Mindtree Limited
Consolidated balance sheet

	Note	As at December 31, 2015	Rs in million As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	839	837
Reserves and surplus	3.1.2	22,679	19,287
		23,518	**20,124**
Share application money pending allotment	3.1.1 (g)	-	4
Non-current liabilities			
Long-term borrowings	3.2.1	18	23
Other long-term liabilities	3.2.2	744	334
		762	**357**
Current liabilities			
Short-term borrowings	3.3.1	7	-
Trade payables		245	536
Other current liabilities	3.3.2	4,267	3,465
Short-term provisions	3.3.3	1,911	2,063
		6,430	**6,064**
		30,710	**26,549**
ASSETS			
Non-current assets			
Goodwill on consolidation		5,015	922
Fixed assets			
Tangible assets	3.4.1	4,862	4,513
Intangible assets	3.4.1	102	120
Capital work-in-progress		181	354
Non-current investments	3.4.2	58	8
Deferred tax assets (net)	3.4.3	535	449
Long-term loans and advances	3.4.4	1,807	1,640
Other non-current assets	3.4.5	80	17
		12,640	**8,023**
Current assets			
Current investments	3.5.1	4,323	5,343
Trade receivables	3.5.2	8,923	6,963
Cash and bank balances	3.5.3	2,049	3,763
Short-term loans and advances	3.5.4	1,093	1,451
Other current assets	3.5.5	1,682	1,006
		18,070	**18,526**
		30,710	**26,549**
Significant accounting policies and notes to the accounts	2 & 3		

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

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

For **Mindtree Limited**

V. Balaji
Partner
Membership Number: 203685

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : January 18, 2016

Place: Bengaluru
Date : January 18, 2016

Mindtree Limited
Consolidated statement of profit and loss

				Rs in million, except share and per share data	
Particulars	**Note**	**For the quarter ended**		**For the nine months ended**	
		December 31, 2015	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Revenue from operations		12,145	9,117	33,654	26,438
Other income	3.6	147	210	711	661
Total revenues		**12,292**	**9,327**	**34,365**	**27,099**
Expense:					
Employee benefits expense	3.7	7,249	5,259	19,829	15,309
Finance costs	3.7	-	1	2	1
Depreciation and amortisation expense	3.4.1	345	260	984	723
Other expenses	3.7	2,749	1,992	7,780	5,823
Total expenses		**10,343**	**7,512**	**28,595**	**21,856**
Profit before tax		**1,949**	**1,815**	**5,770**	**5,243**
Tax expense:	3.4.3				
Current tax		457	385	1,383	1,212
Deferred tax		(17)	22	(86)	(45)
Profit for the period		**1,509**	**1,408**	**4,473**	**4,076**
Earnings per equity share	3.12				
Equity shares of par value Rs 10/- each					
Basic		18.00	16.81	53.38	48.76
Diluted		17.95	16.74	53.22	48.53
Weighted average number of equity shares used in computing earnings per share					
Basic		83,854,600	83,680,265	83,802,738	83,587,863
Diluted		84,094,746	84,045,241	84,057,725	83,976,172
Significant accounting policies and notes to the accounts	2 & 3				

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

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

For **Mindtree Limited**

V. Balaji
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Company Secretary

Place: Bengaluru
Date : January 18, 2016

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Date : January 18, 2016

Mindtree Limited
Consolidated cash flow statement

		Rs in million
	For the nine months ended December 31,	
	2015	**2014**
Cash flow from operating activities		
Profit before tax	5,770	5,243
Adjustments for :		
Depreciation and amortisation expense	984	723
Expense on employee stock based compensation	83	146
Finance costs	2	1
Interest / dividend income	(213)	(194)
Profit on sale of fixed assets	(16)	(6)
Profit on sale of investments	(112)	(125)
Exchange difference on derivatives	4	14
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(28)	(7)
Operating profit before working capital changes	6,474	5,795
Changes in trade receivables	(1,288)	(1,141)
Changes in loans and advances and other assets	(28)	285
Changes in liabilities and provisions	32	668
Net cash provided by operating activities before taxes	5,190	5,607
Income taxes paid	(1,489)	(1,146)
Net cash provided by operating activities	**3,701**	**4,461**
Cash flow from investing activities		
Purchase of fixed assets	(1,265)	(1,367)
Proceeds from sale of fixed assets	23	7
Investment in subsidiaries	(3,886)	-
Interest/ dividend received from investments	267	150
Purchase of investments	(8,637)	(6,500)
Sale/maturities of investments	9,719	5,680
Net cash used in investing activities	**(3,779)**	**(2,030)**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	24	58
Finance costs	(3)	(1)
Repayment of borrowings	(5)	(4)
Proceeds from short-term loans	7	-
Dividends paid (including distribution tax)	(1,713)	(1,035)
Net cash used in financing activities	**(1,690)**	**(982)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	16	7
Net (decrease)/ increase in cash and cash equivalents	(1,752)	1,456
Opening cash balance in Bluefin Solutions limited (Refer note 3.15)	15	-
Opening cash balance in Relational Solutions Inc (Refer note 3.16)	23	-
Cash and cash equivalents at the beginning of the period	3,763	1,184
Cash and cash equivalents at the end of the period (Refer note 3.5.3)	**2,049**	**2,640**

