

Mindtree Limited
Consolidated balance sheet

	Note	As at September 30, 2015	Rs in million As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	838	837
Reserves and surplus	3.1.2	21,593	19,287
		22,431	20,124
Share application money pending allotment	3.1.1 (g)	4	4
Non-current liabilities			
Long-term borrowings	3.2.1	18	23
Other long-term liabilities	3.2.2	761	334
		779	357
Current liabilities			
Trade payables		250	536
Other current liabilities	3.3.1	4,228	3,465
Short-term provisions	3.3.2	1,863	2,063
		6,341	6,064
		29,555	26,549
ASSETS			
Non-current assets			
Goodwill on consolidation		5,063	922
Fixed assets			
Tangible assets	3.4.1	5,042	4,513
Intangible assets	3.4.1	102	120
Capital work-in-progress		43	354
Non-current investments	3.4.2	158	8
Deferred tax assets (net)	3.4.3	518	449
Long-term loans and advances	3.4.4	1,679	1,640
Other non-current assets	3.4.5	17	17
		12,622	8,023
Current assets			
Current investments	3.5.1	2,710	5,343
Trade receivables	3.5.2	9,220	6,963
Cash and bank balances	3.5.3	2,124	3,763
Short-term loans and advances	3.5.4	1,232	1,451
Other current assets	3.5.5	1,647	1,006
		16,933	18,526
		29,555	26,549
Significant accounting policies and notes to the accounts	2 & 3		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration Number: 008072S

For **Mindtree Limited**

V. Balaji

Partner

Membership Number: 203685

Subroto Bagchi

Chairman

N. Krishnakumar

CEO & Managing Director

Jagannathan Chakravarthi

Chief Financial Officer

Vedavalli Sridharan

Company Secretary

Place: Bengaluru

Date : October 15, 2015

Place: Bengaluru

Date : October 15, 2015

Mindtree Limited
Consolidated statement of profit and loss

Particulars	Note	Rs in million, except share and per share data		For the six months ended	
		For the quarter ended		September 30, 2014	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue from operations		11,693	8,886	21,509	17,321
Other income	3.6	195	241	564	451
Total revenues		11,888	9,127	22,073	17,772
Expense:					
Employee benefits expense	3.7	6,868	5,193	12,580	10,050
Finance costs	3.7	2	-	2	-
Depreciation and amortisation expense	3.4.1	317	235	639	463
Other expenses	3.7	2,661	1,938	5,031	3,831
Total expenses		9,848	7,366	18,252	14,344
Profit before tax		2,040	1,761	3,821	3,428
Tax expense:	3.4.3				
Current tax		496	437	926	827
Deferred tax		(38)	(50)	(69)	(67)
Profit for the period		1,582	1,374	2,964	2,668
Earnings per equity share	3.12				
Equity shares of par value Rs 10/- each					
Basic		18.87	16.43	35.38	31.94
Diluted		18.82	16.36	35.27	31.79
Weighted average number of equity shares used in computing earnings per share					
Basic		83,801,509	83,597,764	83,776,665	83,541,410
Diluted		84,047,302	83,999,868	84,033,290	83,940,776

Significant accounting policies and notes to the accounts 2 & 3

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration Number: 008072S

For **Mindtree Limited**

V. Balaji
Partner
Membership Number: 203685

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : October 15, 2015

Place: Bangalore
Date : October 15, 2015

Mindtree Limited
Consolidated cash flow statement

	Rs in million	
	For the six months ended September 30,	
	2015	2014
Cash flow from operating activities		
Profit before tax	3,821	3,428
Adjustments for :		
Depreciation and amortisation	639	463
Amortization of stock compensation cost	42	95
Interest expense	2	-
Interest / dividend income	(172)	(103)
Profit on sale of fixed assets	(11)	(6)
Profit on sale of investments	(108)	(99)
Exchange difference on derivatives	24	7
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(18)	(8)
Operating profit before working capital changes	4,219	3,777
Changes in trade receivables	(1,577)	(1,237)
Changes in loans and advances and other assets	(24)	375
Changes in liabilities and provisions	(132)	237
Net cash provided by operating activities before taxes	2,486	3,152
Income taxes paid	(955)	(678)
Net cash provided by operating activities	1,531	2,474
Cash flow from investing activities		
Purchase of fixed assets	(819)	(968)
Proceeds from sale of fixed assets	18	6
Investment in subsidiaries	(3,886)	-
Interest/ dividend received from investments	170	103
Purchase of investments	(5,348)	(4,609)
Sale/maturities of investments	7,938	4,427
Net cash used in investing activities	(1,927)	(1,041)
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	18	54
Interest paid on loans	(2)	(1)
Repayment of borrowings	(4)	(4)
Dividends paid (including distribution tax)	(1,310)	(733)
Net cash used in financing activities	(1,298)	(684)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	17	8
Net increase in cash and cash equivalents	(1,677)	757
Opening cash balance in Bluefin Solutions limited (Refer note 3.15)	15	-
Opening cash balance in Relational Solutions Inc (Refer note 3.16)	23	-
Cash and cash equivalents at the beginning of the period	3,763	1,184
Cash and cash equivalents at the end of the period (Refer note 3.5.3)	2,124	1,941

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration Number: 008072S

For **Mindtree Limited**

V. Balaji

Partner

Membership Number: 203685

Subroto Bagchi

Chairman

N. Krishnakumar

CEO & Managing Director

Jagannathan Chakravarthi

Chief Financial Officer

Vedavalli Sridharan

Company Secretary

Place: Bengaluru

Date : October 15, 2015

Place: Bengaluru

Date : October 15, 2015

Mindtree Limited**Significant accounting policies and notes to the accounts****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****1. Background**

Mindtree Limited ('Mindtree' or 'the Company') together with its subsidiaries Mindtree Software (Shanghai) Co. Ltd, Discoverture Solutions L.L.C., Discoverture Solutions U.L.C., Discoverture Solutions Europe Limited, Bluefin Solutions Limited, Bluefin Solutions Inc., Bluefin Solutions Sdn Bhd, Blouvin (Pty) Limited, Bluefin Solutions Pte Ltd and Relational Solutions Inc., collectively referred to as 'the Group' is an international Information Technology consulting and implementation Group that delivers business solutions through global software development. The Group is structured into five verticals –Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS), Travel and Hospitality (TH) and Others. The Group offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business's, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Group is head quartered in Bengaluru and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France, Ireland, South Africa and Republic of China.

2. Significant accounting policies**2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI).

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****2.2 Principles of consolidation**

The consolidated financial statements include the financial statements of Mindtree and its subsidiaries as set out below.

Name of the subsidiary	Country of incorporation	Proportion of interest
Mindtree Software (Shanghai) Co. Ltd.	Republic of China	100%
Discoverture Solutions L.L.C.*	U.S.A.	100%
Discoverture Solutions U.L.C.*	Canada	100%
Discoverture Solutions Europe Limited*	U.K.	100%
Bluefin Solutions Limited**	U.K.	100%
Bluefin Solutions Inc.,**	U.S.A.	100%
Bluefin Solutions Sdn Bhd**	Malaysia	100%
Blouvin (Pty) Limited**	South Africa	100%
Bluefin Solutions Pte Ltd**	Singapore	100%
Relational Solutions Inc.,**	U.S.A.	100%

*Consolidated with effect from February 13, 2015.

