UNSDGs



PG.55

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. The conditions caused by the COVID-19 pandemic could decrease customer's technology spending, affecting demand for our services, delaying prospective customers' purchasing decisions, and impacting our ability to provide on-site consulting services; all of which could adversely affect our future revenue, margin and overall financial performance. Our operations may also be negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

Propelling digitization. Enabling solutions.



Using our expertise in digital, and leveraging advanced analytics and cognitive technologies, we are helping our customers prepare for a new era of business in a hyper-automated world.

Mindtree is a digital transformation and technology services company, helping clients from ideation to execution. A Larsen and Toubro Group Company, it has more than 23,000 employees around the globe. We offer services in the areas of analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, independent testing, infrastructure management services, mobility, product engineering, and SAP services, amongst others. We have 270 enterprise clients and 42 offices in 24 countries. For more than two decades, we have helped global enterprises marry scale with agility to achieve a competitive advantage across industry verticals.



Mission

We engineer meaningful technology solutions to help businesses and societies flourish.

Values

Collaborative Spirit

Mindtree believes in developing true partnerships. We foster a collegial environment where individual perspectives are respected and honest dialogue is expected.

Expert Thinking

Mindtree brings robust skills and forward-looking perspectives to solve customer challenges. We use proven knowledge to make recommendations and provide expert guidance to our clients.

Unrelenting Dedication

Mindtree is driven to meet client needs with determination and grit. We embrace tough challenges and do not rest until the problem is solved, the right way.

Key differentiators

Born digital

technology company set up 21+ years ago

Strategic partner

for transformation journeys across the digital value chain

Global footprint

with presence across 24 countries enables us to be closer to our customers and their businesses

Strong learning culture

powered by internal and external platforms

Committed management team

strongly aligned with stakeholders' interests

Responsible corporate citizen and a trusted partner

providing technology solutions to help business and societies flourish

Key facts

Strong deal wins

USD 1,382 Million

Active clients

270

Strong partnerships and alliances

35

Strategy

Mindtree has outlined a 4x4x4 strategy. The strategy focuses on four industry groups, four service lines, and four geographies aimed at growth, building existing strengths and developing strategic partnerships.

 **PG.44**

About Larsen & Toubro Group

Larsen & Toubro is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business for eight decades.



Total revenue

USD 19 Billion

Total assets

USD 43 Billion

Years of experience

80+

Presence

50+ countries

Staying committed for the long term

We aim to create value for a broad range of stakeholders in a sustainable way. Our resilience and empathy are manifest in our ability to serve our customers without interruption, empower our employees to quickly adjust to remote working and provide much-needed relief to our communities in a time of crisis.

Maximizing shareholder value

Order book growth

12.3%

INR Revenue growth

2.6%

PG.16

Expansion across EBITDA, EBIT and PAT

Balanced growth across industry, geography and service lines

Robust client delivery

Strengthened long-standing relationship with marquee clients

No billing loss or drop in service quality

Highest ever customer satisfaction rating

6.05/7

PG.74

Seamless operations

Early malware detection and response capability

People focus

Mindtree Minds reported increased productivity

61%

Attrition rate decreased from 17.4% in FY20 to 12.1% in FY21

PG.64

Hours spent by Mindtree Minds on learning

1 Million+

Stakeholders

Supporting the communities

Beneficiaries of CSR projects

18,087

Projects

9

PG.71

Livelihood opportunities created

979

Strong long-term relationships with partners and suppliers

Supplier satisfaction score

4.72

PG.75

Strategic and consulting partnerships with some of the leading enterprise-level product companies

Caring for the planet

Environmental spend

INR 3,069,772

Waste recycled

94.6%

PG.56

Introduced Gladius, AI-based tech platform for real time monitoring of resource consumption in a phased manner

Providing customized solutions by leveraging technology

As a digital transformation leader, we develop innovative strategies and solutions to ensure our clients gain competitive advantage in a dynamic world.

Mindtree Consulting

At Mindtree Consulting, we deliver on the promise of being the preferred business transformation partner to our clients through a perfect blend of strategy, business, design and technology.