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

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

For **Mindtree Limited**

V. Balaji
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Company Secretary

Place: Bengaluru
Date : January 18, 2016

Place: Bengaluru
Date : January 18, 2016

1. Background

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

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

2. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

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

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

2.2 Principles of consolidation

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

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

*Consolidated with effect from February 13, 2015.
**Consolidated with effect from July 16, 2015.
^Dissolved with effect from November 19, 2015.

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

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

2.3 Use of estimates

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

2.4 Fixed assets and depreciation

2.4.1 Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation. Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

2.4.2 Acquired intangible assets are capitalised at the acquisition price. Internally generated intangible assets are recorded at cost that can be measured reliably during the development phase and when it is probable that future economic benefits that are attributable to the assets will flow to the Group.

2.4.3 Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

2.4.4 Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances. The cost of the fixed asset not ready for its intended use on such date, is disclosed under capital work-in-progress.

2.4.5 Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Group. Depreciation for assets purchased/ sold during a period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. The Group estimates the useful lives for fixed assets as follows:

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

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

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

2.5 Investments

2.5.1 Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.

2.5.2 Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.

2.5.3 Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

2.6 Cash and cash equivalents

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

2.7 Consolidated cash flow statement

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

2.8 Employee benefits

2.8.1 Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Group has an employees' gratuity fund managed by ICICI Prudential Life Insurance Company, SBI Life Insurance Company and Life Insurance Corporation of India. Actuarial gains and losses are charged to the consolidated statement of profit and loss.

2.8.2 Compensated absences are a long-term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Group accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.

2.8.3 Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the consolidated statement of profit and loss in the period in which the employee renders services.

2.9 Revenue recognition

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

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

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

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

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

2.10 Foreign exchange transactions

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

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

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

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

2.10.5 In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the consolidated statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve.

2.10.6 Forward exchange contracts and other similar instruments that are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard (‘AS’) 11, ‘The effects of changes in foreign exchange rates’. For such forward exchange contracts and other similar instruments covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/fair value at the reporting date, or based on the spot exchange rate on the reporting date. For contracts recorded at the spot exchange rates, the premium or discount at the inception is amortised as income or expense over the life of the contract.

2.10.7 For forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecasted transactions, the Group has adopted Accounting Standard ('AS') 30, ‘Financial Instruments: Recognition and Measurement’ to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where Group has met all the conditions of cash flow hedge accounting, are fair valued at balance sheet date and the resultant exchange loss/(gain) is debited/credited to the hedge reserve until the transaction is completed. Other derivative instruments are recorded at fair value at the reporting date and the resultant exchange loss/ (gain) has been debited/ credited to consolidated statement of profit and loss.

2.11 Warranties

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

2.12 Provision and contingent liabilities

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

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

2.13 Taxation

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

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

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

2.14 Earnings per share

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

2.15 Impairment of assets

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

2.16 Employee stock based compensation

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

2.17 Goodwill

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

2.18 Government grants

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

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

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

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

3. Notes to the accounts

3.1 Shareholders' funds

3.1.1 Share capital

a)

Particulars	As at December 31, 2015	As at March 31, 2015
Authorised		
800,000,000 (March 31, 2015 : 800,000,000) equity shares of Rs 10 each	8,000	8,000
Issued, subscribed and paid-up capital		
83,888,968 (March 31, 2015 : 83,732,372) equity shares of Rs 10 each fully paid	839	837
Total	**839**	**837**

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

Particulars	As at December 31, 2015		As at March 31, 2015	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the period	83,732,372	837	41,689,731	417
Add: Shares issued on exercise of stock options and restricted shares	156,596	2	276,980	2
Add: Bonus shares issued *	-	-	41,765,661	418
Number of shares outstanding at the end of the period	83,888,968	839	83,732,372	837

*Refer note 3.1.1 (e).

