Mindtree Limited
Consolidated balance sheet

	Note	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
				Rs in million
ASSETS				
Non-current assets				
Property, plant and equipment	3	3,947	4,173	4,325
Capital work in progress		288	232	354
Goodwill	4	4,646	4,815	669
Other intangible assets	4	2,266	2,632	317
Financial assets	5			
Investments	5.1	58	62	12
Loans	5.2	663	655	614
Other financial assets	5.3	199	189	-
Deferred tax assets (Net)	16	512	406	547
Other non-current assets	6	1,449	1,331	1,158
		14,028	**14,495**	**7,996**
Current assets				
Financial assets	7			
Investments	7.1	3,750	2,266	5,490
Trade receivables	7.2	9,288	9,728	6,963
Cash and cash equivalents	7.3	1,364	2,332	3,763
Loans	7.4	10	38	136
Other financial assets	7.5	2,719	2,761	1,337
Other current assets	8	890	1,149	1,009
		18,021	**18,274**	**18,698**
TOTAL ASSETS		**32,049**	**32,769**	**26,694**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	1,680	1,678	837
Other equity	10	23,761	22,471	20,428
		25,441	**24,149**	**21,265**
Liabilities				
Non-current liabilities				
Financial liabilities	11			
Borrowings	11.1	14	18	23
Other financial liabilities	11.2	477	747	227
Other non current liabilities	12	77	91	128
		568	**856**	**378**
Current liabilities				
Financial liabilities	13			
Borrowings	13.1	-	415	-
Trade payables		1,535	1,890	1,418
Other financial liabilities	13.2	1,780	2,774	2,011
Other current liabilities	14	934	1,049	586
Provisions	15	1,430	1,289	797
Current tax liabilities (Net)		361	347	239
		6,040	**7,764**	**5,051**
		6,608	**8,620**	**5,429**
TOTAL EQUITY AND LIABILITIES		**32,049**	**32,769**	**26,694**

See accompanying notes to the consolidated interim financial statements

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

For and on behalf of the Board of Directors of **Mindtree Limited**

V. Balaji
Partner
Membership Number: 203685

N. Krishnakumar
Chairman

Rostow Ravanan
CEO & Managing Director

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : October 21, 2016

Place: Bengaluru
Date : October 21, 2016

Mindtree Limited
Consolidated statement of profit and loss

Rs in million, except per share data

	Note	For the quarter ended		For the six months ended	
		September 30, 2016	**September 30, 2015**	**September 30, 2016**	**September 30, 2015**
Revenue from operations		12,954	11,657	26,230	21,432
Other income	17	170	232	368	562
Total income		**13,124**	**11,889**	**26,598**	**21,994**
Expenses					
Employee benefits expense	18	8,526	6,794	16,892	12,555
Finance costs	20	47	45	98	54
Depreciation and amortization expense	21	463	409	931	748
Other expenses	22	2,807	2,668	5,766	5,010
Total expenses		**11,843**	**9,916**	**23,687**	**18,367**
Profit before tax		**1,281**	**1,973**	**2,911**	**3,627**
Tax expense:					
Current tax	16	371	496	843	926
Deferred tax	16	(38)	(31)	(115)	(90)
Profit for the period		**948**	**1,508**	**2,183**	**2,791**
Other comprehensive income	26				
A (i) Items that will not be reclassified to profit or loss		(23)	(73)	(23)	(25)
(ii) Income tax relating to items that will not be reclassified to profit or loss		4	14	4	5
B (i) Items that will be reclassified to profit or loss		(222)	12	(327)	12
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
Total other comprehensive income		**(241)**	**(47)**	**(346)**	**(8)**
Total comprehensive income for the period		**707**	**1,461**	**1,837**	**2,783**
Earnings per equity share:	24				
(1) Basic		5.65	9.00	13.01	16.66
(2) Diluted		5.64	8.97	12.98	16.61

See accompanying notes to the consolidated interim financial statements

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

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Membership Number: 203685

Place: Bengaluru
Date : October 21, 2016

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CEO & Managing Director

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : October 21, 2016

Mindtree Limited
Consolidated statement of cash flow

	Rs in million, except per share data	
	For the six months ended September 30	
	2016	**2015**
Cash flow from operating activities		
Profit for the period	2,183	2,791
Adjustments for :		
Income tax expense recognised in the statement of profit and loss	728	836
Depreciation and amortization expense	931	748
Expense on employee stock based compensation	37	42
Allowance for doubtful debt	22	43
Finance costs	98	54
Interest income on financial assets at amortised cost	(55)	(142)
Dividend income	(3)	(49)
Net gain on disposal of property, plant and equipment	(5)	(11)
Net gain on sale of investments in mutual funds	(35)	(10)
Net gain on financial assets designated at fair value through profit and loss	(128)	(71)
Reversal of liability towards acquisition of businesses recognised in the statement of profit and loss	(45)	-
Unrealised exchange difference on liability towards acquisition of businesses	(61)	23
Unrealised exchange difference on derivatives	7	24
Income from government grant	(5)	(5)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(7)	(18)
Changes in operating assets and liabilities		
Trade receivables	348	(1,628)
Other assets	258	(648)
Trade payables	(230)	260
Other liabilities	(234)	83
Provisions	141	276
Net cash provided by operating activities before taxes	**3,945**	**2,598**
Income taxes paid	(907)	(953)
Net cash (used in)/ provided by operating activities	**3,038**	**1,645**
Cash flow from investing activities		
Purchase of property, plant and equipment	(604)	(819)
Proceeds from sale of property, plant and equipment	21	18
Payment towards acquisition of businesses	(420)	(20)
Purchase of business/ acquisition	-	(3,795)
Interest income on financial assets at amortised cost	31	121
Dividend income received	3	49
Purchase of finanical instuments	(5,963)	(5,348)
Proceeds from sale of investment in mutual funds	4,641	7,938
Net cash (used in)/ provided by investing activities	**(2,291)**	**(1,856)**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	7	18
Finance costs paid	(2)	(2)
Repayment of short-term borrowings	(419)	(4)
Dividends paid (including distribution tax)	(924)	(1,310)
Net cash (used in)/ provided by financing activities	**(1,338)**	**(1,298)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	1	17
Net decrease in cash and cash equivalents	(590)	(1,492)
Cash and cash equivalents at the beginning of the period	1,937	3,608
Cash and cash equivalents at the end of the period (Refer note 7.3)	**1,347**	**2,116**

See accompanying notes to the consolidated interim financials statements

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

For and on behalf of the Board of Directors of **Mindtree Limited**

V. Balaji
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Membership Number: 203685

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Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : October 21, 2016

Place: Bengaluru
Date : October 21, 2016

Mindtree Limited
Consolidated statement of changes in equity

Rs in million

(a) Equity share capital	Amount
Balance as at April 1, 2015	**837**
Add: Shares issued on exercise of stock options and restricted shares	2
Add: Bonus shares issued	839
Balance as at March 31, 2016	**1678**
Balance as at April 1, 2016	**1,678**
Add: Shares issued on exercise of stock options and restricted shares	2
Add: Bonus shares issued	-
Balance as at September 30, 2016	**1,680**

(b) Other equity

Particulars	Share application money pending allotment	Reserves and surplus (Refer Note 10)					Items of Other Comprehensive Income (Refer Note 10)			Total other equity
		Capital reserve	Securities premium reserve	Share options outstanding account	General reserve	Retained earnings	Foreign currency translation reserve (FCTR)	Equity instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	
Balance as at April 1, 2015	**4**	**87**	**1,860**	**78**	**1,542**	**16,854**	**-**	**3**	**-**	**20,428**
Profit for the period	-	-	-	-	-	2,791			-	2,791
Other comprehensive income (net of taxes)	-	-	-	-	-	-	12	-	(20)	(8)
Issue of equity shares (Note 9)	-	-	30	-	-	-	-	-	-	30
Amount utilised for bonus shares	-	-	-	-	-	-	-	-	-	-
Compensation cost related to employee share based payment	-	-	-	5	-	-	-	-	-	5
Cash dividends	-	-	-	-	-	(1,088)	-	-	-	(1,088)
Dividend distribution tax	-	-	-	-	-	(223)	-	-	-	(223)
Share issued against share application money	-	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2015	**4**	**87**	**1,890**	**83**	**1,542**	**18,334**	**12**	**3**	**(20)**	**21,935**
Balance as at April 1, 2015	**4**	**87**	**1,860**	**78**	**1,542**	**16,854**	**-**	**3**	**-**	**20,428**
Profit for the year	-	-	-	-	-	5,525	-	-	-	5,525
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(214)		(28)	(242)
Issue of equity shares (Note 9)	-	-	63	-	-	-	-	-	-	63
Amount utilised for bonus shares	-	-	(839)	-	-	-	-	-	-	(839)
Compensation cost related to employee share based payment	-	-	-	29	-	-	-	-	-	29
Cash dividends	-	-	-	-	-	(2,095)	-	-	-	(2,095)
Dividend distribution tax	-	-	-	-	-	(394)	-	-	-	(394)
Share issued against share application money	(4)	-	-	-	-	-		-	-	(4)
Balance as at March 31, 2016	**-**	**87**	**1,084**	**107**	**1,542**	**19,890**	**(214)**	**3**	**(28)**	**22,471**
Balance as at April 1, 2016	**-**	**87**	**1,084**	**107**	**1,542**	**19,890**	**(214)**	**3**	**(28)**	**22,471**
Profit for the period	-	-	-	-	-	2,183	-	-	-	2,183
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(327)	(3)	(16)	(346)
Issue of equity shares (Note 9)	-	-	5	-	-	-	-	-	-	5
Amount utilised for bonus shares	-	-	-	-	-	-	-	-	-	-
Transferred to securities premium reserve	-	-	83	(83)	-	-	-	-	-	-
Compensation cost related to employee share based payment (Note 18)	-	-	-	37	-	-	-	-	-	37
Cash dividends (Note 10.1)	-	-	-	-	-	(503)	-	-	-	(503)
Dividend distribution tax (Note 10.1)	-	-	-	-	-	(86)	-	-	-	(86)
Share issued against share application money	-	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2016	**-**	**87**	**1,172**	**61**	**1,542**	**21,484**	**(541)**	**-**	**(44)**	**23,761**

See accompanying notes to the consolidated interim financial statements

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

V. Balaji
Partner
Membership Number: 203685

Place: Bengaluru
Date : October 21, 2016

For and on behalf of the Board of Directors of **Mindtree Limited**

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Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : October 21, 2016

Mindtree Limited
Significant accounting policies and notes to the accounts
For the quarter and six months ended September 30, 2016
(Rupees in millions, except share and per share data, unless otherwise stated)

1. Company overview

Mindtree Limited ('Mindtree' or 'the Company') together with its subsidiaries Mindtree Software (Shanghai) Co. Ltd, Discoverture Solutions L.L.C., Bluefin Solutions Limited, Bluefin Solutions Inc., Bluefin Solutions Sdn Bhd, Blouvin (Pty) Limited, Bluefin Solutions Pte Ltd, Relational Solutions, Inc. and Magnet 360, LLC, Reside LLC, M360 Investments, LLC and Numerical Truth, LLC, 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 four verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS) and Travel and Hospitality (TH). 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, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, South Africa, UAE, Netherlands, Canada, Belgium, France, Ireland and Republic of China. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The consolidated financial statements were authorized for issuance by the Company's Board of Directors and Audit Committee on October 21, 2016.

2. Significant accounting policies
2.1 Basis of preparation and presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For all the periods upto and including the quarter and year ended March 31, 2016, the Group had earlier prepared and presented its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013 (Indian GAAP). Reconciliations and descriptions of the effect of the transition to Ind AS from Indian GAAP is given in Note 41.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:
i. Derivative financial instruments;
ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
iii. Share based payment transactions and
iv. Defined benefit and other long-term employee benefits

(c) Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

i) *Revenue recognition:* The Group uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. As the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

ii) *Income taxes:* The Group's two major tax jurisdictions are India and the U.S. Though the Group's also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to Note 16.

iii) *Other estimates:* The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

2.2 Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).

Control exists when the parent has power over an investee, exposure or rights to variable returns its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including un-realized gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

2.3 Summary of significant accounting policies

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

(iii) Financial instruments
All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans and borrowings and payable are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the group are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI and fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) *Non-derivative financial assets*
(i) *Financial assets at amortised cost*
A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding book overdrafts that are repayable on demand, and are considered part of the Group's cash management system.