With our advisory and consulting expertise, we help accelerate business and technology transformation and drive growth by solving complex business problems swiftly, via a design-centric, agile, and platform-driven approach. We help our clients tackle the present and focus on what’s next through experience-led product and service innovations. We deliver outcomes by combining our service expertise with our best-in-class consulting capabilities.

Capabilities

- Business model transformation
- Experience transformation
- Value chain transformation
- Tech ecosystem transformation
- Talent transformation



Customer Success

We deliver insightful digital experiences in an agile, secure, and resilient fashion. Our deep-rooted digital engineering expertise and fluency with AI-based tools enable us to scale at non-linear costs. With our application of analytics and cutting-edge technologies, we help leading brands enhance customer experience, and go-to-market with the right offerings, to the right set of audience, at the right time.

Capabilities

- Experience design and innovation
- Digital marketing and e-commerce
- Salesforce
- Experience channels
- Immersive and cognitive experiences
- Digital integration and process automation
- Product engineering

Cloud

We partner with customers in their cloud transformation journey. We help customers evaluate their existing technology landscape, establish the end-state view, move to cloud, operate efficiently and unlock value using Application Programming Interfaces (APIs) and cloud native development. The underlying objective is to make IT steadfast, secure, cost-effective, adaptive and outcome-driven.

Capabilities

- Cloud advisory services
- Cloud migration and modernization
- Cloud operations and management
- Cloud native application development



Data and Intelligence

With an optimal mix of AI and human intelligence, we provide analytical solutions that convert data into actionable insights. We help our clients implement and realize the right data strategy to drive improved business outcomes. From conceptualizing data strategy, to identifying the right use cases for AI and analytics and implementing appropriate data architecture – we provide end-to-end data services and help deliver value.

Capabilities

- Data modernization
- Data operations and management
- Insights and action
- Internet of Things (IoT)

Enterprise IT

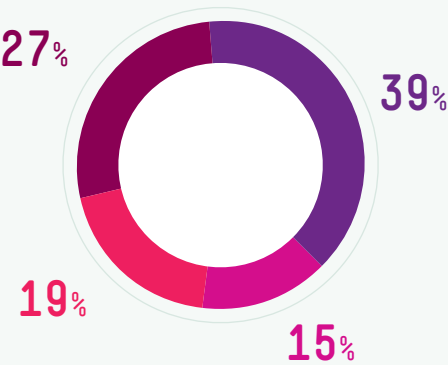
At the center of our Enterprise IT service line lies the determination to enable clients to transform their technology ecosystem. We aim to deliver zero cost transformations in a steady manner while deploying new-age monitoring and support systems. This is possible through our intelligent platforms that automate the entire IT service delivery lifecycle.

Capabilities

- Hyper-automated infrastructure and applications
- Digital security
- Application portfolio transformation
- Quality engineering
- Accelerated DevSecOps
- Packaged enterprise services
- Product IT transformation



Revenue distribution by service line



Helping our customers realize their digital ambitions

We support the digital transformation of our customers across business sectors including banking, capital markets, insurance, media & entertainment, technology, education, retail, consumer packaged goods, manufacturing, health, travel, hospitality and logistics.

Communications, Media and Technology (CMT)

Enabling digital at scale

We help our Communications, Media and Technology clients to accelerate their revenue growth, optimize costs and proactively manage risks, in an increasingly Digital world.

We enable communications equipment makers and service providers to modernize their 4G products and accelerate the rollouts of their 5G networks and IoT solutions.

We assist Media & Entertainment companies as well as educational institutions to digitize their content supply chains and scale their Direct-to-Consumer (DTC) platforms.

We help the world's largest technology companies to engineer great products, provide intuitive client experiences by leveraging AI and ML, scale fast using the world's best cloud platforms, and provide exceptional product support to their clients.

Retail, CPG and Manufacturing (RCM)

Accelerate consumer intimacy, connect edge to experience

We are the partner of choice of leading retailers and consumer goods firms when it comes to building nimble, adaptable, reliable cloud native services to help brands deliver curated, relevant and personalized experiences across B2C, B2B and B2B2C journeys. We have distinct capabilities to help design experiences, engineer the platform to increase reach and enable conversions for the brands. Leveraging AI/ML, we industrialize creation of insights and help brands monetize their data by delivering personalized campaigns and offers and thereby increase the lifetime value of the customer.