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

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

The Board of Directors at their meeting held on January 18, 2016, have recommended an issue of bonus shares in the ratio of 1:1 (one additional equity share for every existing equity share). The Company is in the process of complying with necessary formalities.

The Board of Directors at its meeting held on July 16, 2015 had recommended an interim dividend of 30% (Rs 3 per equity share of par value Rs 10/- each) for the quarter ended June 30, 2015. The Board of Directors at its meeting held on October 15, 2015 have recommended an interim dividend of 40% (Rs 4 per equity share of par value Rs 10/- each) for the quarter ended September 30, 2015. Further, the Board of Directors at its meeting held on January 18, 2016 have recommended an interim dividend of 40% (Rs 4 per equity share of par value Rs 10/- each) for the quarter ended December 31, 2015.

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

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 is as given below:

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

e) In the period of five years immediately preceding December 31, 2015:
   a. The Group has allotted 41,765,661 fully paid up equity shares during the quarter ended June 30, 2014 pursuant to 1:1 bonus share issue approved by shareholders. Consequently, options/ units granted under the various employee share based plans are adjusted for bonus share issue.
   b. The Group has not bought back any equity shares.
   c. The Group has not allotted any equity shares as fully paid up without payment being received in cash.

f) **Employee stock based compensation**

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

Program 1 [ESOP 1999]

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

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

Program 2 [ESOP 2001]

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

Particulars	**Quarter ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Outstanding options, beginning of the period	13,826	35,448*	23,072	54,777*
Granted during the period	-	-	-	-
Exercised during the period	2,572	6,386	10,524	23,991
Lapsed during the period	-	-	1,294	1,724
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**11,254**	**29,062**	**11,254**	**29,062**
Options vested and exercisable, end of the period	11,254	29,062	11,254	29,062

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

Program 3 [ESOP 2006 (a)]

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

Program 4 [ESOP 2006 (b)]

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

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

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	**2014**	**2015**	**2014**
Outstanding options, beginning of the period	15,000	118,000*	74,000	213,750*
Granted during the period	-	-	-	-
Exercised during the period	15,000	29,000	74,000	77,000
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	47,750
Outstanding options, end of the period	**-**	**89,000**	**-**	**89,000**
Options vested and exercisable, end of the period	-	89,000	-	89,000

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

Program 5 [ESOP 2008A]

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

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	**2014**	**2015**	**2014**
Outstanding options, beginning of the period	76,168	139,510*	83,076	168,295*
Granted during the period	-	-	-	-
Exercised during the period	-	22,144	6,908	47,657
Lapsed during the period	-	30,654	-	33,926
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**76,168**	**86,712**	**76,168**	**86,712**
Options vested and exercisable, end of the period	76,168	86,712	76,168	86,712

*Adjusted for bonus issue. Refer note 3.1.1 (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 December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Outstanding options, beginning of the period	40,000	40,000*	40,000	75,000*
Granted during the period	-	-	-	-
Exercised during the period	20,000	-	20,000	35,000
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**20,000**	**40,000**	**20,000**	**40,000**
Options vested and exercisable, end of the period	20,000	26,666	20,000	26,666

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

Program 7 [ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received by the Group from the BSE and NSE for 1,135,000 equity shares of Rs 10 each. No options have been granted under the program as at December 31, 2015.

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

Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

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

Particulars	**Quarter ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Outstanding shares, beginning of the period	4,958	-	-	-
Granted during the period	14,562	7,208	48,914	69,286
Exercised during the period	15,770	2,530	45,164	64,608
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding shares, end of the period	**3,750**	**4,678**	**3,750**	**4,678**
Shares vested and exercisable, end of the period	3,750	4,678	3,750	4,678

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 December 31, 2015 are given below:

Particulars	**Phantom stock options plan**	**Phantom stock options plan***
Total no. of units	597,500	765,000
Vested units	-	236,418
Lapsed units	-	31,332
Forfeited units	-	-
Cancelled units	-	497,250
Outstanding units as at the end of the period	597,500	-
Contractual life	2 years	2 years
Date of grant	21-Oct-15	18-Jul-13
Price per share/ unit	Grant price of Rs 1,371	Grant price of Rs 455

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

Particulars	**ERSP 2012 plan***
Total no. of units/ shares	265,000
Vested units/ shares	66,350
Lapsed units/ shares	8,300
Forfeited units/ shares	33,000
Cancelled units/ shares	-
Outstanding units/ shares as at the end of the period	157,350
Contractual life	2 - 4 years
Date of grant	18-Jul-13, 12-May-15, 21-Oct-15, 27-Oct-15**
Price per share/ unit	Exercise price of Rs 10**