**Consolidated with effect from July 16, 2015.

The financial statements of Mindtree and its wholly owned and controlled subsidiaries have been combined on a line-by-line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/ transactions and the resultant unrealized gain/loss from the date the parent company acquired control of those subsidiaries. The excess / deficit of cost to the Company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognised in the consolidated financial statements as goodwill / capital reserve. The parent Company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period are adjusted for the effects of significant transactions, up to the date of investment.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

2.3 Use of estimates

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the consolidated financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****2.4 Fixed assets and depreciation**

- 2.4.1 Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation. Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.
- 2.4.2 Acquired intangible assets are capitalised at the acquisition price. Internally generated intangible assets are recorded at cost that can be measured reliably during the development phase and when it is probable that future economic benefits that are attributable to the assets will flow to the Group.
- 2.4.3 Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.
- 2.4.4 Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances. The cost of the fixed asset not ready for its intended use on such date, is disclosed under capital work-in-progress.
- 2.4.5 Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Group. Depreciation for assets purchased/sold during a period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. The Group estimates the useful lives for fixed assets as follows:

Asset classification	Useful life
Buildings	5-30 years
Computer systems	2-3 years
Computer software	2 years
Test equipment	3 years
Furniture and fixtures	3-5 years
Electrical installations	3 years
Office equipment	3-4 years
Motor vehicles	4 years
Plant and machinery	4 years
Intellectual property	5 years

The Group believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

- 2.4.6 The cost of leasehold land is amortised over the period of the lease. Leasehold improvements and assets acquired on finance lease are amortised over the lease term or useful life, whichever is lower.

2.5 Investments

- 2.5.1 Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.
- 2.5.2 Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.
- 2.5.3 Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

2.6 Cash and cash equivalents

Cash and cash equivalents in the consolidated cash flow statement comprises cash in hand and balance in bank in current accounts and deposit accounts.

2.7 Consolidated cash flow statement

Cash flows are reported using the indirect method, whereby consolidated net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

2.8 Employee benefits

- 2.8.1 Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Group has an employees' gratuity fund managed by ICICI Prudential Life Insurance Company, SBI Life Insurance Company and Life Insurance Corporation of India. Actuarial gains and losses are charged to the consolidated statement of profit and loss.
- 2.8.2 Compensated absences are a long-term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Group accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.
- 2.8.3 Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the consolidated statement of profit and loss in the period in which the employee renders services.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****2.9 Revenue recognition**

2.9.1 The Group derives its revenues primarily from software services. Revenue from software development on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts is recognised using the proportionate completion method, which is determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract. Unbilled revenue represents cost and earnings in excess of billings while unearned revenue represents the billing in excess of cost and earnings. Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Maintenance revenue is recognised ratably over the period of the maintenance contract.

2.9.2 Provision for discounts is recognised on an accrual basis in accordance with contractual terms of agreements with customers. Revenues are stated net of discount.

2.9.3 Dividend income is recognised when the right to receive payment is established.

2.9.4 Interest income is recognised using the time proportion method, based on the transactional interest rates.

2.10 Foreign exchange transactions

2.10.1 The Group is exposed to foreign currency transactions including foreign currency revenues, receivables and borrowings. With a view to minimize the volatility arising from fluctuations in currency rates, the Group enters into foreign exchange forward contracts and other derivative instruments.

2.10.2 Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the consolidated statement of profit and loss for the period.

2.10.3 Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the consolidated statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

2.10.4 In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the consolidated statement of profit and loss are translated at the rates prevailing on the dates of the respective transactions. The differences arising out of the translation are recognised in the consolidated statement of profit and loss.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

- 2.10.5 In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the consolidated statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve.
- 2.10.6 Forward exchange contracts and other similar instruments that are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts and other similar instruments covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/fair value at the reporting date, or based on the spot exchange rate on the reporting date. For contracts recorded at the spot exchange rates, the premium or discount at the inception is amortised as income or expense over the life of the contract.
- 2.10.7 For forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecasted transactions, the Group has adopted Accounting Standard ('AS') 30, 'Financial Instruments: Recognition and Measurement' to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where Group has met all the conditions of cash flow hedge accounting, are fair valued at balance sheet date and the resultant exchange loss/(gain) is debited/credited to the hedge reserve until the transaction is completed. Other derivative instruments are recorded at fair value at the reporting date and the resultant exchange loss/ (gain) has been debited/ credited to consolidated statement of profit and loss.

2.11 Warranties

Warranty costs (i.e. post contract support services) are estimated by the management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of recognition of revenue.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****2.12 Provision and contingent liabilities**

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

2.13 Taxation

The current income tax charge is determined in accordance with the relevant tax regulations applicable to respective entities within the Group. Deferred tax charge or credit are recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognised in the period in which the timing difference originate. For this purpose the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain to be realised.

Minimum alternate tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the balance sheet if there is a convincing evidence that the Group will pay normal tax after the tax holiday period and the resultant assets can be measured reliably. MAT credit entitlement can be carried forward and utilized for a period of ten years from the period in which such credit is availed.

The entities within the Group offset, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****2.14 Earnings per share**

In determining earnings per share, the Group considers the consolidated net profit after tax and includes the post-tax effect of any extra-ordinary item. The number of equity shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the period. The number of equity shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.15 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset (including goodwill) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised. In respect of goodwill, impairment loss will be reversed only when it is caused by specific external events and their effects have been reversed by subsequent external events.

2.16 Employee stock based compensation

The Group measures the compensation cost relating to employee stock options, restricted shares and phantom stock options using the intrinsic value method. The compensation cost is amortised over the vesting/ service period.

2.17 Goodwill

Goodwill arising on consolidation/ acquisition of assets is not amortised. It is tested for impairment on a periodic basis and written off, if found impaired.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****2.18 Government grants**

Grants from the government are recognised when there is reasonable assurance that:

- (i) the Group will comply with the conditions attached to them; and
- (ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a nominal value.

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the quarter and six months ended September 30, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

3. Notes to the accounts

3.1 Shareholders' funds

3.1.1 Share capital

a)

Particulars	As at	As at
	September 30, 2015	March 31, 2015
Authorised		
800,000,000 (March 31, 2015 : 800,000,000) equity shares of Rs 10 each	8,000	8,000
Issued, subscribed and paid-up capital		
83,835,626 (March 31, 2015 : 83,732,372) equity shares of Rs 10 each fully paid	838	837
Total	838	837

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period is as given below:

Particulars	As at		As at	
	September 30, 2015		March 31, 2015	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the period	83,732,372	837	41,689,731	417
Add: Shares issued on exercise of employee stock options and restricted shares	103,254	1	276,980	2
Add: Bonus shares issued *	-	-	41,765,661	418
Number of shares outstanding at the end of the period	83,835,626	838	83,732,372	837

*Refer note 3.1.1 (e).

c) The Group has only one class of shares referred to as equity shares having a par value of Rs 10 each.