(ii) Debt instruments at FVTOCI
A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:
(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

(b) the asset's contractual cash flow represent SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the group recognises interest income, impairment losses & reversals and foreign exchange gain loss in consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

(iii) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in OCI. The group makes such election on an instrument-by-instrument basis.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to statement of profit and loss, even on sale of the instrument. However the group may transfer the cumulative gain or loss within the equity.

(iv) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Group has not designated any financial asset as FVTPL. Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

b) *Non-derivative financial liabilities*

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

(ii) Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the consolidated statement of profit or loss

c) *Derivative financial instruments*

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction cost are recognized in statement of profit and loss.

(i) Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the consolidated statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the consolidated statement of profit and loss upon the occurrence of the related forecasted transaction.

(ii) Others: Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains/(losses)

(iv) Property, plant and equipment

a) *Recognition and measurement:* Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

b) Depreciation: The Group depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Category	Useful life
Buildings	25 to 30 years
Leasehold improvements	5 years
Computer systems	2 to 3 years
Plant and machinery	3 to 4 years
Furniture and fixtures	3 to 7 years
Electrical installations	3 years
Office equipment	3 to 5 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the consolidated statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

(v) Intangible assets
Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Category	Useful life
Intellectual property	5 years
Computer software	2 to 3 years
Business alliance relationships	4 years
Customer relationships	3 to 5 years
Vendor relationship	5 to 10 years
Trade name	10 years
Technology	10 years
Non-compete agreement	5 years

(vi) Business combination, Goodwill and Intangible assets
Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

a) *Goodwill*

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized in capital reserve.

b) Intangible assets

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

(vii) Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value 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 on a straight line basis in the consolidated statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider :

(i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.
ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the group does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Group assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and the recoverable. Losses are recognised in the consolidated statement of profit and loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through consolidated statement of profit and loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units(CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.
Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in consolidated statement of profit and loss and is not reversed in the subsequent period.

(ix) Employee Benefit

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Group has the following employee benefit plans:

a) Social security plans

Employees contributions payable to the social security plans, which are a defined contribution scheme, is charged to the consolidated statement of profit and loss in the period in which the employee renders services.

b) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company and SBI Life Insurance Company. The Group's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising of actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

c) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Group recognizes actuarial gains and losses immediately in the statement of profit and loss.

(x) Share based payments

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the consolidated statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

The fair value of the amount payable to the employees in respect of phantom stocks, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognized in consolidated statement of profit and loss.

(xi) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(xii) Revenue

The Group derives revenue primarily from software development and related services. The Group recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

a) Time and materials contracts

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

b) Fixed-price contracts

Revenues from fixed-price contracts are recognized using the “percentage-of-completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the consolidated statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

‘Unbilled revenues’ represent cost and earnings in excess of billings as at the end of the reporting period.

‘Unearned revenues’ represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered are presented as ‘Advance from customers’.

c) Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion.

In arrangements for software development and related services and maintenance services, the Group has applied the guidance in Ind AS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Group has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18.

The Group accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

The Group accrues the estimated cost of post contract support services at the time when the revenue is recognized. The accruals are based on the Group's historical experience of material usage and service delivery costs.

(xiii) Warranty provisions

The Group provides warranty provisions on all its products sold. A liability is recognised at the time the product is sold. The Group does not provide extended warranties or maintenance contracts to its customers.

(xiv) Finance income and expense

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognized as it accrues in the consolidated statement of profit and loss, using the effective interest method.

Dividend income is recognized in the consolidated statement of profit and loss on the date that the Group's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the consolidated statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

(xv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(xvi) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(xvii) 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. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.
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 fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

New standards and interpretations not yet adopted

Ind AS 115 Revenue from Contracts with Customers: Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015.
The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.
The standard has been currently deferred. The Group is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the consolidated interim financial statements

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3 Property, plant and equipment

	Land	Buildings	Leasehold improvements	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
Gross carrying value										
At April 1, 2015	**97**	**3,621**	**1,067**	**225**	**734**	**2,047**	**521**	**261**	**29**	**8,602**
Additions	-	382	62	-	140	337	62	104	-	1,087
Acquisitions through business combinations	-	-	-	-	14	95		20	-	129
Translation adjustment	-	-	-	-	-	-	-	(1)	-	(1)
Disposals / adjustments	-	(14)	-	-	(11)	(27)	(1)	(12)	-	(65)
At September 30, 2015	**97**	**3,989**	**1,129**	**225**	**877**	**2,452**	**582**	**372**	**29**	**9,752**
At April 1, 2015	**97**	**3,621**	**1,067**	**225**	**734**	**2,047**	**521**	**261**	**29**	**8,602**
Additions	-	417	170	-	156	644	121	139	-	1,647
Acquisitions through business combinations	-	-	26	-	19	133	-	41	-	219
Translation adjustment	-	-	-	-	(1)	(4)	-	-	-	(5)
Disposals / adjustments	(13)	(993)	-	-	(78)	(69)	(32)	(49)	-	(1,234)
At March 31, 2016	**84**	**3,045**	**1,263**	**225**	**830**	**2,751**	**610**	**392**	**29**	**9,229**
At April 1, 2016	**84**	**3,045**	**1,263**	**225**	**830**	**2,751**	**610**	**392**	**29**	**9,229**
Additions	-	86	61	32	11	185	52	3	-	430
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	(1)	(9)	-	-	-	(10)
Disposals / adjustments	-	-	-	-	(4)	(93)	(9)	-	-	(106)
At September 30, 2016	**84**	**3,131**	**1,324**	**257**	**836**	**2,834**	**653**	**395**	**29**	**9,543**
Accumulated depreciation										
At April 1, 2015	**8**	**1,105**	**574**	**218**	**492**	**1,404**	**319**	**152**	**5**	**4,277**
Acquisitions through business combinations	-	-	-	-	14	75	-	19	-	108
Depreciation expense	-	108	75	-	52	266	52	17	5	575
Translation adjustment	-	-	-	-	-	-	-	(1)	-	(1)
Disposals / adjustments	-	(6)			(11)	(27)	(1)	(11)	-	(56)
At September 30, 2015	**8**	**1,207**	**649**	**218**	**547**	**1,718**	**370**	**176**	**10**	**4,903**
At April 1, 2015	**8**	**1,105**	**574**	**218**	**492**	**1,404**	**319**	**152**	**5**	**4,277**
Acquisitions through business combinations	-	-	13	-	16	99	-	27	-	155
Depreciation expense	1	216	157	-	115	565	111	44	9	1,218
Translation adjustment	-	-	-	-	(1)	(4)	-	(1)	-	(6)
Disposals / adjustments	(1)	(360)	-	-	(77)	(69)	(32)	(49)	-	(588)
At March 31, 2016	**8**	**961**	**744**	**218**	**545**	**1,995**	**398**	**173**	**14**	**5,056**
At April 1, 2016	**8**	**961**	**744**	**218**	**545**	**1,995**	**398**	**173**	**14**	**5,056**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	97	93	21	45	291	60	28	4	639
Translation adjustment	-	-	-	-	(1)	(7)	-	-	-	(8)
Disposals / adjustments	-	-	-	-	(4)	(78)	(9)	-	-	(91)
At September 30, 2016	**8**	**1,058**	**837**	**239**	**585**	**2,201**	**449**	**201**	**18**	**5,596**
Net carrying value as at September 30, 2016	**76**	**2,073**	**487**	**18**	**251**	**633**	**204**	**194**	**11**	**3,947**
Net carrying value as at March 31, 2016	**76**	**2,084**	**519**	**7**	**285**	**756**	**212**	**219**	**15**	**4,173**
Net carrying value as at September 30, 2015	**89**	**2,782**	**480**	**7**	**330**	**734**	**212**	**196**	**19**	**4,849**
Net carrying value as at April 1, 2015	**89**	**2,516**	**493**	**7**	**242**	**643**	**202**	**109**	**24**	**4,325**

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4 Goodwill and other intangible assets

	Goodwill	Intellectual property	Business alliance relationships	Customer relationships	Non compete agreement	Vendor relationship	Tradename	Technology	Computer software	Total other intangible assets
Gross carrying value										
At April 1, 2015	**669**	**67**	**72**	**111**	**24**	**-**	**-**	**-**	**935**	**1,209**
Additions	-	-	-	-	-		-	-	46	46
Acquisitions through business combinations	2,491	-	-	1,011	-	250	205	257	7	1,730
Translation adjustment	20									-
Disposals / adjustments	-	-	-	-	-	-	-	-	(5)	(5)
At September 30, 2015	**3,180**	**67**	**72**	**1,122**	**24**	**250**	**205**	**257**	**983**	**2,980**
At April 1, 2015	**669**	**67**	**72**	**111**	**24**	**-**	**-**	**-**	**935**	**1,209**
Additions	-	-	-	-	-	-	-	-	90	90
Acquisitions through business combinations	4,279	-	-	1,346	30	739	327	257	16	2,715
Translation adjustment	(133)	-	-	(44)	-	(11)	(9)	11	-	(53)
Disposals / adjustments	-	-	-	-	-	-	-	-	(5)	(5)
At March 31, 2016	**4,815**	**67**	**72**	**1,413**	**54**	**728**	**318**	**268**	**1,036**	**3,956**
At April 1, 2016	**4,815**	**67**	**72**	**1,413**	**54**	**728**	**318**	**268**	**1,036**	**3,956**
Additions	-	-	-	-	-	-	-	-	16	16
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Translation adjustment	(169)	-	-	(87)	-	(20)	(18)	1	-	(124)
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-
At September 30, 2016	**4,646**	**67**	**72**	**1,326**	**54**	**708**	**300**	**269**	**1,052**	**3,848**
Accumulated depreciation										
At April 1, 2015	**-**	**65**	**3**	**6**	**1**	-	-	-	**817**	**892**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	3	3
Amortisation expense	-	2	9	69	3	13	5	7	65	173
Translation adjustment	-	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	(5)	(5)
At September 30, 2015	**-**	**67**	**12**	**75**	**4**	**13**	**5**	**7**	**880**	**1,063**
At April 1, 2015	**-**	**65**	**3**	**6**	**1**	-	-	-	**817**	**892**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	8	8
Amortisation expense	-	2	18	205	6	50	19	19	119	438
Translation adjustment	-	-	-	(7)	-	(2)	(1)	1	-	(9)
Disposals / adjustments	-	-	-	-	-	-	-	-	(5)	(5)
At March 31, 2016	**-**	**67**	**21**	**204**	**7**	**48**	**18**	**20**	**939**	**1,324**
At April 1, 2016	**-**	**67**	**21**	**204**	**7**	**48**	**18**	**20**	**939**	**1,324**
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Amortisation expense	-	-	9	153	5	50	16	13	46	292
Translation adjustment	-	-	-	(26)	-	(6)	(3)	1	-	(34)
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-
At September 30, 2016	**-**	**67**	**30**	**331**	**12**	**92**	**31**	**34**	**985**	**1,582**
Net carrying value as at September 30, 2016	**4,646**	**-**	**42**	**995**	**42**	**616**	**269**	**235**	**67**	**2,266**
Net carrying value as at March 31, 2016	**4,815**	**-**	**51**	**1,209**	**47**	**680**	**300**	**248**	**97**	**2,632**
Net carrying value as at September 30, 2015	**3,180**	**-**	**60**	**1,047**	**20**	**237**	**200**	**250**	**103**	**1,917**
Net carrying value as at April 1, 2015	**669**	**2**	**69**	**105**	**23**	**-**	**-**	**-**	**118**	**317**
Estimated useful life (in years)	NA	-	4	3 - 5	5	5 - 10	10	10	2 - 3	
Estimated remaining useful life (in years)	NA	-	2.50	1.5 - 4.25	3.50	3.75 - 9.25	8.75 - 9.25	8.75	1.75 - 2.75	

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

Non-current assets

5 Financial assets

5.1 Investments

Particulars	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Investments in equity instruments (unquoted)			
a) 2,400 (March 31, 2016: 2,400; April 1, 2015: 2,400) equity shares in Careercommunity.com Limited	-	-	-
b) 950,000 (March 31, 2016: 950,000; April 1, 2015: 950,000) equity shares of Rs 1 each in NuvePro Technologies Private Limited	1	1	1
c) 12,640 (March 31, 2016: 12,640; April 1, 2015: 12,640) equity shares in Worldcast Technologies Private Limited	-	-	-
Investments in preference shares (unquoted)			
643,790 (March 31, 2016: 643,790; April 1, 2015: 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	11	11
Investments in non-convertible bonds (quoted)			
50 (March 31, 2016: 50; April 1, 2015: 50) secured redeemable non-convertible bonds of Rs 1 million each in the nature of promissory notes in PNB Housing Finance Limited	50	50	-
Total	**58**	**62**	**12**
Aggregate book value of quoted investments	**50**	**50**	**-**
Aggregate market value of quoted investments	**50**	**50**	**-**
Aggregate value of unquoted investments	**8**	**12**	**12**
Aggregate amount of impairment in value of investments	**1**	**1**	**1**

5.2 Loans

Particulars	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
(Unsecured, considered good)			
Security deposits*	663	655	614
Total	**663**	**655**	**614**

* Includes balances from related parties Rs 270 as at September 30, 2016 (As at March 31, 2016: Rs 270 and April 1, 2015: Rs 270). Refer Note 32 for related party balances.