*Adjusted for bonus issue. Refer note 3.1.1 (e).
**Based on Letter of Intent

During the nine months ended December 31, 2015, 45,812 equity shares were granted by the Group under Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was Rs 1,421 using the Black-Scholes model with the following assumptions:

Weighted average grant date share price	Rs 1,434
Weighted average exercise price	Rs 10
Dividend yield %	0.18%
Expected life	0-4 years
Risk free interest rate	7.46%
Volatility	46.89%

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

Amount in Rs

Particulars	**Quarter ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014***
Program 2	25.00	25.00	25.00	31.44
Program 4	260.00	262.50	265.07	356.42
Program 5	-	174.44	239.25	199.03
DSOP 2006	309.50	-	309.50	560.00
ERSP 2012	10.00	10.00	10.00	10.00

*Exercise price adjusted post bonus issue.

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

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

Particulars	**As at December 31, 2015**		
	Number of options/ shares	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price (in Rs)**
Program 2	11,254	0.78	25.00
Program 5	76,168	1.58	212.99
DSOP 2006	20,000	0.29	246.50
ERSP 2012	3,750	0.08	10.00

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

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

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

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

Particulars	**Quarter ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Net profit as reported	1,509	1,408	4,473	4,076
Add: Stock-based employee compensation expense (intrinsic value method)	41	51	83	146
Less: Stock-based employee compensation expense (fair value method)	(42)	(62)	(84)	(151)
Pro forma net profit	1,508	1,397	4,472	4,071
Basic earnings per share as reported	18.00	16.81	53.38	48.76
Pro forma basic earnings per share	17.99	16.70	53.36	48.70
Diluted earnings per share as reported	17.95	16.74	53.22	48.53
Pro forma diluted earnings per share	17.94	16.62	53.20	48.48

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

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

3.1.2 Reserves and surplus

Particulars	As at December 31, 2015	As at March 31, 2015
Capital reserve		
Opening balance	87	87
	87	**87**
Securities premium reserve		
Opening balance	1,860	2,170
Additions during the period	59	108
Less: Amount utilised for bonus shares	-	(418)
	1,919	**1,860**
General reserve		
Opening balance	1,542	1,542
Add: Transfer from consolidated statement of profit and loss	-	-
	1,542	**1,542**
Share option outstanding account		
Opening balance	78	68
Additions during the period	19	10
	97	**78**
Hedge reserve		
Opening balance	-	49
Movement during the period	-	(49)
	-	**-**
Foreign currency translation reserve*		
Opening balance	-	-
Movement during the period	(50)	-
	(50)	**-**
Surplus (Balance in the consolidated statement of profit and loss)		
Opening balance	15,720	12,072
Add: Amount transferred from consolidated statement of profit and loss	4,473	5,363
Amount available for appropriations	20,193	17,435
Appropriations:		
Interim dividend	(922)	(586)
Final dividend	-	(838)
Dividend distribution tax	(187)	(291)
	19,084	**15,720**
Total	**22,679**	**19,287**

*Refer note 2.10.5

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

3.2 Non-current liabilities

3.2.1 Long-term borrowings

Particulars	As at December 31, 2015	As at March 31, 2015
(Unsecured)		
Other loans	18	23
Total	**18**	**23**

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

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

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

3.2.2 Other long-term liabilities

Particulars	As at December 31, 2015	As at March 31, 2015
Other long-term liabilities	744	334
Total	**744**	**334**

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

3.3 Current liabilities

3.3.1 Short-term borrowings

Particulars	As at December 31, 2015	As at March 31, 2015
(Secured)		
Short-term borrowings from bank	7	-
Total	**7**	**-**

3.3.2 Other current liabilities

Particulars	As at December 31, 2015	As at March 31, 2015
Current maturities of long-term debt*	5	5
Interest accrued but not due on borrowings	-	1
Unearned income	424	225
Unpaid dividends	7	5
Creditors for capital goods	68	218
Advances from customers	9	27
Employee related liabilities	1,208	1,477
Book overdraft	-	155
Other liabilities**	2,546	1,352
Total	**4,267**	**3,465**

*The details of interest rates, repayment and other terms are disclosed under note 3.2.1.
**Includes derivative liability of Rs 6 (As at March 31, 2015: Rs 3).

As at December 31, 2015, the Group has outstanding forward contracts amounting to USD 34.5 million (As at March 31, 2015: USD 32 million), GBP 2 million (As at March 31, 2015: GBP 2.25 million) and Euro 4.25 million (As at March 31, 2015: Euro 4.5 million). These derivative instruments have been entered to hedge highly probable forecasted sales.