Each holder of the equity share, as reflected in the records of the Group as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

The Board of Directors at its meeting held on July 16, 2015 had recommended an interim dividend of 30% (Rs 3 per equity share of par value Rs 10/- each) for the quarter ended June 30, 2015. Further, the Board of Directors at its meeting held on October 15, 2015 have recommended an interim dividend of 40% (Rs 4 per equity share of par value Rs 10/- each) for the quarter ended September 30, 2015.

The Group declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the period is as given below:

Sr. No.	Name of the shareholder	As at September 30, 2015		As at March 31, 2015	
		Number of shares	%	Number of shares	%
1	Coffee Day Enterprises Limited	8,730,884	10.4%	8,730,884	10.4%
2	Nalanda India Fund Limited	7,898,178	9.4%	7,898,178	9.4%
3	Coffee Day Trading Limited	5,297,122	6.3%	5,297,122	6.3%

- e) In the period of five years immediately preceding September 30, 2015:
- The Group has allotted 41,765,661 fully paid up equity shares during the quarter ended June 30, 2014 pursuant to 1:1 bonus share issue approved by shareholders. Consequently, options/ units granted under the various employee share based plans are adjusted for bonus share issue.
 - The Group has not bought back any equity shares.
 - The Group has not allotted any equity shares as fully paid up without payment being received in cash.

f) Employee stock based compensation

The Group instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors ('the Board'). The Group has various stock option programs, a restricted stock purchase plan and a phantom stock options plan.

Program 1 [ESOP 1999]

This plan was terminated on September 30, 2001 and there are no options outstanding as at the reporting date.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)*****Program 2 [ESOP 2001]***

Options under this program have been granted to employees at an exercise price of Rs 50 per option (Rs. 25 per option post bonus issue). All stock options have a four-year vesting term and vest and become fully exercisable at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees who have joined on or after October 1, 2001 or have been issued employment offer letters on or after August 8, 2001 or options granted to existing employees with grant date on or after October 1, 2001. This plan was terminated on April 30, 2006. The contractual life of each option is 11 years after the date of grant.

Particulars	Quarter ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Outstanding options, beginning of the period	19,952	47,096*	23,072	54,777*
Granted during the period		-		-
Exercised during the period	5,736	11,428	7,952	17,605
Lapsed during the period	390	220	1,294	1,724
Forfeited during the period		-		-
Outstanding options, end of the period	13,826	35,448	13,826	35,448
Options vested and exercisable, end of the period	13,826	35,448	13,826	35,448

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Program 3 [ESOP 2006 (a)]

This plan was terminated on October 25, 2006 and there are no options outstanding as at the reporting dates.

Program 4 [ESOP 2006 (b)]

Options under this program are granted to employees at an exercise price periodically determined by the Nomination and remuneration Committee. All stock options have a four-year vesting term and vest and become fully exercisable at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees to whom the options are granted on or after October 25, 2006. The contractual life of each option is 5 years after the date of grant.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

Particulars	Quarter ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Outstanding options, beginning of the period	38,350	133,000*	74,000	213,750*
Granted during the period	-	-	-	-
Exercised during the period	23,350	15,000	59,000	48,000
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	47,750
Outstanding options, end of the period	15,000	118,000	15,000	118,000
Options vested and exercisable, end of the period	15,000	118,000	15,000	118,000

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Program 5 [ESOP 2008A]

Options under this program are granted to employees of erstwhile Aztecsoft Limited as per swap ratio of 2:11 as specified in the merger scheme. Each new option is entitled to 1 equity share of Rs 10 each.

Particulars	Quarter ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Outstanding options, beginning of the period	82,112	166,542*	83,076	168,295*
Granted during the period	-	-	-	-
Exercised during the period	5,944	23,760	6,908	25,513
Lapsed during the period	-	3,272	-	3,272
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	76,168	139,510	76,168	139,510
Options vested and exercisable, end of the period	76,168	139,510	76,168	139,510

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)*****Directors' Stock Option Plan, 2006 ('DSOP 2006')***

Options under this program have been granted to independent directors at an exercise price periodically determined by the Nomination and remuneration Committee. All stock options vest and become fully exercisable equally over three year vesting term at the end of 1, 2 and 3 years respectively from the date of the grant. Each option is entitled to 1 equity share of Rs 10 each. The contractual life of each option is 4 years after the date of the grant.

Particulars	Quarter ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Outstanding options, beginning of the period	40,000	40,000*	40,000	75,000*
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	35,000
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	40,000	40,000	40,000	40,000
Options vested and exercisable, end of the period	40,000	26,666	40,000	26,666

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Program 7 [ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received by the Group from the BSE and NSE for 1,135,000 equity shares of Rs 10 each. No options have been granted under the program as at September 30, 2015.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)*****Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')***

ERSP 2012 was instituted with effect from July 16, 2012 to issue equity shares of nominal value of Rs 10 each. Shares under this program are granted to employees at an exercise price of not less than Rs 10 per equity share or such higher price as determined by the Nomination and Remuneration Committee. Shares shall vest over such term as determined by the Nomination and Remuneration Committee not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

Particulars	Quarter ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Outstanding shares, beginning of the period	-	9,462	-	-
Granted during the period	34,352	28,248	34,352	62,078
Exercised during the period	29,394	37,710	29,394	62,078
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding shares, end of the period	4,958	-	4,958	-
Shares vested and exercisable, end of the period	4,958	-	4,958	-

The Group has also granted phantom stock options and letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the grant/issue as at September 30, 2015 are given below:

Particulars	Phantom stock options plan*	ERSP 2012 plan*
Total no. of units/ shares	765,000	230,000
Vested units/ shares	236,418	62,600
Lapsed units/ shares	31,332	8,300
Forfeited units/ shares	-	33,000
Cancelled units/ shares	497,250	-
Outstanding units/ shares as at the end of the period	-	126,100
Contractual life	2 years	4 years
Date of grant	18-Jul-13	18-Jul-13**
Price per share/ unit	Grant price of Rs 455	Exercise price of Rs 10**

*Adjusted for bonus issue. Refer note 3.1.1 (e).