5.3 Other financial assets

Particulars	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Other receivable	199	189	-
Total	**199**	**189**	**-**

6 Other non-current assets

Particulars	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Capital advances	32	42	108
Advance income-tax including tax deducted at source (net of provision for taxes)	1,065	966	834
Prepaid expenses	160	169	200
Service tax receivable	176	138	-
Others	16	16	16
Total	**1,449**	**1,331**	**1,158**

Mindtree Limited
Significant accounting policies and notes to the accounts
For the quarter and six months ended September 30, 2016
(Rupees in millions, except share and per share data, unless otherwise stated)

Current assets

7 Financial assets

7.1 Investments

Particulars	As at September 30, 2016		As at March 31, 2016		As at April 1, 2015	
i) Investments in Mutual Funds (quoted)						
Name of the fund	**No of units**	**Amount**	**No of units**	**Amount**	**No of units**	**Amount**
ICICI Prudential Mutual Fund	26,728,570	546	17,401,890	325	28,722,324	487
IDFC Mutual Fund	24,268,005	350	16,285,532	198	37,530,726	439
UTI Mutual Fund	7,549,380	190	3,456,138	64	13,456,138	169
Birla Sun Life Mutual Fund	7,801,812	282	14,185,302	234	20,007,295	477
Reliance Mutual Fund	16,728,918	385	17,651,564	335	23,725,772	446
Axis Mutual Fund	27,743	40	-	-	100,840	104
Tata Mutual Fund	19,160,921	486	21,243,549	361	36,229,022	460
SBI Mutual Fund	5,627,515	164	5,597,950	98	13,787,278	368
Sundaram Mutual Fund	7,126,671	172	-	-	-	-
L & T Mutual Fund	-	-	-	-	98,576	100
HDFC Mutual Fund	11,243,868	306	3,635,659	191	27,872,023	425
Bank of India AXA Mutual Fund	10,000,000	117	10,000,000	110	10,000,000	101
Kotak Mutual Fund	2,421,812	50	-	-	5,681,936	58
DWS Mutual Fund	-	-	-	-	4,483,697	47
JP Morgan India Mutual Fund	-	-	-	-	16,989,901	190
IDBI Mutual Fund	-	-	-	-	254,281	257
DSP Blackrock Mutual Fund	5,285,346	92	-	-	14,790,537	352
Franklin Templeton Mutual Fund	-	-	-	-	11,695,643	310
Total		**3,180**		**1,916**		**4,790**
ii) Investment in non-convertible bonds (quoted)						
Secured redeemable non-convertible debentures of Rs 1 million each in Kotak Mahindra Prime Limited	50	50	50	50		-
Secured redeemable non-convertible debentures of Rs 1 million each in Kotak Mahindra Investments Limited	150	150	50	50		-
Total		**200**		**100**		**-**
iii) Investments in term deposit (unquoted)						
Interest bearing deposits with:-						
-IL&FS Limited		50		100		-
-Bajaj Finance Limited		160		50		-
-Kotak Mahindra Investments Limited		50		50		-
-LIC Housing Finance Limited		-		50		-
-HDFC Limited		110		-		700
Total		**370**		**250**		**700**
Grand Total		**3,750**		**2,266**		**5,490**
Aggregate carrying amount of quoted investments		**3,380**		**2,016**		**4,790**
Aggregate market value of quoted investments		**3,380**		**2,016**		**4,790**
Aggregate amount of unquoted investments		**370**		**250**		**700**

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

7.2 Trade receivables

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
(Unsecured)			
Considered good	9,288	9,728	6,963
Considered doubtful	148	126	83
Less: Allowance for doubtful debts	(148)	(126)	(83)
Total	**9,288**	**9,728**	**6,963**

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Group estimates the following matrix at the reporting date.

	Ageing			
	1-90 days	**91-180 days**	**181-360 days**	**More than 360 days***
Default rate	0.2%	3%	25%	40%

*In case of probability of non-collection, default rate is 100%

7.3 Cash and cash equivalents

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
Cash on hand	-	1	-
Balances with banks in current accounts and deposit accounts*	1,356	1,988	3,758
Other bank balances**	8	343	5
Cash and cash equivalents as per balance sheet	**1,364**	**2,332**	**3,763**
Book overdrafts used for cash management purposes (Refer Note 13.2)	(17)	(395)	(155)
Cash and cash equivalents as per statement of cash flow	**1,347**	**1,937**	**3,608**

*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 and dividend payable.

7.4 Loans

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
(Unsecured, considered good)			
Security deposits*	10	38	136
Total	**10**	**38**	**136**

*Includes balances from related parties Rs Nil as at September 30, 2016 (As at March 31, 2016: Rs. 28 and April 1, 2015: Rs. 121). Refer Note 32 for related party balances.

7.5 Other financial assets

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
Advances to employees	323	437	252
Less: Provision for doubtful advances to employees	(14)	(21)	(20)
	309	416	232
Unbilled revenue	2,206	2,132	982
Derivative assets	45	53	24
Accrued income	16	19	99
Other receivables	143	141	-
	2,719	**2,761**	**1,337**

8 Other current assets

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
Advance to suppliers*	129	94	249
Prepaid expenses	543	819	530
Others	218	236	230
Total	**890**	**1,149**	**1,009**

*Includes balances from related parties Rs 102 as at September 30, 2016 (As at March 31, 2016: Rs Nil and April 1, 2015: Rs 94). Refer Note 32 for related party balances.

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

9 Equity share capital

a)

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
Authorised			
800,000,000 (March 31, 2016 : 800,000,000; April 1, 2015: 800,000,000) equity shares of Rs 10 each	8,000	8,000	8,000
Issued, subscribed and paid-up capital			
167,956,514 (March 31, 2016 : 167,786,176; April 1, 2015: 83,732,372) equity shares of Rs 10 each fully paid	1,680	1,678	837
Total	**1,680**	**1,678**	**837**

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

	As at September 30, 2016		**As at March 31, 2016**		**As at April 1, 2015**	
	Number of shares	**Rs**	**Number of shares**	**Rs**	**Number of shares**	**Rs**
Number of shares outstanding at the beginning of the period	167,786,176	1,678	83,732,372	837	41,689,731	417
Add: Shares issued on exercise of stock options and restricted shares	170,338	2	160,716	2	276,980	2
Add: Bonus shares issued *	-	-	83,893,088	839	41,765,661	418
Number of shares outstanding at the end of the period	167,956,514	1,680	167,786,176	1,678	83,732,372	837

*Refer note 9 (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 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.

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 are as given below:

	As at September 30, 2016		**As at March 31, 2016**		**As at April 1, 2015***	
Name of the shareholder	**Number of shares**	**%**	**Number of shares**	**%**	**Number of shares**	**%**
1. Coffee Day Enterprises Limited	17,461,768	10.4%	17,461,768	10.4%	8,730,884	10.4%
2. Nalanda India Fund Limited	15,796,356	9.4%	15,796,356	9.4%	7,898,178	9.4%
3. Coffee Day Trading Limited	10,594,244	6.3%	10,594,244	6.3%	5,297,122	6.3%

*Pre bonus issue

e) In the period of five years immediately preceding September 30, 2016:
i) The Group has allotted 83,893,088 and 41,765,661 fully paid up equity shares during the quarter ended March 31, 2016 and June 30, 2014 respectively, 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.
ii) The Group has not bought back any equity shares.
iii) The Group has not allotted any equity shares as fully paid up without payment being received in cash.

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

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 currently administers seven 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 September 30, 2016, March 31, 2016 and April 1, 2015.

Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of Rs 50 per option (Rs. 12.5 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,			
	2016		2015*	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the period	13,720	12.50	19,952	25.00
Granted during the period	-	-	-	-
Exercised during the period	2,568	12.50	5,736	25.00
Lapsed during the period	280	12.50	390	25.00
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**10,872**	**12.50**	**13,826**	**25.00**
Options vested and exercisable, end of the period	10,872	12.50	13,826	25.00

*Pre bonus issue. Refer note no 9(e).

Particulars	Six months ended September 30,			
	2016		2015*	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the period	18,360	12.50	23,072	25.00
Granted during the period	-	-	-	-
Exercised during the period	7,208	12.50	7,952	25.00
Lapsed during the period	280	12.50	1,294	25.00
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**10,872**	**12.50**	**13,826**	**25.00**
Options vested and exercisable, end of the period	10,872	12.50	13,826	25.00

*Pre bonus issue. Refer note no 9(e).

Program 3 [ESOP 2006 (a)]

This plan was terminated on October 25, 2006 and there are no options outstanding as at September 30, 2016, March 31, 2016 and April 1, 2015.

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

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.

Particulars	Quarter ended September 30,			
	2016		2015*	
	Number of share options	Weighted average Exercise Price	Number of share options	Weighted average Exercise Price
Outstanding options, beginning of the period	-	-	38,350	260.00
Granted during the period	-	-	-	-
Exercised during the period	-	-	23,350	260.00
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	-	-	**15,000**	**260.00**
Options vested and exercisable, end of the period	-	-	15,000	260.00

*Pre bonus issue. Refer note no 9(e).

Particulars	Six months ended September 30,			
	2016		2015*	
	Number of share options	Weighted average Exercise Price	Number of share options	Weighted average Exercise Price
Outstanding options, beginning of the period	-	-	74,000	265.07
Granted during the period	-	-	-	-
Exercised during the period	-	-	59,000	266.36
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	-	-	**15,000**	**260.00**
Options vested and exercisable, end of the period	-	-	15,000	260.00

*Pre bonus issue. Refer note no 9(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,			
	2016		2015*	
	Number of share options	Weighted average Exercise Price	Number of share options	Weighted average Exercise Price
Outstanding options, beginning of the period	152,336	106.50	82,112	214.89
Granted during the period	-	-	-	-
Exercised during the period	1,380	119.63	5,944	239.25
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**150,956**	**106.38**	**76,168**	**212.99**
Options vested and exercisable, end of the period	150,956	106.38	76,168	212.99

*Pre bonus issue. Refer note no 9(e).

Particulars	Six months ended September 30,			
	2016		2015*	
	Number of share options	Weighted average Exercise Price	Number of share options	Weighted average Exercise Price
Outstanding options, beginning of the period	152,336	106.50	83,076	215.18
Granted during the period	-	-	-	-
Exercised during the period	1,380	119.63	6,908	239.25
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**150,956**	**106.38**	**76,168**	**212.99**
Options vested and exercisable, end of the period	150,956	106.38	76,168	212.99

*Pre bonus issue. Refer note no 9(e).

(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,			
	2016		2015*	
	Number of share options	Weighted average Exercise Price	Number of share options	Weighted average Exercise Price
Outstanding options, beginning of the period	-	-	40,000	278.00
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	-
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	-	-	**40,000**	**278.00**
Options vested and exercisable, end of the period	-	-	40,000	278.00

*Pre bonus issue. Refer note no 9(e).