With the Factory 4.0 framework, we help traditional production facilities to morph into smart factories with digitally orchestrated shop floors. We also help our manufacturing customers to pivot their business models from selling discrete products (CapEx) to differentiated services (OpEx).

Banking, Financial Services and Insurance (BFSI)

Accelerate core transformation and redefine experiences

Mindtree is the right-size partner helping banking, capital markets firms and insurers transform through a set of strong domain and technology capabilities.

We are a partner of choice for large and mid-sized firms in the industry, leading through innovation within our client's digital and technology ecosystem, digital-first with a team of future-ready minds that enable them to efficiently scale and grow their business.

Backed by the industry leading technology and domain partnerships, we have the ability to bring the best of the larger partner ecosystem. Mindtree has pointed industry offerings to solve business challenges for our clients within Banking, Financial Services and Insurance. Through our offerings, we help organizations optimize performance, engage clients better, enable decisioning with better insights, and reduce overall risk & complexity.

Travel and Hospitality (TH)

Enable contactless experiences, redefine customer experience

Delivering exceptional and differentiated services that can significantly influence loyalty of a passenger or guest, which is a key attribute in the travel and hospitality industry. We deliver digital transformation and technology solutions impacting the core services for clients. These solutions enable them to provide satisfying customer experience while driving revenue and efficiencies. Through our deep domain expertise and technical capabilities in digital, IoT, infrastructure, supply chain and logistics management, we touch every aspect of the transportation and logistics business, delivering high value for our customers.

50%

21%

20%

9%

Revenue distribution by industry

Accelerating digital transformation globally

Our presence in 24 countries enables us to facilitate and develop digital solutions across industries and functions and be closer to our customers and their businesses.



Of milestones, recognition and progress

2020

April

- Recognized as Leader in ISG Provider Lens™ Quadrant Report on Salesforce Ecosystem Partners 2020 (US & Germany)



July

- Named Leader in ISG Provider Lens Archetype Report on Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions



- Partnered with Husqvarna Group to drive digital transformation
- Mindtree case study 'Delivering on the Promise of Data' included in ISG's Top 25 digital case studies book
- Named Leader in the ISG Provider Lens™ Report 2020 on SAP HANA and Leonardo Ecosystem Partners (US)

August

- Named Leader in three categories in the ISG Provider Lens™ Report on SAP HANA and Leonardo Ecosystem Partners (UK)

September

- Collaborated with Mölnlycke for Enterprise application and cloud transformation journey
- Mindtree and research firm Everest Group worked in partnership with leading CXOs from multiple industries through a series of roundtables — 'Possibilities Forums' — to identify and share best practices to most effectively navigate business challenges created by COVID-19 pandemic
- Recognized as an Expert Managed Service Provider for Microsoft Azure

November

- Named leader in ISG Provider Lens™ Public Cloud – Solutions and Services for Midmarket 2020



- Partnered with the Nordex Group to drive forward the company's digital transformation journey
- Honored with the title of IT Pride of Karnataka – 2019-20 by STPI IT Export Awards, granted by STPI (Software Technology Parks of India) of Karnataka

December

- Named Leader in ISG Provider Lens™ – Digital Business Solutions and Service Partners 2020 – Australia



- Recognized as a winner in SHRM HR Excellence Awards 2020 under Excellence in HR Analytics Award category



- Partnered with Databricks to offer advanced, cloud-based data intelligence
- Won place amongst global leadership league in Climate Disclosure Project 2020 Climate Change world ranking
- Accelerated cloud business through Global Microsoft Azure Experience Center and New Skills Academy

2021

January

- Named Leader in ISG Provider Lens™ for Next-gen Application Development & Maintenance (ADM) Services (US) 2020
- Helped Aflac to simplify claims experience for customers



February

- Won two awards at the People First ACE Awards 2020 presented by the National HRD Network



- Achieved Google Cloud Partner specialization in application development

March

- Named 'Best Employer for Women' by The Associated Chambers of Commerce and Industry of India (ASSOCHAM)