**Based on Letter of Intent

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

The following table summarizes information about the weighted average exercise price of options/ shares exercised under various programs:

Particulars	Amount in Rs			
	Quarter ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014*
Program 2	25.00	25.00	25.00	33.77
Program 4	260.00	262.50	266.36	413.16
Program 5	239.25	223.39	239.25	220.38
DSOP 2006	-	-	-	560.00
ERSP 2012	10.00	10.00	10.00	10.00

*Exercise price is adjusted post bonus issue

The following tables summarize information about the options/ shares outstanding under various programs as at September 30, 2015 and March 31, 2015 respectively:

Particulars	As at September 30, 2015		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in Rs)
Program 2	13,826	0.90	25.00
Program 4	15,000	0.00	260.00
Program 5	76,168	1.83	212.99
DSOP 2006	40,000	0.60	278.00
ERSP 2012	4,958	0.00	10.00

Particulars	As at March 31, 2015		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in Rs)
Program 2	23,072	0.70	25.00
Program 4	74,000	0.32	265.07
Program 5	83,076	2.32	215.18
DSOP 2006	40,000	1.10	278.00

The Group has recorded compensation cost for all grants using the intrinsic value-based method of accounting, in line with prescribed SEBI guidelines.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

Had the compensation cost been determined according to the fair value approach described in the Guidance Note on “Accounting for employee share based payments” issued by ICAI, the Group’s net profit and EPS as reported would have been adjusted to the pro-forma amounts indicated below:

Particulars	Quarter ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Net profit as reported	1,582	1,374	2,964	2,668
Add: Stock-based employee compensation expense (intrinsic value method)	7	(2)	42	95
Less: Stock-based employee compensation expense (fair value method)	(7)	-	(42)	(84)
Pro forma net profit	1,582	1,372	2,964	2,679
Basic earnings per share as reported	18.87	16.43	35.38	31.94
Pro forma basic earnings per share	18.87	16.41	35.38	32.07
Diluted earnings per share as reported	18.82	16.36	35.27	31.79
Pro forma diluted earnings per share	18.82	16.33	35.27	31.92

- g) As at September 30, 2015, the Group had received Rs 4 towards allotment of 500, 15,000 and 4,958 equity shares at exercise prices of Rs 25 each, Rs 260 each and Rs 10 each respectively and it is shown under Share application money pending allotment. The Group expects to make the allotment during the quarter ending December 31, 2015. The Group has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money.

As at March 31, 2015, the Group had received Rs 4 towards allotment of 15,000 equity shares and 276 equity shares at exercise prices of Rs 285 each and Rs 25 each respectively and it was shown under Share application money pending allotment. The Group made the allotment for the 15,276 equity shares during the six months ended September 30, 2015.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.1.2 Reserves and surplus**

Particulars	As at September 30, 2015	As at March 31, 2015
<i>Capital reserve</i>		
Opening balance	87	87
	87	87
<i>Securities premium reserve</i>		
Opening balance	1,860	2,170
Additions during the period	30	108
Less: Amount utilised for bonus shares	-	(418)
	1,890	1,860
<i>General reserve</i>		
Opening balance	1,542	1,542
Add: Transfer from consolidated statement of profit and loss	-	-
	1,542	1,542
<i>Share option outstanding account</i>		
Opening balance	78	68
Additions during the period	5	10
	83	78
<i>Hedge reserve</i>		
Opening balance	-	49
Movement during the period	-	(49)
	-	-
<i>Foreign currency translation reserve*</i>		
Opening balance	-	-
Movement during the period	12	-
	12	-
<i>Surplus (Balance in the consolidated statement of profit and loss)</i>		
Opening balance	15,720	12,072
Add: Amount transferred from consolidated statement of profit and loss	2,964	5,363
Amount available for appropriations	18,684	17,435
Appropriations:		
Interim dividend	(587)	(586)
Final dividend	-	(838)
Dividend distribution tax	(118)	(291)
	17,979	15,720
Total	21,593	19,287

*Refer note 2.10.5

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.2 Non-current liabilities****3.2.1 Long-term borrowings**

Particulars	As at September 30, 2015	As at March 31, 2015
<i>(Unsecured)</i>		
Other loans	18	23
Total	18	23

Long-term borrowings represent the amount received from Council for Scientific and Industrial Research (CSIR) to develop a project under “Development of Intelligent Video Surveillance Server (IVSS) system”.

The loan is an unsecured loan carrying a simple interest of 3% p.a on the outstanding amount of loan. Repayment of loan is in 10 equal annual installments from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay.

There is no continuing default in the repayment of the principal loan and interest amounts.

3.2.2 Other long-term liabilities

Particulars	As at September 30, 2015	As at March 31, 2015
Other long-term liabilities	761	334
Total	761	334

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.3 Current liabilities****3.3.1 Other current liabilities**

Particulars	As at September 30, 2015	As at March 31, 2015
Current maturities of long-term debt*	5	5
Interest accrued but not due on borrowings	-	1
Unearned income	277	225
Unpaid dividends	6	5
Creditors for capital goods	145	218
Advances from customers	19	27
Employee related liabilities	1,030	1,477
Bank overdraft	8	155
Other liabilities**	2,738	1,352
Total	4,228	3,465

*The details of interest rates, repayment and other terms are disclosed under note 3.2.1.

**Includes derivative liability of Rs 23 (As at March 31, 2015: Rs 3).

As at September 30, 2015, the Group has outstanding forward contracts amounting to USD 40.5 million (As at March 31, 2015: USD 32 million), GBP 2.25 million (As at March 31, 2015: GBP 2.25 million) and Euro 4.5 million (As at March 31, 2015: Euro 4.5 million). These derivative instruments have been entered to hedge highly probable forecasted sales.

The above derivative instruments have been fair valued at the balance sheet date and resultant exchange loss of Rs 16 and Rs 24 for the quarter and six months ended September 30, 2015 (for the quarter and six months ended September 30, 2014: Exchange loss of Rs 17 and Rs 7 respectively) has been recorded in the consolidated statement of profit and loss.

3.3.2 Short-term provisions

Particulars	As at September 30, 2015	As at March 31, 2015
Provision for employee benefits		
- Gratuity	86	18
- Compensated absences	519	357
Provision for taxes, net of advance tax and tax deducted at source	283	239
Provision for discount	493	367
Dividend payable	335	837
Dividend distribution tax payable	68	172
Provision for foreseeable losses on contracts	-	-
Provision for post contract support services	6	5
Provision for disputed dues*	73	68
Total	1,863	2,063

*Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Group has preferred an appeal with the relevant authority. In respect of the provisions of AS 29, the disclosures required have not been provided in accordance with paragraph 72 of AS 29.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

The following table sets out the status of the gratuity plan as required under AS 15 - Employee Benefits.

Particulars	As at September 30, 2015	As at March 31, 2015
Change in projected benefit obligations		
Obligations at the beginning of the period	413	365
Service cost	43	81
Interest cost	15	29
Benefits settled	(24)	(55)
Actuarial (gain)/ loss	26	(7)
Obligations at end of the period	473	413
Change in plan assets		
Plan assets at the beginning of the period, at fair value	395	363
Expected return on plan assets	17	29
Actuarial gain/ (loss)	(1)	5
Contributions	-	53
Benefits settled	(24)	(55)
Plan assets at the end of the period, at fair value	387	395

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****Reconciliation of the present value of the obligation and the fair value of the plan assets**

Particulars	As at September 30	As at March 31,			
	2015	2015	2014	2013	2012
Fair value of plan assets at the end of the period	387	395	363	313	275
Present value of defined obligations at the end of the period	(473)	(413)	(365)	(324)	(276)
Asset/ (liability) recognised in the balance sheet	(86)	(18)	(2)	(11)	(1)