Particulars	Six months ended September 30,			
	2016		2015*	
	Number of share options	Weighted average Exercise Price	Number of share options	Weighted average Exercise Price
Outstanding options, beginning of the period	40,000	123.25	40,000	278.00
Granted during the period	-	-	-	-
Exercised during the period	40,000	123.25	-	-
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	-	-	**40,000**	**278.00**
Options vested and exercisable, end of the period	-	-	40,000	278.00

*Pre bonus issue. Refer note no 9(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, 2016, March 31, 2016 and April 1, 2015.

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,			
	2016		2015*	
	Number of share options	Weighted average Exercise Price	Number of share options	Weighted average Exercise Price
Outstanding options, beginning of the period	-	-	-	-
Granted during the period	143,030	10.00	34,352	10.00
Exercised during the period	121,750	10.00	29,394	10.00
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**21,280**	**10.00**	**4,958**	**10.00**
Options vested and exercisable, end of the period	21,280	10.00	4,958	10.00

*Pre bonus issue. Refer note no 9(e).

Particulars	Six months ended September 30,			
	2016		2015*	
	Number of share options	Weighted average Exercise Price	Number of share options	Weighted average Exercise Price
Outstanding options, beginning of the period	-	-	-	-
Granted during the period	143,030	10.00	34,352	10.00
Exercised during the period	121,750	10.00	29,394	10.00
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**21,280**	**10.00**	**4,958**	**10.00**
Options vested and exercisable, end of the period	21,280	10.00	4,958	10.00

*Pre bonus issue. Refer note no 9(e).

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

Other Stock based compensation arrangements

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, 2016 are given below:

Particulars	**Phantom stock options plan**
Total no. of units/ shares	1,195,000
Vested units/ shares	-
Lapsed units/ shares	537,750
Forfeited units/ shares	-
Cancelled units/ shares	-
Outstanding units/shares as at the end of the period	**657,250**
Contractual life	2 years
Date of grant	21-Oct-15
Price per share/ unit	Grant price of Rs 686

Particulars	**ERSP 2012 plan****
Outstanding units/shares as at the beginning of the period	342,700
Number of units/shares covered under letters of intent	80,000
Vested units/ shares	133,030
Lapsed units/ shares	4,970
Forfeited units/ shares	-
Cancelled units/ shares	-
Outstanding units/shares as at the end of the period	**284,700**
Contractual life	1-4 years
Date of grant*	18-Jul-13, 12-May-15, 21-Oct-15, 27-Oct-15, 25-Feb-16, 24-Aug-16
Price per share/ unit*	Exercise price of Rs 10

*Based on Letter of Intent
**Does not include direct allotment of shares

The following tables summarize information about the options/ shares outstanding under various programs as at September 30, 2016, March 31, 2016 and April 1, 2015 respectively:

Particulars	**As at September 30, 2016**		
	Number of options/shares	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price (in Rs)**
Program 2	10,872	0.44	12.50
Program 5	150,956	0.83	106.38
ERSP 2012	21,280	-	10.00

Particulars	**As at March 31, 2016**		
	Number of options/shares	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price (in Rs)**
Program 2	18,360	0.67	12.50
Program 5	152,336	1.33	106.50
DSOP 2006	40,000	0.04	123.25

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

Particulars	As at April 1, 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

*Pre bonus issue. Refer note no 9(e).

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the quarter and six months ended was Rs 542.42 and Rs 542.42 using the Black-Scholes model with the following assumptions:

	As at September 30, 2016
Weighted average grant date share price	568.60
Weighted average exercise price	Rs 10
Dividend yield %	2.39%
Expected life	1-2 years
Risk free interest rate	6.84%
Volatility	86.68%

10	Other equity	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
a)	**Capital reserve**			
	Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	87	87	87
b)	**Securities premium reserve**	1,172	1,084	1,860
	Amounts received on (issue of shares) in excess of the par value has been classified as securities premium.			
c)	**General reserve**	1,542	1,542	1,542
	This represents appropriation of profit by the Company.			
d)	**Retained earnings**			
	Retained earnings comprises of prior years' undistributed earnings after taxes.	21,484	19,890	16,854
e)	**Share option outstanding account**	61	107	78
	The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.			
f)	**Equity Instruments through other comprehensive income**	-	3	3
	Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within equity.			
g)	**Foreign currency translation reserve**	(541)	(214)	-
	Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.			
h)	**Other items of other comprehensive income**	(44)	(28)	-
	Other items of other comprehensive income consist of currency translation, FVTOCI financial assets and financial liabilities and re-measurement of net defined benefit liability/asset.			
i)	**Share application money pending allotment**	-	-	4
	Total	**23,761**	**22,471**	**20,428**

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

10.1 Distributions made and proposed

The amount of per share dividend recognized as distributions to equity shareholders for the period ended September 30, 2016, year ended March 31, 2016 and March 31, 2015 was Rs 3, Rs 23 and Rs 17 respectively.

The Board of Directors at its meeting held on April 18, 2016 had recommended a final dividend of 30% (Rs 3 per equity share of par value Rs 10 each). The proposal was approved by shareholders at the Annual General Meeting held on July 19, 2016, and this has resulted in a cash outflow of Rs 589, inclusive of corporate dividend tax of Rs 86. Also, the Board of Directors at its meeting held on October 21, 2016 have recommended an interim dividend of 30% (Rs 3 per equity share of par value Rs 10 each).

Non- current liabilities

11 Financial liabilities

11.1 Borrowings

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
(Unsecured)			
Other loan*	14	18	23
Total	**14**	**18**	**23**

*Unsecured long-term borrowings represents 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.

The loan carries an effective interest rate of 3% p.a and is repayable in full in June 2021.

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

11.2 Other financial liabilities

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
Liability towards acquisition of businesses	477	747	227
Total	**477**	**747**	**227**

12 Other non current liabilities

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
Other liabilities*	77	91	128
Total	**77**	**91**	**128**

*Includes deferred revenue arising from Government grant amounting to Rs 5 as at September 30, 2016 (As at March 31, 2016: Rs 11 and April 1, 2015: Rs 21)

Current liabilities

13 Financial liabilities

13.1 Borrowings

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
(Secured)			
Loans from bank	-	415	-
Total	**-**	**415**	**-**

Borrowings represent the packing credit loan from bank secured against receivables, which has been repaid during the period ended September 30, 2016.

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

13.2 Other financial liabilities

Particulars	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Current maturities of long-term debt*	5	5	5
Interest accrued but not due on borrowings*	-	1	1
Book overdraft	17	395	155
Unpaid dividends	8	7	5
Dividend payable	-	336	-
Employee benefits payable	1,225	1,345	1,611
Derivative liabilities	-	1	3
Liability towards acquisition of businesses	525	684	231
Total	**1,780**	**2,774**	**2,011**

* The details of interest rates, repayment and other terms are disclosed under note 11.1

14 Other current liabilities

Particulars	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Unearned income	364	344	225
Statutory dues (including provident fund and tax deducted at source)	410	468	281
Advance from customers	28	44	27
Gratuity payable (net)*	75	135	14
Others**	57	58	39
Total	**934**	**1,049**	**586**

* Refer Note 19 for details of gratuity plan as per Ind AS 19.
** Includes deferred revenue arising from Government grant amounting to Rs 10 as at September 30, 2016 (As at March 31, 2016: Rs 10 and April 1, 2015: Rs 10)

15 Provisions

Particulars	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Provision for post contract support services	7	7	5
Provision for discount	559	668	367
Provision for foreseeable losses on contracts	51	-	-
Provision for compensated absences	734	538	357
Provision for disputed dues*	79	76	68
Total	**1,430**	**1,289**	**797**

*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 Ind AS 37, the disclosures required have not been provided in accordance with paragraph 92 of Ind AS 37.

The disclosure of provisions movement as required under the provisions of Ind AS 37 is as follows:-

Provision for post contract support services

Provision for post contract support services represents cost associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized within a period of one year.

Particulars	For the quarter ended		For the six months ended		For the year ended
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
Balance at the beginning of the period	7	6	7	5	5
Provisions made during the period	-	-	-	1	2
Utilisations during the period	-	-	-	-	-
Released during the period	-	-	-	-	-
Provision at the end of the period	7	6	7	6	7

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

Provision for discount

Provision for discount are for volume discounts and pricing incentives to customers accounted for by reducing the amount of revenue recognized at the time of sale.

Particulars	**For the quarter ended**		**For the six months ended**		**For the year ended**
	September 30, 2016	**September 30, 2015**	**September 30, 2016**	**September 30, 2015**	**March 31, 2016**
Balance at the beginning of the period	560	432	668	367	367
Provisions made during the period	131	141	237	247	491
Utilisations during the period	(103)	(80)	(306)	(119)	(172)
Released during the period	(29)	-	(40)	(2)	(18)
Provision at the end of the period	559	493	559	493	668

Provision for foreseeable losses on contracts

Provision for foreseeable losses on contracts represents excess of estimated cost over the future revenues to be recognised and expected to be utilized within a period of one year

Particulars	**For the quarter ended**		**For the six months ended**		**For the year ended**
	September 30, 2016	**September 30, 2015**	**September 30, 2016**	**September 30, 2015**	**March 31, 2016**
Balance at the beginning of the period	16	-	-	-	-
Provisions made during the period	35	-	51	-	-
Utilisations during the period	-	-	-	-	-
Released during the period	-	-	-	-	-
Provision at the end of the period	51	-	51	-	-

Provision for disputed dues

Particulars	**For the quarter ended**		**For the six months ended**		**For the year ended**
	September 30, 2016	**September 30, 2015**	**September 30, 2016**	**September 30, 2015**	**March 31, 2016**
Balance at the beginning of the period	78	71	76	68	68
Provisions made during the period	1	2	3	5	8
Utilisations during the period	-	-	-	-	-
Released during the period	-	-	-	-	-
Provision at the end of the period	79	73	79	73	76

16 Income tax

Income tax expense in the statement of profit and loss consists of:

Particulars	**For the quarter ended**		**For six months ended**	
	September 30, 2016	**September 30, 2015**	**September 30, 2016**	**September 30, 2015**
Current income tax:				
In respect of the current period	371	496	843	926
Deferred tax				
In respect of the current period	(38)	(31)	(115)	(90)
Income tax expense reported in the statement of profit and loss	**333**	**465**	**728**	**836**
Income tax expense recognised in other comprehensive income:				
- Deferred tax arising on income and expense recognised in other comprehensive income				
Net loss/ (gain) on remeasurement of defined benefit plan	4	14	3	5
Net (gain)/ loss on investment in equity shares at FVTOCI	-	-	1	-
Total	**4**	**14**	**4**	**5**

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

The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Profit before tax	1,281	1,973	2,911	3,627
Enacted income tax rate in India	34.61%	34.61%	34.61%	34.61%
Computed expected tax expense	443	683	1,007	1,255
Effect of:				
Income exempt from tax	(283)	(328)	(609)	(593)
Temporary difference reversed during the tax holiday period	26	20	37	25
Expenses that are not deductible in determining taxable profit	37	(4)	59	16
Differential tax rates of branches/subsidiaries operating in other jurisdictions	112	41	220	79
Others	(2)	53	14	54
Total income tax expense recognised in the statement of profit and loss	**333**	**465**	**728**	**836**

The tax rates under Indian Income Tax Act, for the quarter ended September 30, 2016 and September 30, 2015 is 34.61%.