- Partnered with Knauf to drive its IT transformation initiatives
- Named winner at BW HR Excellence Award for outstanding contribution to the HR industry
- Won the Golden Peacock award for Corporate Social Responsibility from the Institute of Directors



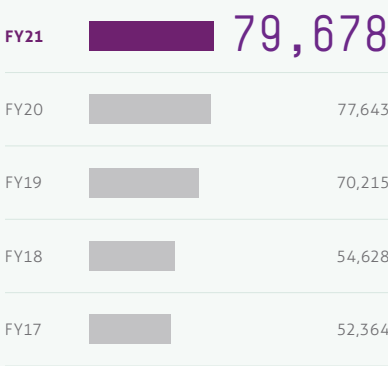
Driving growth with consistency and conviction

Despite a turbulent and challenging year, we ensured business continuity and delivered enhanced value for our customers.

This was possible because we acted quickly and decisively during the pandemic, protecting our people, taking strategic decisions and securing consistent performance across our business streams. The year witnessed strong order book with successful employee retention and skilling programmes. With a refurbished strategy, our tested business model and rigorous approach to risk management, we are prepared to make the most of the opportunities that lie before us.

Profit and loss metrics

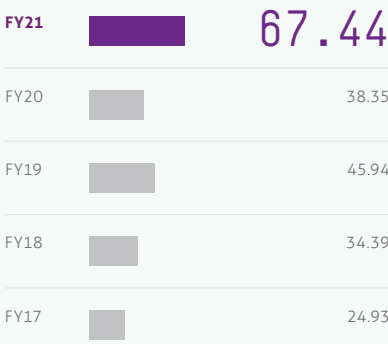
Revenue (INR in Million)



↑11.1%

Revenue for FY21 stood at INR 79,678 Million up 2.6% demonstrating stability even during the COVID-19 pandemic

EPS (Basic) (INR)

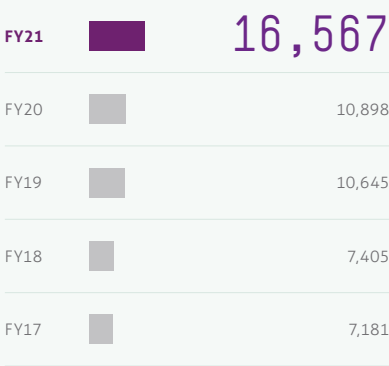


↑28.2%

EPS increased by 75.9% due to cost optimization measures, innovative service delivery models and operational efficiencies, despite COVID-19 disruptions

↑ CAGR

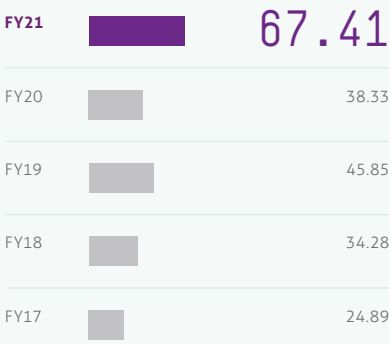
EBITDA (INR in Million)



↑23.2%

EBITDA grew by 52.0% on account of prudent cost management initiatives

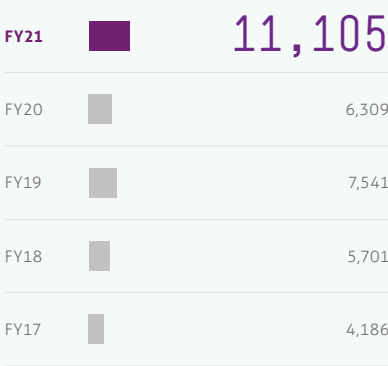
EPS (Diluted) (INR)



↑28.3%

Our diluted EPS increased by 75.9% due to cost optimization measures, innovative service delivery models and operational efficiencies, despite COVID-19 disruptions

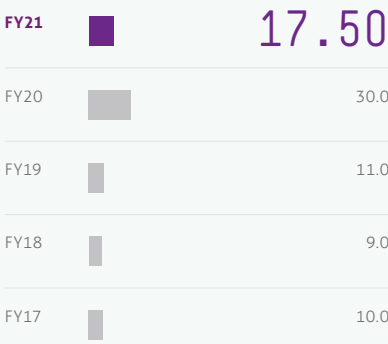
Net profit (INR in Million)