Particulars	For the quarter ended September 30,		For the six months ended September 30,	
	2015	2014	2015	2014
Gratuity cost				
Service cost	19	20	43	41
Interest cost	7	8	15	15
Expected return on plan assets	(8)	(7)	(17)	(14)
Actuarial (gain)/loss	73	(2)	27	(31)
Net gratuity cost	91	19	68	11
Actual return on plan assets	1	4	16	17
Assumptions				
Interest rate	7.80%	8.70%	7.80%	8.70%
Expected rate of return on plan assets	8.75%	8.00%	8.75%	8.00%
Salary increase	5.00%	6.00%	5.00%	6.00%
Attrition rate	14.23%	14.23%	14.23%	14.23%
Retirement age	60	60	60	60

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

The disclosure of provisions movement as required under the provisions of AS 29 is as follows:-

Provision for post contract support services

Particulars	For the quarter ended		For the six months ended		For the year ended
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
Balance at the beginning of the period	6	5	5	4	4
Provisions made during the period	-	-	1	1	2
Utilisations during the period	-	-	-	-	-
Released during the period	-	(1)	-	(1)	(1)
Provision at the end of the period	6	4	6	4	5

Provision for discount

Particulars	For the quarter ended		For the six months ended		For the year ended
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
Balance at the beginning of the period	432	364	367	270	270
Provisions made during the period	141	106	247	207	433
Utilisations during the period	(80)	(79)	(119)	(86)	(328)
Released during the period	-	(1)	(2)	(1)	(8)
Provision at the end of the period	493	390	493	390	367

Mindtree Limited

Significant accounting policies and notes to the accounts

For the quarter and six months ended September 30, 2015

(Rupees in millions, except share and per share data, unless otherwise stated)

3.4 Non-current assets

3.4.1 Fixed assets

Assets	Gross block						Accumulated depreciation						Net book value
	As at April 1, 2015	Additions on account of acquisition*	Additions during the period	Translation adjustment	Deletions during the period	As at September 30, 2015	As at April 1, 2015	Additions on account of acquisition*	For the period	Translation adjustment	Deletions during the period	As at September 30, 2015	As at September 30, 2015
Tangible assets													
Leasehold land	425	-	-	-	-	425	95	-	6	-	-	101	324
Buildings	3,621	-	382	-	14	3,989	1,105	-	108	-	6	1,207	2,782
Leasehold improvements	1,016	-	62	-	-	1,078	554	-	70	-	-	624	454
Computer systems	2,047	95	337	-	27	2,452	1,406	75	265	-	27	1,719	733
Test equipment	217	-	-	-	-	217	217	-	-	-	-	217	-
Furniture and fixtures	261	20	104	(1)	12	372	168	19	14	(1)	12	188	184
Electrical installations	521	-	62	-	1	582	319	-	52	-	1	370	212
Office equipment	734	14	140	-	11	877	496	14	51	-	11	550	327
Motor vehicles	29	-	-	-	-	29	5	-	5	-	-	10	19
Plant and machinery	8	-	-	-	-	8	1	-	-	-	-	1	7
Total (A)	8,879	129	1,087	(1)	65	10,029	4,366	108	571	(1)	57	4,987	5,042
Intangible assets													
Intellectual property	67	-	-	-	-	67	65	-	2	-	-	67	-
Computer Software	935	7	46	-	5	983	817	3	66	-	5	881	102
Total (B)	1,002	7	46	-	5	1,050	882	3	68	-	5	948	102
Total (A+B)	9,881	136	1,133	(1)	70	11,079	5,248	111	639	(1)	62	5,935	5,144

*Refer note 3.15 and 3.16

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the quarter and six months ended September 30, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)
3.4.1. Fixed assets (continued)

Assets	Gross block					Accumulated depreciation					Net book value
	As at April 1, 2014	Additions on account of acquisition*	Additions during the year	Deletions during the year	As at March 31, 2015	As at April 1, 2014	Additions on account of acquisition*	For the year	Deletions during the year	As at March 31, 2015	As at March 31, 2015
Tangible assets											
Leasehold land	425	-	-	-	425	83	-	12	-	95	330
Buildings	2,694	-	928	1	3,621	957	-	149	1	1,105	2,516
Leasehold improvements	819	-	197	-	1,016	428	-	126	-	554	462
Computer systems	1,570	10	569	102	2,047	1,085	6	416	101	1,406	641
Test equipment	218	-	-	1	217	217	-	1	1	217	-
Furniture and fixtures	191	4	71	5	261	157	2	14	5	168	93
Electrical installations	360	-	167	6	521	256	-	69	6	319	202
Office equipment	600	3	155	24	734	436	3	81	24	496	238
Motor vehicles	2	-	28	1	29	1	-	5	1	5	24
Plant and machinery	8	-	-	-	8	1	-	-	-	1	7
Total (A)	6,887	17	2,115	140	8,879	3,621	11	873	139	4,366	4,513
Intangible assets											
Intellectual property	67	-	-	-	67	52	-	13	-	65	2
Computer Software	892	14	94	65	935	737	13	132	65	817	118
Total (B)	959	14	94	65	1,002	789	13	145	65	882	120
Total (A+B)	7,846	31	2,209	205	9,881	4,410	24	1,018	204	5,248	4,633

*Refer note 3.14

Mindtree Limited**Significant accounting policies and notes to the accounts****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.4.2 Non-current investments**

Particulars	As at September 30, 2015	As at March 31, 2015
Investment in non-convertible bonds (quoted)	150	-
Trade investments (unquoted)		
- Investment in equity instruments	2	2
- Investment in preference shares	7	7
Less: Provision for diminution in value of investments	(1)	(1)
Total	158	8
Aggregate amount of quoted investments	150	-
Aggregate market value of quoted investments	150	-
Aggregate amount of unquoted investments	9	9

Details of investment in non-convertible bonds are as given below:

Particulars	As at September 30, 2015	As at March 31, 2015
50 secured redeemable non-convertible bonds of Rs 1 million in the nature of promissory notes in PNB Housing Finance Limited	50	-
50 secured redeemable non-convertible debentures of Rs 1 million in Kotak Mahindra Prime Limited	50	-
50 secured redeemable non-convertible debentures of Rs 1 million in Kotak Mahindra Investments Limited	50	-
Total	150	-

Details of investment in equity instruments are as given below:

Particulars	As at September 30, 2015	As at March 31, 2015
2,400 (previous year: 2,400) equity shares in Career Community.com Limited	1	1
12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited	-	-
950,000 (previous year: 950,000) equity shares of Rs 1 each in NuvePro Technologies Private Limited	1	1
Total	2	2

Details of investment in preference shares are as given below:

Particulars	As at September 30, 2015	As at March 31, 2015
643,790 (previous year: 643,790) Series A Convertible Preferred Stock at US\$ 0.0001 each fully paid at premium of US \$ 0.2557 each in 30 Second Software Inc	7	7
Total	7	7

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.4.3 Taxes**

Particulars	For the quarter ended September 30,		For the six months ended September 30,	
	2015	2014	2015	2014
Tax expense				
Current tax	496	437	926	827
Deferred tax	(38)	(50)	(69)	(67)
Total	458	387	857	760

The Group has units at Bengaluru, Hyderabad, Chennai and Bhubaneswar registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

The Group also has STPI units at Bengaluru and Pune which are registered as a 100 percent Export Oriented Unit, which were earlier entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961.