Deferred tax

Deferred tax assets/(liabilities) as at September 30, 2016 in relation to:

Particulars	As at April 1, 2016	Recognised in profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	As at September 30, 2016
Property, plant and equipment	254	42	-	-	296
Provision for doubtful debts	22	1	-	-	23
Provision for compensated absence	203	65	-	-	268
Provision for volume discount	73	(18)	-	-	55
Intangible assets	(337)	39	-	-	(298)
Net gain on fair value of mutual funds	(56)	(19)	-	-	(75)
Others	44	5	-	-	49
FVTOCI financial investments	(1)	-	1	-	-
Deferred tax related to Net loss/(gain) on remeasurements of defined benefit plans recognised in OCI during the period	6	-	3	-	9
MAT Credit entitlement	198	-	-	(13)	185
	406	**115**	**4**	**(13)**	**512**

Deferred tax assets/(liabilities) as at March 31, 2016 in relation to:

Particulars	As at April 1, 2015	Recognised in profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	As at March 31, 2016
Property, plant and equipment	205	49	-	-	254
Provision for doubtful debts	16	6	-	-	22
Provision for compensated absence	117	86	-	-	203
Provision for volume discount	39	34	-	-	73
Intangible assets	2	48	-	(387)	(337)
Net gain on fair value of mutual funds	(49)	(7)	-	-	(56)
Others	72	(28)	-	-	44
FVTOCI financial investments	(1)	-	-	-	(1)
Deferred tax related to Net loss/(gain) on remeasurements of defined benefit plans recognised in OCI during the year	-	-	6	-	6
MAT Credit entitlement	146	-	-	52	198
	547	**188**	**6**	**(335)**	**406**

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

Deferred tax assets/(liabilities) as at September 30, 2015 in relation to:

Particulars	**As at April 1, 2015**	**Recognised in profit and loss**	**Recognised in Other Comprehensive Income**	**Recognised directly in equity**	**As at September 30, 2015**
Property, plant and equipment	205	(3)	-	-	202
Provision for doubtful debts	16	7	-	-	23
Provision for compensated absence	117	33	-	-	150
Provision for volume discount	39	11	-	-	50
Intangible assets	2	18	-	(387)	(367)
Net gain on fair value of mutual funds	(49)	8	-	-	(41)
Others	72	16	-	-	88
FVTOCI financial investments	(1)	-	-	-	(1)
Deferred tax related to Net loss/(gain) on remeasurements of defined benefit plans recognised in OCI during the period	-	-	5	-	5
MAT Credit entitlement	146	-	-	(6)	140
	547	**90**	**5**	**(393)**	**249**

The Group has not created deferred tax assets on the following:

Particulars	**As at**		
	September 30, 2016	**March 31, 2016**	**April 1, 2015**
Unused tax losses(long term capital loss) which expire in:			
-FY 2016-17	2	2	2
-FY 2018-19	163	163	163
-FY 2019-20	34	34	34
-FY 2021-22	48	48	48
-FY 2022-23	28	28	-
Unused tax losses of foreign jurisdiction	153	152	158

The Group has units at Bengaluru, Hyderabad, Chennai and Bhubaneshwar 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.

A substantial portion of the profits of the Group’s India operations are exempt from Indian income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the Special Economic Zone Act, 2005 scheme, units in designated special economic zones providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions.
Dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax.

Pursuant to the changes in the Indian income tax laws in fiscal 2007, Minimum Alternate Tax (MAT) has been extended to income in respect of which deduction is claimed under the tax holiday schemes discussed above; consequently, the Company has calculated its tax liability for current domestic taxes after considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions.

The Group is also subject to tax on income attributable to its permanent establishment in certain foreign jurisdictions due to operation of its foreign branches and subsidiaries.

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17 Other income

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Dividend income from investments in mutual funds	1	9	3	49
Net gain on sale of investments in mutual funds	20	9	35	10
Net gain on financial assets designated at fair value through profit and loss	90	64	128	71
Interest income on financial asset at amortised cost	30	68	55	142
Foreign exchange gain/ (loss)	(28)	64	60	266
Others*	57	18	87	24
Total	**170**	**232**	**368**	**562**

*Includes net gain on disposal of property, plant and equipment for the quarter and six months ended September 30, 2016, Rs 3 and Rs 5 respectively. (For the quarter and six months ended September 30, 2015, Rs 11 and Rs 11 respectively). Also includes income from government grants for the quarter and six months ended September 30, 2016 Rs 2 and Rs 5 respectively. (For the quarter and six months ended September 30, 2015 Rs 2 and Rs 5 respectively)

18 Employee benefits expense

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Salaries and wages	7,987	6,355	15,796	11,724
Contribution to provident and other funds*	467	395	941	716
Expense on employee stock based compensation (Refer note 9)	18	7	37	42
Staff welfare expenses	54	37	118	73
Total	**8,526**	**6,794**	**16,892**	**12,555**

*includes contribution to defined contribution plans for the quarter and six months ended September 30, 2016, Rs 442 and Rs 890 respectively (For the quarter and six months ended September 30, 2015: Rs 374 and Rs 672 respectively)

19 Gratuity

Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Gratuity cost				
Service cost	25	20	49	44
Net interest on net defined liability/(asset)	-	1	2	-
Re-measurement - actuarial (gain)/loss recognised in OCI	23	71	19	25
Net gratuity cost	**48**	**92**	**70**	**69**
Assumptions				
Interest rate	6.80%	7.80%	6.80%	7.80%
Salary increase	4.00%	5.00%	4.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The following table sets out the status of the gratuity plan.

Particulars		As at	
	September 30, 2016	March 31, 2016	April 1, 2015
Change in projected benefit obligations			
Obligations at the beginning of the period	513	413	365
Service cost	49	91	81
Interest cost	19	29	29
Benefits settled	(41)	(50)	(55)
Actuarial (gain)/loss - experience	18	30	(7)
Actuarial (gain)/loss – demographic assumptions	2	-	-
Actuarial (gain)/loss – financial assumptions	(2)	-	-
Obligations at end of the period	**558**	**513**	**413**
Change in plan assets			
Plan assets at the beginning of the period, at fair value	375	395	363
Interest income on plan assets	16	32	29
Re-measurement - actuarial gain/(loss)	-	(6)	5
Return on plan assets greater/(lesser) than discount rate	(1)	4	53
Contributions	130	-	-
Benefits settled	(37)	(50)	(55)
Plan assets at the end of the period, at fair value	**483**	**375**	**395**

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

Historical information:

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Present value of defined benefit obligation	(558)	(513)	(413)	(365)	(324)
Fair Value of Plan	483	375	395	363	313
Asset/ (liability) recognized	**(75)**	**(138)**	**(18)**	**(2)**	**(11)**

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

Particulars		As at	
	September 30, 2016	March 31, 2016	April 1, 2015
Experience adjustment on plan liabilities	18	55	32
Experience adjustment on plan assets	1	2	6

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at September 30, 2016		As at March 31, 2016		As at April 1, 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(27)	30	(26)	29	(21)	29
Future salary growth (1% movement)	29	(27)	28	(26)	23	(26)

Maturity profile of defined benefit obligation:

Particulars		As at	
	September 30, 2016	March 31, 2016	April 1, 2015
Within 1 year	92	77	68
1-2 year	95	86	77
2-3 year	106	95	85
3-4 year	113	101	96
4-5 year	126	117	108
5-10 year	587	603	565

The Group expects to contribute Rs 75 to its defined benefit plans during the next fiscal year.

As at September 30, 2016, March 31, 2016 and April 1, 2015, 100% of the plan assets were invested in insurer managed funds.

The Group has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

20 Finance costs

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Interest expense on financial instruments designated at				
- Fair value through profit and loss	47	43	97	52
- Amortised cost	-	2	1	2
Total	**47**	**45**	**98**	**54**

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

21 Depreciation and amortization expense

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Depreciation on property, plant and equipment (note 3)	318	291	639	575
Amortization of intangible assets (note 4)	145	118	292	173
Total	**463**	**409**	**931**	**748**

22 Other expenses

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Travel expenses	493	541	1,181	1,179
Communication expenses	189	157	368	288
Sub-contractor charges	791	781	1,595	1,370
Computer consumables	224	157	426	301
Legal and professional charges	159	131	277	223
Power and fuel	80	79	171	159
Lease rentals (Refer note 27)	247	210	490	409
Repairs and maintenance				
- Buildings	15	16	31	32
- Machinery	8	11	23	18
Insurance	22	17	51	30
Rates and taxes	40	62	73	93
Other expenses	539	506	1,080	908
Total	**2,807**	**2,668**	**5,766**	**5,010**

23 Auditor's remuneration

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
As auditor:				
Audit fee	5	5	9	9
Taxation matters	1	-	1	-
Other services	-	1	1	2
Reimbursement of expenses and levies	1	-	2	-
Total	**7**	**6**	**13**	**11**

24 Earnings per share (EPS)

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, 2016		September 30, 2015*	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the quarter	167,877,259	167,877,259	167,603,019	167,603,019
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	330,621	-	470,139
Weighted average number of equity shares for calculation of earnings per share	167,877,259	168,207,880	167,603,019	168,073,158

*In accordance with Ind AS on Earnings per share, basic and diluted earnings per share is adjusted for bonus issue for previous period presented.

Particulars	For the six months ended			
	September 30, 2016		September 30, 2015*	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the period	167,847,094	167,847,094	167,553,329	167,553,329
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	308,298	-	477,527
Weighted average number of equity shares for calculation of earnings per share	167,847,094	168,155,392	167,553,329	168,030,856

*In accordance with Ind AS on Earnings per share, basic and diluted earnings per share is adjusted for bonus issue for previous period presented.

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

25 Government grants

a) 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:

Nature of expenses	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Grant towards workforce training	-	1	2	1
Total	**-**	**1**	**2**	**1**

b) The Group has availed a grant of USD 950,000 for renovation of project facility in the financial year 2011-2012. This grant is subject to fulfillment of certain conditions suchas creation of minimum employment with specified average salary and capital investmentat the development center at Gainesville, Florida, US.

c) The Groups'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:

Nature of expenses	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Grant towards R & D credit	12	21	18	21
Total	**12**	**21**	**18**	**21**

The grant recognized in the balance sheet is Rs 71 as at September 30, 2016 (As at March 31, 2016: Rs 59, as at April 1, 2015: Rs Nil)

26 Other Comprehensive Income (OCI)

Components of changes to OCI by each type of reserve in equity is shown below-

During the quarter ended September 30, 2016

Particulars	Equity instruments through Other Comprehensive Income	FCTR	Other items of Comprehensive Income	Total
A (i) Items that will not be reclassified to profit or loss				
Remeasurement gains/ (losses) on defined benefit plans	-	-	(23)	(23)
Gain/(loss) on equity instruments designated at FVTOCI	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	4	4
B (i) Items that will be reclassified to profit or loss	-	-	-	
Foreign exchange translation differences	-	(222)	-	(222)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total	**-**	**(222)**	**(19)**	**(241)**

During the six months ended September 30, 2016

Particulars	Equity instruments through Other Comprehensive Income	FCTR	Other items of Comprehensive Income	Total
A (i) Items that will not be reclassified to profit or loss				
Remeasurement gains/ (losses) on defined benefit plans	-	-	(19)	(19)
Gain/(loss) on equity instruments designated at FVTOCI	(4)			(4)
(ii) Income tax relating to items that will not be reclassified to profit or loss	1	-	3	4
B (i) Items that will be reclassified to profit or loss				
Foreign exchange translation differences	-	(327)	-	(327)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total	**(3)**	**(327)**	**(16)**	**(346)**

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

During the quarter ended September 30, 2015

Particulars	Equity instruments through Other Comprehensive Income	FCTR	Other items of Comprehensive Income	Total
A (i) Items that will not be reclassified to profit or loss				
Remeasurement gains/ (losses) on defined benefit plans	-	-	(73)	(73)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	14	14
B (i) Items that will be reclassified to profit or loss				
Foreign exchange translation differences	-	12	-	12
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total	**-**	**12**	**(59)**	**(47)**

During the six months ended September 30, 2015

Particulars	Equity instruments through Other Comprehensive Income	FCTR	Other items of Comprehensive Income	Total
A (i) Items that will not be reclassified to profit or loss				
Remeasurement gains/ (losses) on defined benefit plans	-	-	(25)	(25)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	5	5
B (i) Items that will be reclassified to profit or loss				
Foreign exchange translation differences	-	12	-	12
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total	**-**	**12**	**(20)**	**(8)**

During the year ended March 31, 2016

Particulars	Equity instruments through Other Comprehensive Income	FCTR	Other items of Comprehensive Income	Total
A (i) Items that will not be reclassified to profit or loss				
Remeasurement gains/ (losses) on defined benefit plans	-	-	(34)	(34)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	6	6
B (i) Items that will be reclassified to profit or loss				
Foreign exchange translation differences	-	(214)	-	(214)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total	**-**	**(214)**	**(28)**	**(242)**

27 Operating lease

The Group has various operating leases, mainly for office buildings including land. Lease rental expense under such non-cancellable operating lease during the quarter and six months ended September 30, 2016 amounted to Rs 120 and Rs 238 respectively (for the quarter and six months ended September 30, 2015 amounted to Rs 112 and Rs 221 respectively.)