↑27.6%

Net profit showed a growth of 76.0% driven by cost optimization measures, innovative service delivery models and operational efficiencies

Dividend per share (INR)



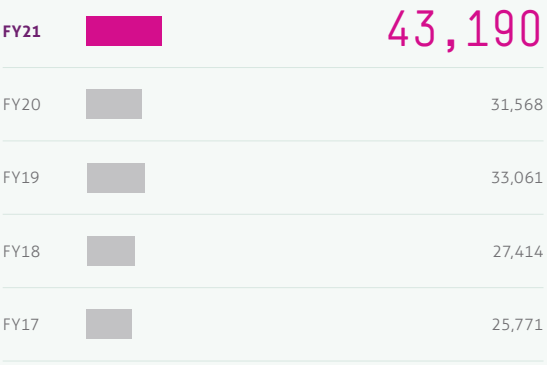
↑15.0%

Dividend recognized and paid is INR 17.5 per share despite COVID-19 interruptions, reinforcing our commitment to enhance shareholder value



Balance sheet metrics

Net worth (INR in Million)

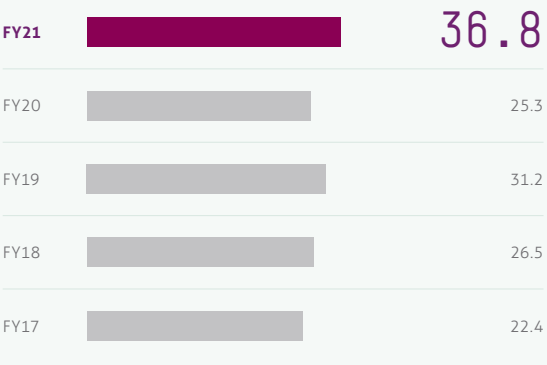


↑13.8%

Net worth increased by 36.8% from INR 31,568 Million in FY20 to INR 43,190 Million in FY21 reinforcing our commitment to enhance shareholder value

Ratios

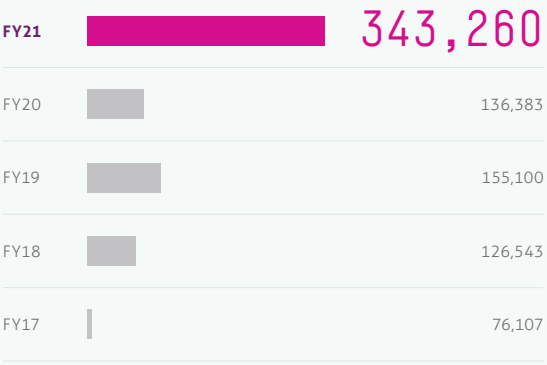
Return on capital employed (%)



Return on capital employed increased to 36.8% due to increase in profitability and efficient usage of capital

↑ CAGR

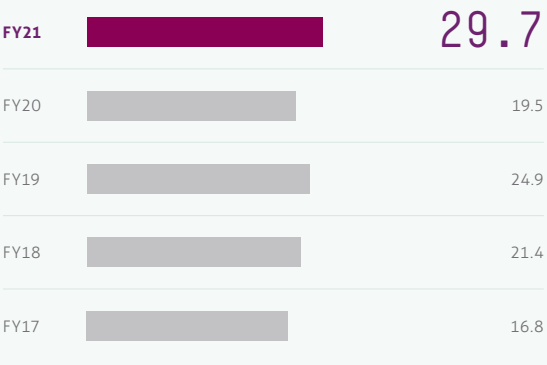
Market capitalization (INR in Million)



↑45.7%

Market capitalization increased by 151.7% from INR 136,383 Million on March 31, 2020 to INR 343,260 Million on March 31, 2021 due to rise in share price, underlying strong transformational capabilities in solving complex business problems of our clients and consequently resulting in industry leading profitable growth

Return on equity (%)



Return on equity increased to 29.7% due to increase in profitability and efficient usage of capital