Deferred tax assets (net):

Deferred tax assets included in the balance sheet comprises the following:

Particulars	As at	As at
	September 30, 2015	March 31, 2015
Excess of depreciation as per books over depreciation allowed under Income Tax Act, 1961	202	205
Provision for doubtful debts	23	16
Provision for compensated absence	150	117
Provision for volume discount	50	39
Others	93	72
Total deferred tax assets	518	449

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.4.4 Long-term loans and advances**

Particulars	As at September 30, 2015	As at March 31, 2015
<i>(Unsecured, considered good)</i>		
Capital advances	34	107
Security deposits*	562	547
Advance tax and tax deducted at source, net of provision for taxes	937	834
MAT credit entitlement	110	110
Other loans and advances	36	42
Total	1,679	1,640

*Refer note 3.10 for related party balances.

3.4.5 Other non-current assets

Particulars	As at September 30, 2015	As at March 31, 2015
<i>(Unsecured considered good)</i>		
Other non-current assets	17	17
Total	17	17

3.5 Current assets**3.5.1 Current investments**

Particulars	As at September 30, 2015	As at March 31, 2015
Investment in mutual funds (quoted)	2,260	4,643
Term deposits (unquoted)	450	700
Total	2,710	5,343
Aggregate carrying amount of quoted investments	2,260	4,643
Aggregate market value of quoted investments	2,381	4,790
Aggregate amount of unquoted investments	450	700

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

Details of investment in mutual funds are as given below:

Particulars	As at September 30, 2015		As at March 31, 2015	
	<i>No of units</i>	<i>Amount</i>	<i>No of units</i>	<i>Amount</i>
ICICI Prudential Mutual Fund	17,401,890	296	28,722,324	472
IDFC Mutual Fund	23,436,982	266	37,530,726	433
UTI Mutual Fund	3,525,007	128	13,456,138	158
Franklin Templeton Mutual Fund	71,610	150	11,695,643	290
DSP Blackrock Mutual Fund	70,122	70	14,790,537	351
Birla Sun Life Mutual Fund	7,035,302	126	20,007,295	454
Reliance Mutual Fund	17,651,564	303	23,725,772	428
Tata Mutual Fund	20,974,983	321	36,229,022	422
DWS Mutual Fund	-	-	4,483,697	45
SBI Mutual Fund	5,767,669	258	13,787,278	358
HDFC Mutual Fund	3,635,659	178	27,872,023	424
Axis Mutual Fund	-	-	100,840	104
Bank of India AXA Mutual Fund	10,000,000	100	10,000,000	100
Kotak Mutual Fund	5,845,867	59	5,681,936	58
JP Morgan India Mutual Fund	544,020	5	16,989,901	189
L & T Mutual Fund	-	-	98,576	100
IDBI Mutual Fund	-	-	254,281	257
Total		2,260		4,643

Details of investments in term deposit are as given below:

Particulars	As at	As at
	September 30, 2015	March 31, 2015
HDFC Limited	300	700
IL&FS Limited	50	-
Bajaj Finance Limited	50	-
LIC Housing Finance Limited	50	-
Total	450	700

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.5.2 Trade receivables**

Particulars	As at September 30, 2015	As at March 31, 2015
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- considered good	16	62
- considered doubtful	105	75
Other debts		
- considered good	9,204	6,901
- considered doubtful	27	8
Less: Provision for doubtful debts	(132)	(83)
Total	9,220	6,963

3.5.3 Cash and bank balances

Particulars	As at September 30, 2015	As at March 31, 2015
Balances with banks in current and deposit accounts*	2,118	3,758
Cash on hand	-	-
Other bank balances**	6	5
Total	2,124	3,763

*The deposits maintained by the Group with banks comprises time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

**Other bank balances represent earmarked balances in respect of unpaid dividends.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.5.4 Short-term loans and advances**

Particulars	As at September 30, 2015	As at March 31, 2015
<i>(Unsecured, considered good)</i>		
Security deposits	80	143
MAT credit entitlement	30	36
Advances recoverable in cash or in kind or for value to be received*	1,141	1,292
Less: Provision for doubtful advances	(19)	(20)
Total	1,232	1,451

*Refer note 3.10 for related party balances. This also includes amounts pertaining to housing deposits, vehicles, medical emergencies, travel and salary advances given to employees to the extent of Rs 302 as at September 30, 2015. (As at March 31, 2015: Rs 287).

3.5.5 Other current assets

Particulars	As at September 30, 2015	As at March 31, 2015
Unbilled revenue	1,554	982
Other current assets*	93	24
Total	1,647	1,006

*Includes derivative asset of Rs 19 (As at March 31, 2015: Rs 24)

3.6 Other income

Particulars	For the quarter ended September 30,		For the six months ended September 30,	
	2015	2014	2015	2014
Interest income	59	18	123	31
Dividend income	9	41	49	72
Net gain on sale of investments	43	72	108	99
Foreign exchange gain	64	102	266	239
Adjustments to the carrying amount of investments	5	-	-	-
Other non-operating income	15	8	18	10
Total	195	241	564	451

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.7 Expenses**

Employee benefits expense	For the quarter ended September 30,		For the six months ended September 30,	
	2015	2014	2015	2014
Salaries and wages	6,172	4,728	11,357	9,106
Contribution to provident and other funds	649	424	1,105	770
Expense on employee stock based compensation*	7	(2)	42	95
Staff welfare expenses	40	43	76	79
Total	6,868	5,193	12,580	10,050
Finance costs	For the quarter ended September 30,		For the six months ended September 30,	
	2015	2014	2015	2014
Interest expense	2	-	2	-
Total	2	-	2	-
Other expenses	For the quarter ended September 30,		For the six months ended September 30,	
	2015	2014	2015	2014
Travel expenses	541	402	1,179	917
Communication expenses	157	111	288	199
Sub-contractor charges	782	527	1,370	990
Computer consumables	157	122	301	208
Legal and Professional charges	131	150	223	249
Power and fuel	79	66	159	144
Rent (Refer note 3.11)	181	160	350	312
Repairs to buildings	16	9	32	22
Repairs to machinery	11	9	18	15
Insurance	17	12	30	23
Rates and taxes	29	19	60	40
Other expenses	560	351	1,021	712
Total	2,661	1,938	5,031	3,831

*Refer note 3.1.1 (f)

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.8 Contingent liabilities**

- a) The Group has received an income tax assessment for the financial year 2008-09 wherein demand of Rs 24 has been raised against the Group on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from the manner of adjustment of brought forward losses in arriving at the taxable profits of the Group and disallowance of portion of profit earned outside India from the STP and SEZ units.

Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal against the demands received.

The Group has received a favourable order from the Commissioner of Income tax (Appeals) for majority of grounds and considering the order passed, there will not be any demand on the Group. On the other grounds which are not favourable, the Group has filed an appeal before the Income Tax Appellate Tribunal ('ITAT').