Particulars	As at		
	September 30, 2016	March 31, 2016	April 1, 2015
Payable – Not later than one year	388	372	414
Payable – Later than one year and not later than five years	565	475	585
Payable – Later than five years	344	258	286

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, 2016 amounted to Rs 127 and Rs 252 respectively (for the quarter and six months ended September 30, 2015 amounted to Rs 98 and Rs 188 respectively.)

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

28 Financial instruments

The carrying value and fair value of financial instruments by categories as at September 30, 2016, March 31, 2016 and April 1, 2015 is as follows:

As at September 30, 2016

Particulars	Carrying value			Fair value		
Financial assets	**September 30, 2016**	**March 31, 2016**	**April 1, 2015**	**September 30, 2016**	**March 31, 2016**	**April 1, 2015**
Amortised cost						
Loans	673	693	750	673	693	750
Trade receivable	9,288	9,728	6,963	9,288	9,728	6,963
Cash and cash equivalents	1,364	2,332	3,763	1,364	2,332	3,763
Other assets	2,873	2,897	1,313	2,873	2,897	1,313
Investment in term deposit (unquoted)	370	250	700	370	250	700
Investment in debt securities (quoted)	250	150	-	250	150	-
FVTOCI						
Investment in equity instruments (unquoted)	1	1	1	1	1	1
Investment in preference shares (unquoted)	7	11	11	7	11	11
FVTPL						
Investments in mutual fund (quoted)	3,180	1,916	4,790	3,180	1,916	4,790
Derivative assets	45	53	24	45	53	24
Total assets	**18,051**	**18,031**	**18,315**	**18,051**	**18,031**	**18,315**
Financial liabilities						
Amortised cost						
Loans and borrowings	19	438	28	19	438	28
Trade payables	1,535	1,890	1,418	1,535	1,890	1,418
Other liabilities	1,250	2,084	1,772	1,250	2,084	1,772
FVTPL						
Derivative liabilities	-	1	3	-	1	3
Contingent consideration	1,002	1,431	458	1,002	1,431	458
Total liabilities	**3,806**	**5,844**	**3,679**	**3,806**	**5,844**	**3,679**

The management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, trade payables, book overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) The fair value of the quoted bonds and mutual funds are based on price quotations at reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

iii) Fair values of the Group’s interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non- performance risk as at September 30, 2016 was assessed to be insignificant.

iv) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility/ the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

v) The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

vi) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at September 30, 2016 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

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

29 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at September 30, 2016, March 31, 2016 and April 1, 2015.

Quantitative disclosures fair value measurement hierarchy for financial assets as at September 30, 2016:

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at fair value:					
Derivative financial assets (Notes 28 & 7.5):					
Foreign exchange forward contracts	September 30, 2016	45	-	45	-
FVTOCI financial investments (Notes 28 & 5.1):					
Investment in equity instruments (unquoted)	September 30, 2016	1	-	-	1
Investment in preference shares (unquoted)	September 30, 2016	7	-	-	7
FVTPL financial investments (Notes 28 & 7.1):					
Investment in mutual funds (quoted)	September 30, 2016	3,180	3,180	-	-
Financial liabilities measured at fair value:					
Contingent consideration (Note 28, 11.2 & 13.2):	September 30, 2016	1,002	-	-	1,002

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2016:

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at fair value:					
Derivative financial assets (Note 28 & 7.5):					
Foreign exchange forward contracts	31 March 2016	53	-	53	-
FVTOCI financial investments (Notes 28 & 5.1):					
Investment in equity instruments (unquoted)	31 March 2016	1	-	-	1
Investment in preference shares (unquoted)	31 March 2016	11	-	-	11
FVTPL financial investments (Note 28 & 7.1):					
Investment in mutual funds (quoted)	31 March 2016	1,916	1,916	-	-
Financial liabilities measured at fair value:					
Derivative financial liabilities (Notes 28 & 13.2):					
Foreign exchange forward contracts	31 March 2016	1	-	1	-
Contingent consideration (Note 28, 11.2 & 13.2):	31 March 2016	1,431	-	-	1,431

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

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

Quantitative disclosures fair value measurement hierarchy for financial assets as at April 1, 2015:

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value:					
Derivative financial assets (Note 28 & 7.5):					
Foreign exchange forward contracts	1 April 2015	24	-	24	-
FVTOCI financial investments (Notes 28 & 5.1):					
Investment in equity instruments (unquoted)	1 April 2015	1	-	-	1
Investment in preference shares (unquoted)	1 April 2015	11	-	-	11
FVTPL financial investments (Note 28 & 7.1):					
Investment in mutual funds (quoted)	1 April 2015	4,790	4,790	-	-
Financial liabilities measured at fair value:					
Derivative financial liabilities (Note 28 & 12.3):					
Foreign exchange forward contracts	1 April 2015	3	-	3	-
Contingent consideration (Note 28, 11.2 & 13.2):	1 April 2015	458	-	-	458

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

i) Reconciliation of fair value measurement of unquoted investment in equity instruments classified as FVTOCI (Level 3)

Particulars		**As at**	
	September 30, 2016	**March 31, 2016**	**April 1, 2015**
Opening balance	11	11	11
Remeasurement recognised in OCI	(4)	-	-
Purchases	-	-	-
Sales	-	-	-
Closing balance	7	11	11

ii) Reconciliation of fair value measurement of liability towards acquisition of business classified as FVTPL (Level 3)

Particulars		**As at**	
	September 30, 2016	**March 31, 2016**	**April 1, 2015**
Opening balance	1,431	458	458
Additions during the period	-	1,106	-
Fair value movement recognised in statement of profit and loss	52	157	-
Remeasurement recognised in statement of profit and loss	-	-	-
Translation adjustment	(61)	3	-
Payout during the period	(420)	(293)	-
Closing balance	1,002	1,431	458

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

Derivative financials instuments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Derivative financial instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and forecasted cash flows denominated in foreign currency. The Group follows established risk management policies, including the use of derivatives to hedge foreign currency assets/ liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material.

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Particulars	**As at**		
	September 30, 2016	**March 31, 2016**	**April 1, 2015**
Non-designated derivative instruments (Sell):			
in USD millions	32	31	32
in EUR millions	2	3	5
in GBP millions	2	2	2

The foreign exchange forward and option contracts mature anywhere between 0-1 year. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	**As at**		
	September 30, 2016	**March 31, 2016**	**April 1, 2015**
Non-designated derivative instruments (Sell)			
Not later than 1 month			
in USD millions	12	12	13
in EUR millions	1	1	2
in GBP millions	1	1	1
Later than 1 month but not later 3 months			
in USD millions	20	19	19
in EUR millions	1	2	3
in GBP millions	1	1	1

30 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Mindtree Limited
Significant accounting policies and notes to the accounts
For the quarter and six months ended September 30, 2016
(Rupees in millions, except share and per share data, unless otherwise stated)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

Particulars	For the quarter ended		For the six months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Revenue from top customer	2,530	1,233	3,604	2,290
Revenue from top 5 customer	3,879	3,684	7,815	6,901

One customer accounted for more than 10% of the revenue for the quarter and six months ended September 30, 2016, however none of the customers accounted for more than 10% of the receivables for the six months ended September 30, 2016. One customer accounted for more than 10% of the revenue for the quarter and six months ended September 30, 2015, however none of the customers accounted for more than 10% of the receivables for the six months ended September 30, 2015.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Group has unutilized credit limits with banks.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Group is given below:

Particulars	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Cash and cash equivalents	1,364	2,332	3,763
Investments in mutual funds (quoted)	3,180	1,916	4,790
Investments in non-convertible bonds (quoted)	200	100	-
Investment in term deposit (unquoted)	370	250	700
Total	**5,114**	**4,598**	**9,253**

The table below provides details regarding the contractual maturities of significant financial liabilities as at September 30, 2016, March 31, 2016 and April 1, 2015:

Particulars	As at September 30, 2016		
	Less than 1 year	1-2 years	2 years and above
Borrowings	5	5	9
Trade payables	1,535	-	-
Other financial liabilities	1,775	477	-

Particulars	As at March 31, 2016		
	Less than 1 year	1-2 years	2 years and above
Borrowings	420	5	13
Trade payables	1,890	-	-
Other financial liabilities	2,768	555	192
Derivative liabilities	1	-	-

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

Particulars	As at April 1, 2015		
	Less than 1 year	1-2 years	2 years and above
Borrowings	5	5	18
Trade payables	1,418	-	-
Other financial liabilities	2,003	227	-
Derivative liabilities	3	-	-

Foreign currency risk

The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars, British pound sterling and euros) and foreign currency borrowings (in U.S. dollars). A significant portion of the Group's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Group's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Group has a foreign currency advisory committee which meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Group uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

The details in respect of the outstanding foreign exchange forward contracts are given under the derivative financial instruments section.

In respect of the Group's forward and option contracts, a 1% decrease/increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

a) an approximately Rs 72 increase and Rs 30 increase in the Group's net profit as at September 30, 2016;

b) an approximately Rs 32 decrease and Rs 32 increase in the Group's net profit as at September 30, 2015

The following table presents foreign currency risk from non-derivative financial instruments as of September 30, 2016, March 31, 2016 and April 1, 2015.

As at September 30, 2016 — **Rs in million**

Particulars	US $	Euro	Pound Sterling	Other currencies*	Total
Assets					
Trade receivables	6,286	815	1,172	743	9,016
Unbilled revenue	1,526	87	424	93	2,130
Cash and cash equivalents	628	120	277	275	1,300
Other assets	107	30	35	27	199
Liabilities					
Trade payables	619	39	203	79	940
Other liabilities	1,059	33	518	30	1,640
Net assets/liabilities	**6,869**	**980**	**1,187**	**1,029**	**10,065**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen, Malaysian Ringgit, etc.

As at March 31, 2016 — **Rs in million**

Particulars	US $	Euro	Pound Sterling	Other currencies*	Total
Assets					
Trade receivables	6,704	875	1,320	672	9,571
Unbilled revenue	1,385	95	542	58	2,080
Cash and cash equivalents	1,270	70	231	341	1,912
Other assets	148	18	39	25	230
Liabilities					
Trade payables	387	1	113	2	503
Other liabilities	1,400	38	912	76	2,426
Net assets/liabilities	**7,720**	**1,019**	**1,107**	**1,018**	**10,864**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen, Malaysian Ringgit, etc.

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

As at April 1, 2015 **Rs in million**

Particulars	**US $**	**Euro**	**Pound Sterling**	**Other currencies***	**Total**
Assets					
Trade receivables	4,791	831	656	392	6,670
Unbilled revenue	669	128	138	29	964
Cash and cash equivalents	1,335	72	124	236	1,767
Other assets	161	6	39	19	225
Liabilities					
Loans and borrowings					
Trade payables	167	1	8	8	184
Other liabilities	299	30	67	110	506
Net assets/liabilities	**6,490**	**1,006**	**882**	**558**	**8,936**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen, Malaysian Ringgit, etc.

For the quarter and six months ended September 30, 2016 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by 0.2%/ (0.3)% and 0.2%/ (0.3)% respectively. For the quarter and six months ended September 30, 2015, the impact on operating margins would be 0.2%/ (0.3)% and 0.2%/ (0.3)% respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and investments. The Group's borrowings and investments are primarily short-term, which do not expose it to significant interest rate risk.

31 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

Particulars	**As at September 30, 2016**	**As at March 31, 2016**	**As at April 1, 2015**
Total equity attributable to the equity share holders of the Group	25,441	24,149	21,265
As percentage of total capital	100%	98%	100%
Current loans and borrowings	5	420	5
Non-current loans and borrowings	14	18	23
Total loans and borrowings	19	438	28
As a percentage of total capital	0%	2%	0%
Total capital (loans and borrowings and equity)	**25,460**	**24,587**	**21,293**

The Group is predominantly equity financed which is evident from the capital structure table. Further, the Group has always been a net cash Group with cash and bank balances along with current financial assets which is predominantly investment in liquid and short term mutual funds being far in excess of debt.

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

32 Related party transaction

Name of related party	Nature of relationship
Janaagraha Centre for Citizenship & Democracy	Entity with common key managerial person
Mindtree Foundation	Entity with common key managerial person
Coffee Day Global Limited Tanglin Developments Limited ('TDL') Mysore Amalgamated Coffee Estate Ltd	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.82% equity stake in Mindtree.

Transactions with the above related parties during the period were:

Name of related party	Nature of transaction	For the quarter ended		For the six months ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses		-	-	1
Mindtree Foundation	Donation paid	13	6	25	24
Coffee Day Global Limited	Procurement of supplies	8	8	10	10
	Software services rendered	17	-	24	-
Tanglin Developments Limited	Leasing office buildings and land	101	96	209	185
	Advance/ deposits paid				
	- towards lease rentals	117	-	117	-
	Advance/ deposits received back				
	- towards electricity deposit/ charges	-	4	-	16
	- towards lease rentals	24	50	45	96

Balances payable to related parties are as follows:

Name of related party	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Coffee Day Global Limited	-	1	-

Balances receivable from related parties are as follows:

Name of related party	Nature of balance	As at September 30, 2016	As at March 31, 2016	As at April 1, 2015
Coffee Day Global Limited	Trade receivables	29	25	-
Tanglin Developments Limited	Short-term loans and advances			
	- Rental advance	102	-	94
	Long-term loans and advances			
	- Advance towards electricity charges	-	-	16
	- Security deposit (including electricity deposit) returnable on termination of lease	270	298	375

The amount outstanding are unsecured and will be settled in cash. No guarantee has been given or received.

Key Managerial Personnel:

Krishnakumar Natarajan	Executive Chairman
Rostow Ravanan	CEO and Managing Director
N.S. Parthasarathy	Executive Director, President and Chief Operating Officer
Subroto Bagchi	Non-Executive Director
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
Milind Sarwate*	Independent Director
Jagannathan Chakravarthi	Chief Financial Officer
Vedavalli Sridharan	Company Secretary

*Appointed with effect from July 19, 2016.

Transactions with key management personnel

Dividends paid to directors during the quarter and six months ended September 30, 2016 amounts to Rs 66 and Rs 110 respectively and for the quarter and six months ended September 30, 2015 amounts to Rs 33 and Rs 142 respectively. Further, during the quarter and six months ended September 30, 2016, 44,340 shares were allotted to the key management personnel.

Compensation of key management personnel of the Group

Particulars	For the quarter ended*		For the six months ended*	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Short-term employee benefits	19	23	42	45
Share-based payment transactions	2	2	2	11
Others	9	4	13	8
Total compensation paid to key management personnel	**30**	**29**	**57**	**64**

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

33 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'). The Group has received the favourable order from 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. The department has adjusted pending refunds amounting to Rs 18 against these demands.

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 215, 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 478 against these demands.

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 Deputy Commissioner of Income tax has completed the reassessment & has issued a Final assessment order with a revised demand amounting to Rs 202 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 Commissioner of Income Tax (Appeals).

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, Bengaluru.

The Group has received the order from ITAT for the FY 2006-07 and ITAT has remanded the matter back to the Assessing Officer for re-assessment.

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 nonadjustment 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).

f) The Group has received a final assessment order for financial year 2012-13 from the Deputy Commissioner of Income Tax with a demand amounting to Rs 15 on account of certain disallowances. 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).

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

34 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at September 30, 2016 is Rs 420 (As at March 31, 2016: Rs 262 and April 1, 2015: Rs 508).

35 Acquisition of Discoverture Solutions L.L.C. ('DS LLC')

On February 13, 2015, the Group acquired 100% of the membership interest in DS LLC, thereby obtaining control.

DS LLC is an IT services and solutions firm specializing in the property and casualty (P&C) insurance and health care customers. The acquisition of DS LLC will enable the Group to increase its foot print in (P&C) insurance industry through access to DS LLC's customer base, its expertise and brand value in the market. The Group also believes that P&C insurance industry has potential for growth.

The acquisition was executed through an equity interest agreement to acquire 100% of the membership interest in DS LLC and asset purchase and employee transition facilitation agreement of the India operations of DS LLC.

The fair value of purchase consideration of Rs 1,051 comprised upfront cash consideration of Rs 581, deferred consideration of Rs 361 and contingent consideration of Rs 109.

The details are provided below

Sl. No.	Nature of consideration	Amount (Rs)	Fair value (Rs)	Terms
1	Upfront cash consideration	581	581	
2	Deferred consideration	371	361	USD 4 million payable in February 2016 and USD 2 million in September 2016
3	Contingent consideration	120	109	Payable in two installments for Fiscal Years 2015 and 2016 determined based on achievement of certain financial targets
	Total	**1,072**	**1,051**	

The fair value of the contingent consideration, recognized on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the Discounted Cash Flow approach. The fair value of estimates are based on discount rate of 23.9% and probability adjusted revenue and earnings estimates

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 311. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill.

The purchase price has been allocated based on Management's estimates as follows:

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	12	-	12
Net current assets	162	-	162
Deferred tax assets	-	-	-
Intangible assets	2	206	208
Deferred tax liabilities on intangible	-	-	-
Total	**176**	**206**	**382**
Goodwill			669
Total purchase price			**1,051**

The intangible assets are amortised over a period of three to five years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.

The goodwill amounting to Rs 669 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

The goodwill amounting to Rs 669 is expected to be deductible for tax purposes.

Results from this acquisition are grouped under BFSI in the segmental reporting.

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generate units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.
The goodwill on acquisition of Discoverture is allocated to the operating segment 'BFSI". The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations.These calculations use pre tax cash flow projections over a period of five years, based on financial budgets approved by management and an average of the range of each assumption mentioned below.
As of March 31, 2016, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

	As at March 31, 2016
Long term growth rate	14.50%
Operating margins	26.30%
Discount rate	21.70%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

36 Acquisition of Bluefin Solutions Limited ('Bluefin')

On July 16, 2015, the Group acquired 100% of equity interest in Bluefin, thereby obtaining control.

Bluefin provides SAP based business and technology consulting services. It offers SAP implementation and integration services; and business advisory services in areas of business growth strategy, operational excellence, business change management and information technology excellence. The acquisition of Bluefin will enable the Group to increase its foot print in SAP implementation and integration space.

The acquisition was executed through stock purchase agreement to acquire 100% of the equity interest in Bluefin.
The fair value of purchase consideration of Rs 3,981 comprised upfront cash consideration of Rs 3,379 and contingent consideration of Rs 602.

The details are provided below:

Sl no	Nature of consideration	Amount (Rs)	Fair value (Rs)	Terms
1	Upfront cash consideration	3,379	3,379	
2	Contingent consideration	835	602	Payable in three installments for the financial year ending March 2016, 2017 and 2018 determined based on achievement of certain financial targets
	Total	**4,214**	**3,981**	

The fair value of the contingent consideration, recognized on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the Discounted Cash Flow approach. The fair value of estimates are based on discount rate of 20.3% and probability adjusted revenue and earnings estimates

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 1,829. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill.

The purchase price has been allocated based on Management's estimates as follows:

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	25	-	25
Net current assets	644	-	644
Intangible assets	7	1,441	1,448
Deferred tax liabilities on intangible assets	-	(288)	(288)
Total	**676**	**1,153**	**1,829**
Goodwill			2,152
Total purchase price			**3,981**

The transaction costs related to the acquisition amounting to Rs 21 have been included under other expenses in the consolidated statement of profit and loss for the year ended March 31, 2016.

The intangible assets are amortised over a period of five to ten years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.

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

The goodwill amounting to Rs 2,152 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.
None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

From the date of acquisition, Bluefin has contributed revenues amounting to Rs 2,197 and profits amounting to Rs 157 to the Group's results for the period ended March 31, 2016. If the acquisition had occurred on April 1, 2015, management estimates that consolidated revenues and profits for the period would have been Rs 2,925 and Rs 179 respectively. The proforma amounts are not necessarily indicative of results that would have occurred if the acquisition had occurred on dates indicated or that may result in the future.
Results from this acquisition are grouped under various operating segments as defined by the Management.

37 Acquisition of Relational Solutions, Inc ('RSI')

On July 16, 2015, the Group acquired 100% of equity interest in RSI, thereby obtaining control.
RSI develops data warehouses and business intelligence solutions. The acquisition of RSI will enable the Group to increase its foot print in development of data warehouses and business intelligence solutions space.
The acquisition was executed through common stock purchase agreement to acquire 100% of equity interest in RSI.
The fair value of purchase consideration of Rs 522 comprised upfront cash consideration of Rs 454 and contingent consideration of Rs 68.

The details are provided below:

Sl no	Nature of consideration	Amount (Rs)	Fair value (Rs)	Terms
1	Upfront cash consideration	454	454	
2	Contingent consideration	95	68	Payable in two installments for the fiscal year ending June 2016 and 2017 determined based on achievement of certain financial targets
	Total	**549**	**522**	

The fair value of the contingent consideration, recognized on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the Discounted Cash Flow approach. The fair value of estimates are based on discount rate of 23.4% and probability adjusted revenue and earnings estimates

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 183. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill.

The purchase price has been allocated based on Management's estimates as follows:

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	(0.30)		(0.30)
Intangible assets		281	281
Deferred tax liabilities on intangible assets	-	(98)	(98)
Total	**(0.30)**	**183**	**183**
Goodwill			339
Total purchase price			**522**

The transaction costs related to the acquisition amounting to Rs 11 have been included under other expenses in the consolidated statement of profit and loss for the year ended March 31, 2016.

The intangible assets are amortised over a period of five to ten years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.

The goodwill amounting to Rs 339 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

From the date of acquisition, RSI has contributed revenues amounting to Rs 115 and profits amounting to Rs 9 to the Group's results for the period ended March 31, 2016. If the acquisition had occurred on April 1, 2015, management estimates that consolidated revenues and loss for the period would have been Rs 145 and Rs 17 respectively. The proforma amounts are not necessarily indicative of results that would have occurred if the acquisition had occurred on dates indicated or that may result in the future.
Results from this acquisition are grouped under RCM in the segmental reporting.

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

38 Acquisition of Magnet 360 LLC

On January 19, 2016, the Group acquired 100% of membership interest in Magnet 360 LLC, thereby obtaining control.

Magnet 360, LLC provides Sales force multi-cloud implementation strategies and consulting services. It assesses go-to-market goals of organizations and specializes in multi-cloud, marketing automation and community cloud solutions. The acquisition of Magnet will enable the Group to increase its foot print in sales force multi-cloud implementation space.

The acquisition was executed through unit purchase agreement to acquire 100% of the membership interest in Magnet

The fair value of purchase consideration of Rs 2,962 comprised upfront cash consideration of Rs 2,526 and contingent consideration of Rs 436.

The details are provided below:

Sl no	Nature of consideration	Amount (Rs)	Fair value (Rs)	Terms
1	Upfront cash consideration	2,526	2,526	
2	Contingent consideration	566	436	Payable in two installments for the year ending Dec 2016, and Dec 2017 determined based on achievement of certain financial targets
	Total	**3,092**	**2,962**	

The fair value of the contingent consideration, recognized on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets applying the Discounted Cash Flow approach. The fair value of estimates are based on discount rate of 17.7% and probability adjusted revenue and earnings estimates

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 1,174. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill.

The purchase price has been allocated based on Management's estimates as follows:

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	39	-	39
Net current assets	158	-	158
Intangible assets	-	977	977
Total	**197**	**977**	**1,174**
Goodwill			1,788
Total purchase price			**2,962**

The intangible assets are amortized over a period of five to ten years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.

The goodwill amounting to Rs 1,788 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

The goodwill amounting to Rs 1,788 is expected to be deductible for tax purposes

From the date of acquisition, Magnet 360 has contributed revenues amounting to Rs 428 and profits / (loss) amounting to Rs (16) to the Group's results for the period ended March 31, 2016. If the acquisition had occurred on April 1, 2015, management estimates that consolidated revenues and profits for the year would have been Rs 1,647 and Rs 356 respectively. The proforma amounts are not necessarily indicative of results that would have occurred if the acquisition had occurred on dates indicated or that may result in the future.

Results from this acquisition are grouped under various operating segments as defined by the management.

39 The Company has filed an application before the Hon'ble High Court of Karnataka for a composite scheme of amalgamation ("the scheme") of Discoverture Solutions L.L.C. and Relational Solutions Inc., wholly owned subsidiaries of the Company, with the Company with an appointed date of April 1, 2015. Pending requisite approvals, no effect has been given for the scheme in these financial statements.