- b) The Group has received income tax assessments for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to Rs 11 and Rs 10 on account of certain disallowances/adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal against the demand received. The Group has not deposited the amount of demand with the department.
- c) The Group has received income tax assessments under Section 143(3) of the Income-tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 wherein demand of Rs 210, Rs 49, Rs 61, Rs 28, Rs 58, Rs 119, Rs 214 and Rs 63 respectively has been raised against the Group. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Group has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Group has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Group has deposited Rs 15 with the department against these demands. The department has adjusted pending refunds amounting to Rs 450 against these demands.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

The Group received a favourable order from the Commissioner of Income Tax (Appeals) for the year 2001-02 where in the Commissioner of Income Tax (Appeals) accepted the Group's contentions and quashed the demand raised. The Income tax department appealed against the above mentioned order with ITAT. ITAT, in an earlier year passed an order setting aside both the orders of the Commissioner of Income Tax (Appeals) as well as the Assessing Officer and remanded the matter back to the Assessing Officer for re-assessment. The Group preferred an appeal with the Hon'ble High Court of Karnataka against the order of the ITAT. The Hon'ble High Court of Karnataka has dismissed the appeal filed against the order of ITAT and upheld the order passed by the ITAT and accordingly the case is pending before Assessing Officer for re-assessment. The Assistant Commissioner of Income tax has completed the reassessment & has issued a draft assessment order with a revised demand amounting to Rs 198 due to transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Dispute Resolution Panel.

The Group has received the order from the Commissioner of Income Tax (Appeals) for the year 2004-05 and on the unfavorable grounds, the Group has a filed an appeal with ITAT.

The Group has appealed against the demands received for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09. Based on favourable order received by the Group for the financial year 2001-02 from the Commissioner of Income Tax (Appeals) and an evaluation of the facts and circumstances, no provision has been made against the above orders in the financial statements.

- d) The Group received an assessment order for financial year 2006-07 for the erstwhile subsidiary Mindtree Wireless Private Limited from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs 39 on account of certain other disallowances/ transfer pricing adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals) against the demand received.

The Group has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Group has filed an appeal before Income Tax Appellate Tribunal. The final order giving effect by the Assessing Officer is completed and the demand is reduced to Rs 33. The Group has deposited Rs 5 with the department against this demand.

- e) The Group has received a final assessment order for financial year 2009-10 from the Deputy Commissioner of Income Tax with a demand amounting to Rs 61 due to non-adjustment of brought forward losses and transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals).

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.8.1 Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for as at September 30, 2015 is Rs 286 (March 31, 2015: Rs 508).

3.9 Segmental reporting

The Group is structured into five verticals – RCM, BFSI, TMS, TH and Others. The Group considers business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

The assets of the Group are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****Business segments**

Statement of profit and loss	For the quarter ended September 30,	
	2015	2014
Segment revenue		
RCM	2,408	1,923
BFSI	2,887	2,027
TMS	3,558	2,904
TH	1,622	1,515
Others	1,218	517
Total	11,693	8,886
Segment operating income		
RCM	584	370
BFSI	426	159
TMS	615	689
TH	244	328
Others	295	209
Total	2,164	1,755
Unallocable expenses	(317)	(235)
Profit for the period before interest, other income and tax	1,847	1,520
Interest expense	(2)	-
Other income	195	241
Net profit before taxes	2,040	1,761
Income taxes	(458)	(387)
Net profit after taxes	1,582	1,374

Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the quarter and six months ended September 30, 2015

(Rupees in millions, except share and per share data, unless otherwise stated)

Statement of profit and loss	For the six months ended September 30,	
	2015	2014
Segment revenue		
RCM	4,572	3,708
BFSI	5,474	3,944
TMS	6,674	5,661
TH	3,145	2,895
Others	1,644	1,113
Total	21,509	17,321
Segment operating income		
RCM	1,061	687
BFSI	745	360
TMS	1,143	1,332
TH	463	596
Others	486	465
Total	3,898	3,440
Unallocable expenses	(639)	(463)
Profit for the period before interest, other income and tax	3,259	2,977
Interest expense	(2)	-
Other income	564	451
Net profit before taxes	3,821	3,428
Income taxes	(857)	(760)
Net profit after taxes	2,964	2,668

Geographical segments

Revenues	For the quarter ended September 30,		For the six months ended September 30,	
	2015	2014	2015	2014
America	7,401	5,367	14,025	10,361
Europe	3,100	2,315	5,249	4,575
India	373	353	708	649
Rest of World	819	851	1,527	1,736
Total	11,693	8,886	21,509	17,321

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.10 Related party transactions**

Name of related party	Nature of relationship
Mindtree Foundation	Entity with common key managerial person
Coffee Day Global Limited	
Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.73% equity stake in Mindtree, and the group has a nominee on the Mindtree Board.
Mysore Amalgamated Coffee Estate Ltd	

Transactions with the above related parties during the period were:

Name of related party	Nature of transaction	For the quarter ended September 30,	
		2015	2014
Mindtree Foundation	Donation paid	6	-
Coffee Day Global Limited	Procurement of supplies	8	4
Tanglin Developments Limited	Leasing office buildings and land	96	78
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	4	12
	- towards lease rentals	50	41
	Interest on advance towards electricity charges/ deposit	-	(1)

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

Name of related party	Nature of transaction	For the six months ended September 30,	
		2015	2014
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	1	-
Mindtree Foundation	Donation paid	24	13
Coffee Day Global Limited	Procurement of supplies	10	8
Tanglin Developments Limited	Leasing office buildings and land	185	158
	Advances/ deposits paid		
	- towards electricity deposit/ charges	-	9
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	16	27
	- towards lease rentals	96	72
	Interest on advance towards electricity charges/ deposit	-	3

Balances payable to related parties are as follows:

Name of related party	As at	As at
	September 30, 2015	March 31, 2015
Coffee Day Global Limited	3	-

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)***Balances receivable from related parties are as follows:*

Name of related party	Nature of transactions	As at September 30, 2015	As at March 31, 2015
Tanglin Developments Limited	Rental Advance	31	94
	Advance towards electricity charges	-	16
	Security deposit (including electricity deposit) returnable on termination of lease	342	375

Key Managerial Personnel:

Subroto Bagchi	Executive Chairman
Krishnakumar Natarajan	CEO and Managing Director
N.S. Parthasarathy	Executive Director, President and Chief Operating Officer
Rostow Ramanan	Executive Director, Head – Europe, Service lines and Key Accounts
Dr. Albert Hieronimus	Non-Executive Vice Chairman and Independent Director
Apurva Purohit	Independent Director
Manisha Girotra	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan	Independent Director
V.G.Siddhartha	Non-Executive Director
Jagannathan Chakravarthi*	Chief Financial Officer
Vedavalli Sridharan**	Company Secretary

*Appointed with effect from April 1, 2015.

**Appointed with effect from June 22, 2015.

Remuneration to key managerial personnel during the quarter and six months ended September 30, 2015 amounts to Rs 29 and Rs 64 respectively (for the quarter and six months ended September 30, 2014 amounts to Rs 21 and Rs 127 respectively). Dividends paid to directors during the quarter ended and six months September 30, 2015 amounts to Rs 33 and Rs 142 respectively (for the quarter and six months ended September 30, 2014 amounts to Rs 65 and Rs 97 respectively).