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

40 Segmental information

The CEO & MD of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The Group is structured into four reportable business segments – RCM, BFSI, TMS and TH. During the period, the Group has restructured its verticals and accordingly, as required by accounting standards, comparatives have been restated and presented in line with the current segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

Each segment item reported is measured at the measure, it is reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Geographic information is based on business sources from that geographic region and delivered from both on-site and off-shore. America comprises of United States of America and Canada, Europe includes continental Europe and United Kingdom; and the rest of the world comprises of all other places except those mentioned above and India.

Income and direct expenses in relation to segments are categorized 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 management therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "unallocated" and directly charged against total income.

CODM does not review assets and liabilities at reportable segments level hence segment disclosure relating to total assets and liabilities has not been provided. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognized.

Industry Segments:

Statement of income	**For the quarter ended September 30,**	
	2016	**2015**
Segment revenue from external customers		
RCM	3,134	3,039
BFSI	3,204	2,983
TMS	4,748	3,978
TH	1,868	1,657
Total	**12,954**	**11,657**
Segment operating income		
RCM	324	665
BFSI	295	487
TMS	906	790
TH	96	253
Total	**1,621**	**2,195**
Depreciation and Amortization expense	(463)	(409)
Profit for the period before finance expenses, other income and tax	**1,158**	**1,786**
Finance costs	(47)	(45)
Other income	168	100
Interest income	30	68
Foreign exchange gain/ (loss)	(28)	64
Net profit before taxes	**1,281**	**1,973**
Income taxes	(333)	(465)
Net profit after taxes	**948**	**1,508**

Statement of income	For six months ended September 30,	
	2016	**2015**
Segment revenue from external customers		
RCM	6,328	5,202
BFSI	6,510	5,614
TMS	9,539	7,437
TH	3,853	3,179
Total	**26,230**	**21,432**
Segment operating income		
RCM	820	1,128
BFSI	651	824
TMS	1,798	1,452
TH	303	463
Total	**3,572**	**3,867**
Depreciation and Amortization expense	(931)	(748)
Profit for the period before finance expenses, other income and tax	**2,641**	**3,119**
Finance costs	(98)	(54)
Other income	253	154
Interest income	55	142
Foreign exchange gain/ (loss)	60	266
Net profit before taxes	**2,911**	**3,627**
Income taxes	(728)	(836)
Net profit after taxes	**2,183**	**2,791**

Other information	For the quarter ended September 30,		For six months ended September 30,	
	2016	**2015**	**2016**	**2015**
Other significant non-cash expense (Allocable)				
RCM	22	7	28	8
BFSI	5	6	4	10
TMS	13	10	9	17
TH	15	1	33	8

Geographical information

	For the quarter ended September 30,		For six months ended September 30,	
Revenues	**2016**	**2015**	**2016**	**2015**
America	8,759	7,365	17,615	13,952
Europe	2,777	3,100	5,848	5,249
India	451	373	864	704
Rest of world	967	819	1,903	1,527
Total	**12,954**	**11,657**	**26,230**	**21,432**

Note:

Management believes that it is currently not practicable to provide disclosure of assets by geographical location, as meaningful segregation of the available information is onerous.

Please refer to Note No. 30 on Financial Instruments for information on revenue from major customers.

41. First- time adoption of Indian Accounting Standard (Ind AS)

The Group's interim consolidated financial statements for the quarter and six months ended September 30, 2016 are prepared in accordance with Ind AS's notified under the Companies (Indian Accounting Standards) Rules, 2015.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the interim Ind AS Consolidated Financial Statements for the quarter and six months ended September 30, 2016, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the Transition Date have been recognized directly in equity at the Transition Date.

In preparing these consolidated financial statements, the Group has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

(a) Exceptions from full retrospective application:

A. Estimates exception: Upon an assessment of the estimates made under previous GAAP, the management is of the opinion that there was no need to revise such estimates under Ind AS, except where estimates were required by Ind AS's and not required by previous GAAP.

B. Government loans: In accordance with Ind AS 101, on application of Ind AS 20, “Accounting for Government Grants and Disclosure of Government Assistance”, the Company has used its previous GAAP carrying amount at the date of transition to Ind ASs as the carrying amount in the opening Ind AS Balance Sheet

(b) Exemptions from retrospective application:

A. Share-based payment exemption: The Company has availed exemption available under Ind AS 101 on application of Ind AS 102, “Share Based Payment”, to equity instruments that vested before the date of transition to Ind ASs.

B. Business combination exemption: The Group has applied the exemption as provided in Ind AS 101 from application of Ind AS 103, “Business Combinations” to business combinations made prior to April 1, 2014.

(c) Reconciliations:
The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

- equity as at April 1, 2015;
- equity as at September 30, 2015;
- equity as at March 31, 2016;
- total comprehensive income for the quarter and six-months ended September 30, 2015; and
- total comprehensive income for the year ended March 31, 2016; and
- explanation of material adjustments to cash flow statements.

Mindtree Limited
Significant accounting policies and notes to the accounts
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Reconciliation of equity

		March 31, 2016			**September 30, 2015**			**April 1, 2015**		
	Note	**Amount as per previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**	**Amount as per previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**	**Amount as per previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
ASSETS										
Non-current assets										
Property, plant and equipmen	**6, 7**	4,367	(194)	4,173	5,042	(193)	4,849	4,513	(188)	4,325
Capital work in progress		232	-	232	43	-	43	354	-	354
Goodwill	**1**	7,766	(2,951)	4,815	5,063	(1,883)	3,180	922	(253)	669
Other intangible assets	**1**	98	2,534	2,632	102	1,815	1,917	120	197	317
Financial assets		-	-	-				-	-	-
Investments	**2**	58	4	62	158	4	162	8	4	12
Loans	**5, 6**	564	91	655	562	81	643	547	67	614
Other financial assets		260	(71)	189						
Deferred tax assets (net)		800	(394)	406	658	(409)	249	595	(48)	547
Other non-current assets		1,190	141	1,331	1,024	148	1,172	1,000	158	1,158
		15,335	**(840)**	**14,495**	**12,652**	**(437)**	**12,215**	**8,059**	**(63)**	**7,996**
Current assets										
Financial assets										
Investments	**2**	2,101	165	2,266	2,710	121	2,831	5,342	148	5,490
Trade receivables		9,728	-	9,728	9,220	-	9,220	6,963	-	6,963
Cash and cash equivalents		2,332	-	2,332	2,124	-	2,124	3,763	-	3,763
Loans	**5, 6**	37	1	38	80	2	82	134	2	136
Other financial assets		2,773	(12)	2,761	1,947	-	1,947	1,337	-	1,337
Other current assets		1,133	16	1,149	1,473	23	1,496	979	30	1,009
		18,104	**170**	**18,274**	**17,554**	**146**	**17,700**	**18,518**	**180**	**18,698**
TOTAL ASSETS		**33,439**	**(670)**	**32,769**	**30,206**	**(291)**	**29,915**	**26,577**	**117**	**26,694**

EQUITY AND LIABILITIES										
Equity										
Equity share capital		1,678	-	1,678	838	-	838	837	-	837
Other equity		22,279	192	22,471	21,597	338	21,935	19,291	1,137	20,428
Equity attributable to owners of the compa		**23,957**	**192**	**24,149**	**22,435**	**338**	**22,773**	**20,128**	**1,137**	**21,265**
Non-current liabilities										
Financial liabilities										
Borrowings		18	-	18	18	-	18	23	-	23
Other financial liabilities		990	(243)	747	663	(202)	461	227	-	227
Other non-current liabilities	**7**	81	10	91	98	15	113	108	20	128
		1,089	**(233)**	**856**	**779**	**(187)**	**592**	**358**	**20**	**378**
Current liabilities										
Financial liabilities										
Borrowings		415	-	415	-	-	-			
Trade payables		1,889	1	1,890	1,747	1	1,748	1,417	1	1,418
Other financial liabilities	**3**	3,308	(534)	2,774	2,004	(46)	1,958	2,050	(39)	2,011
Other current liabilities	**7**	1,043	6	1,049	1,463	6	1,469	579	7	586
Provisions		1,391	(102)	1,289	1,495	(403)	1,092	1,806	(1,009)	797
Current tax liabilities (Net)		347	-	347	283	-	283	239	-	239
		8,393	**(629)**	**7,764**	**6,992**	**(442)**	**6,550**	**6,091**	**(1,040)**	**5,051**
TOTAL EQUITY AND LIABILITIES		**33,439**	**(670)**	**32,769**	**30,206**	**(291)**	**29,915**	**26,577**	**117**	**26,694**

Mindtree Limited
Significant accounting policies and notes to the accounts
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(i) **Equity reconciliation**

Rs in million

Particulars	Notes	As at March 31, 2016	As at September 30, 2015	As at April 1, 2015
Equity under previous GAAP attributable to:				
Mindtree Limited		23,956	22,435	20,128
Non-controlling interests		-	-	-
Equity under previous GAAP		**23,956**	**22,435**	**20,128**
Proposed dividend and tax thereon	3	606	403	1,009
Fair valuation of investments	2	112	83	101
Effect of discounting of security deposit and reclassification of land as operating lease	6	20	18	16
Discounting of consideration receivable	5	(81)	-	-
Business combination	1	(481)	(188)	(16)
Others		17	22	27
Equity as per Ind AS		**24,149**	**22,773**	**21,265**

(ii) **Total comprehensive income reconciliation**

Rs in million

Particulars	Notes	For the year ended March 31, 2016	For six months ended September 30, 2015	For the quarter ended September 30, 2015
Net income under previous GAAP attributable to :				
Mindtree Limited		6,033	2,964	1,582
Non-controlling interests		-	-	-
Net income under previous GAAP		**6,033**	**2,964**	**1,582**
Fair valuation of investments	2	10	(18)	15
Employee benefits	4	28	20	59
Effect of discounting of security deposit and reclassification of land as operating lease	6	4	2	1
Business combination	1	(460)	(172)	(149)
Discounting of consideration receivable	5	(81)	-	-
Others		(9)	(5)	-
Profit for the period under Ind AS		**5,525**	**2,791**	**1,508**
Other comprehensive income		(242)	(8)	(47)
Total comprehensive income under Ind AS		**5,283**	**2,783**	**1,461**

Notes:

1. Business combinations:

Under Ind AS, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. This has resulted in the recognition of intangible assets and consequent amortisation of such intangibles in the statement of profit and loss. Under previous GAAP, the assets and liabilities of the acquiree are recognised at their book values.

2. Fair valuation of investments:

a) Under Ind AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss. Under previous GAAP, they are measured at lower of cost or net realisable value. Mutual fund investments have been classified as FVTPL. Consequently, increase in fair value of such investments in quoted mutual funds has resulted in a gain.

b) Under Ind AS, financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value (net of deferred taxes) recognized directly in other comprehensive income. Under previous GAAP, they are measured at cost with provision for dimunition other than temporary. Investments in equity instruments have been classified as FVTOCI. Consequently, fair value of such equity instruments designated at FVTOCI has resulted in a gain in other comprehensive income.

3. Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earning is higher.

4. Under previous GAAP, actuarial gains and losses were recognised in the statement profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit and loss.

5. Under Ind AS, the deferred consideration on sale of land is measured at fair value. Under previous GAAP, such consideration are carried at initial transaction value. The difference between initial transaction value and fair value on the date of sale is reduced from profit on sale of land and subsequent change in the fair value of such deferred consideration is recognised as notional interest income in the statement of profit and loss.

6. Under Ind AS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. The lease rentals paid in advance are charged to the statement of profit and loss over the lease term.
Under Ind AS, financial instruments other than those designated at FVTPL and FVTOCI are measured at amortised cost. Under previous GAAP, they are recognised at cost. Security deposits are carried at amortised cost using effective interest method.

7. Under Ind AS, grant specific to property, plant and equipment should be treated as deferred income which is recognised in statement of profit and loss over the periods and in proportion to depreciation on related assets. Under previous GAAP, such non-monetary grant was deducted from the gross value of the asset.

(iii) **Cash flow statement:**

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

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

For and on behalf of the Board of Directors of **Mindtree Limited**

V. Balaji
Partner
Membership Number: 203685

N. Krishnakumar
Chairman

Rostow Ravanan
CEO & Managing Director

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : October 21, 2016

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