The above remuneration excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)****3.11 Lease transactions**

Lease rental expense under non-cancellable operating lease during the quarter and six months ended September 30, 2015 amounted to Rs 110 and Rs 216 respectively (for the quarter and six months ended September 30, 2014: Rs 90 and Rs 171). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at September 30, 2015	As at March 31, 2015
Payable -- Not later than one year	432	403
Payable -- Later than one year and not later than five years	531	543
Payable -- later than five years	98	106

Additionally, the Group leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the quarter and six months ended September 30, 2015 was Rs 71 and Rs 134 respectively (for the quarter and six months ended September 30, 2014: Rs 70 and Rs 141).

3.12 Earnings per share

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

Particulars	For the quarter ended September 30, 2015		For the quarter ended September 30, 2014	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the quarter	83,801,509	83,801,509	83,597,764	83,597,764
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	245,793	-	402,104
Weighted average number of equity shares for calculation of earnings per share	83,801,509	84,047,302	83,597,764	83,999,868

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

Particulars	For the six months ended September 30, 2015		For the six months ended September 30, 2014	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the period	83,776,665	83,776,665	83,541,410	83,541,410
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	256,625	-	399,366
Weighted average number of equity shares for calculation of earnings per share	83,776,665	84,033,290	83,541,410	83,940,776

- 3.13** The Group has a development center at Gainesville, Florida, US. The state of Florida has offered various incentives targeted to the needs of the development center. The nature and the extent of the government grant is given below:

Particulars	For the quarter ended September 30,	
	2015	2014
Grant towards workforce training	1	6
Total	1	6

Particulars	For the six months ended September 30,	
	2015	2014
Grant towards workforce training	1	15
Total	1	15

The Group has availed a non-monetary grant of USD 950,000 for renovation of project facility in the previous year. This grant is subject to fulfillment of certain conditions such as creation of minimum employment with specified average salary and capital investment at the development center at Gainesville, Florida, US.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

The Group's subsidiary Bluefin has claimed R&D tax relief under UK corporation tax rules. Bluefin undertakes R&D activities and incurs qualifying revenue expenditure which is entitled to an additional deduction under UK corporation tax rules, details of which are given below.

Particulars	For the quarter ended September 30,	
	2015	2014
Grant towards R & D credit	21	-
Total	21	-

Particulars	For the six months ended September 30,	
	2015	2014
Grant towards R & D credit	21	-
Total	21	-

As at September 30, 2015, the grant recognized in the balance sheet is Rs 69. (As at March 31, 2015: Nil)

- 3.14** The Group acquired 100% equity interest in Discoverture Solutions L.L.C. (Discoverture), a US based IT solution provider to the insurance industry, for a consideration of USD 17 million. The consideration includes future payments which are based on achievement of certain specific milestones which have currently been provided for based on best estimate of the Group. The transfer of membership interests and control of Discoverture is effective February 13, 2015 and consequently, Discoverture has become a 100% subsidiary of the Group effective that date. From the date of acquiring control, assets, liabilities, income and expenses are consolidated on a line by line basis. The consolidation has resulted in a goodwill of Rs 922. Results from this acquisition are grouped under BFSI in the segmental reporting given above.
- 3.15** The Group has acquired 100% of the equity interest in Bluefin Solutions Limited ('Bluefin'), a leading UK based IT solutions provider specializing in SAP HANA solutions, in an all cash transaction for GBP 42.3 million. The consideration includes an upfront payment of GBP 34 million and earn out of GBP 8.3 million payable over the next three years. The transfer of equity interests and control of Bluefin is effective July 16, 2015 and consequently, Bluefin has become a 100% subsidiary of the Group effective that date. From the date of acquiring control, assets, liabilities, income and expenses are consolidated on a line by line basis. The consolidation has resulted in a goodwill of GBP 35.8 million. Results from this acquisition are grouped under Others in the segmental reporting given above.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

The effect of acquisition of subsidiaries on the financial position and results as included in the consolidated financial statements is given below:

Particulars	Bluefin Solutions Limited
Liabilities as at September 30, 2015	
Current liabilities	447
Assets as at September 30, 2015	
Non-current assets	58
Current assets	1,139

Particulars	Bluefin Solutions Limited
Details for the quarter ended September 30, 2015	
Revenue	772
Expenses	686
Profit before tax	86
Profit after tax	82

- 3.16** The Group has also acquired 100% of the equity interest in Relational Solutions, Inc a US based IT solutions provider specializing in technology services to the consumer goods industry, in an all cash transaction for USD 8.6 million. The consideration includes an upfront payment of USD 7.1 million and earn out of USD 1.5 million payable over the next two years. The transfer of equity interests and control of Relational Solutions, Inc is effective July 16, 2015 and consequently, Relational Solutions, Inc has become a 100% subsidiary of the Group effective that date. From the date of acquiring control, assets, liabilities, income and expenses are consolidated on a line by line basis. The consolidation has resulted in a goodwill of USD 8.8 million. Results from this acquisition are grouped under RCM in the segmental reporting given above.

The effect of acquisition of subsidiaries on the financial position and results as included in the consolidated financial statements is given below:

Particulars	Relational Solutions Inc
Liabilities as at September 30, 2015	
Current liabilities	37
Assets as at September 30, 2015	
Current assets	42

Particulars	Relational Solutions Inc
Details for the quarter ended September 30, 2015	
Revenue	45
Expenses	39
Profit before tax	6
Profit after tax	6

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

- 3.17** The consolidated financial statements are presented in Rs in million. Those items which are required to be disclosed and which were not presented in the consolidated financial statement due to rounding off to the nearest Rs in million are given as follows:

Balance Sheet items		<i>Amount in Rs</i>
Particulars	As at September 30, 2015	As at March 31, 2015
Interest accrued but not due on borrowings	229,044	687,134
Provision for foreseeable losses on contracts	277,601	275,752
Cash on hand	427,040	21,148
12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited	126,400	126,400
<hr/>		
Statement of Profit and Loss items		<i>Amount in Rs</i>
Particulars	For the quarter ended September 30, 2015	2014
Finance cost	-	206,141
<hr/>		
Particulars	For the six months ended September 30, 2015	2014
Finance cost	-	435,186

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and six months ended September 30, 2015****(Rupees in millions, except share and per share data, unless otherwise stated)**

- 3.18** As of the balance sheet date, the Group's net foreign currency exposure that is not hedged by a derivative instrument is given below:

Particulars	As at September 30, 2015	As at March 31, 2015
Receivable	9,051	6,669
Payable	(231)	(225)

- 3.19** Corresponding figures for the previous period presented have been regrouped, where necessary, to conform to the current period's classification.

As per our report of even date attached

For Deloitte Haskins & SellsFor **Mindtree Limited***Chartered Accountants*

Firm Registration No.: 008072S

V. Balaji*Partner*

Membership No. : 203685

Subroto Bagchi

Chairman

N. Krishnakumar

CEO & Managing Director

Jagannathan**Chakravarthi**

Chief Financial Officer

Vedavalli Sridharan

Company Secretary

Place: Bengaluru

Date: October 15, 2015

Place: Bengaluru

Date: October 15, 2015