The derivative instruments have been fair valued at the balance sheet date and resultant exchange gain of Rs 20 and exchange loss Rs 4 for the quarter and nine months ended December 31, 2015 respectively (for the quarter and nine months ended December 31, 2014: Exchange loss of Rs 7 and Rs 14 respectively) has been recorded in the statement of profit and loss.

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

3.3.3 Short-term provisions

Particulars	As at December 31, 2015	As at March 31, 2015
Provision for employee benefits		
- Gratuity	113	18
- Compensated absences	456	357
Provision for taxes, net of advance tax and tax deducted at source	278	239
Provision for discount	580	367
Dividend payable	335	837
Dividend distribution tax payable	69	172
Provision for foreseeable losses on contracts	-	-
Provision for post contract support services	6	5
Provision for disputed dues*	74	68
Total	**1,911**	**2,063**

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

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

Particulars	As at December 31, 2015	As at March 31, 2015
Change in projected benefit obligations		
Obligations at the beginning of the period	413	365
Service cost	68	81
Interest cost	22	29
Benefits settled	(38)	(55)
Actuarial (gain)/ loss	28	(7)
Obligations at end of the period	**493**	**413**
Change in plan assets		
Plan assets at the beginning of the period, at fair value	395	363
Expected return on plan assets	25	29
Actuarial gain/ (loss)	(2)	5
Contributions	-	53
Benefits settled	(38)	(55)
Plan assets at the end of the period, at fair value	**380**	**395**

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

Reconciliation of the present value of the obligation and the fair value of the plan assets

Particulars	As at December 31	As at March 31,			
	2015	2015	2014	2013	2012
Fair value of plan assets at the end of the period	380	395	363	313	275
Present value of defined obligations at the end of the period	(493)	(413)	(365)	(324)	(276)
Asset/ (liability) recognised in the balance sheet	**(113)**	**(18)**	**(2)**	**(11)**	**(1)**

Particulars	For the quarter ended December 31,		For the nine months ended December 31,	
	2015	2014	2015	2014
Gratuity cost				
Service cost	25	20	68	61
Interest cost	7	7	22	22
Expected return on plan assets	(8)	(6)	(25)	(20)
Actuarial (gain)/loss	3	16	30	(15)
Net gratuity cost	**27**	**37**	**95**	**48**
Actual return on plan assets	7	3	23	20
Assumptions				
Interest rate	7.90%	8.10%	7.90%	8.10%
Expected rate of return on plan assets	8.75%	8.00%	8.75%	8.00%
Salary increase	5.00%	6.00%	5.00%	6.00%
Attrition rate	14.23%	14.23%	14.23%	14.23%
Retirement age	60	60	60	60

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

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

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

Provision for discount

Particulars	For the quarter ended December 31, 2015	For the quarter ended December 31, 2014	For the nine months ended December 31, 2015	For the nine months ended December 31, 2014	For the year ended March 31, 2015
Balance at the beginning of the period	493	390	367	270	270
Provisions made during the period	114	83	361	290	433
Utilisations during the period	(27)	(23)	(146)	(109)	(328)
Released during the period	-	(2)	(2)	(3)	(8)
Provision at the end of the period	580	448	580	448	367

Provision for post contract support services

Particulars	For the quarter ended December 31, 2015	For the quarter ended December 31, 2014	For the nine months ended December 31, 2015	For the nine months ended December 31, 2014	For the year ended March 31, 2015
Balance at the beginning of the period	6	4	5	4	4
Provisions made during the period	-	2	1	3	2
Utilisations during the period	-	-	-	-	-
Released during the period	-	-	-	(1)	(1)
Provision at the end of the period	6	6	6	6	5

Mindtree Limited
Significant accounting policies and notes to the accounts
For the quarter and nine months ended December 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

3.4 Non-current assets

3.4.1 Fixed assets

Assets	Gross block						Accumulated depreciation						Net book value
	As at April 1, 2015	Additions on account of acquisition*	Additions during the period	Translation adjustment	Deletions during the period	As at December 31, 2015	As at April 1, 2015	Additions on account of acquisition*	For the period	Translation adjustment	Deletions during the period	As at December 31, 2015	As at December 31, 2015
Tangible assets													
Leasehold land	425	-	-	-	-	425	95	-	9	-	-	104	321
Buildings	3,621	-	384	-	14	3,991	1,105	-	165	-	6	1,264	2,727
Leasehold improvements	1,016	-	63	-	-	1,079	554	-	107	-	-	661	418
Computer systems	2,047	95	447	(2)	45	2,542	1,406	75	411	(2)	45	1,845	697
Test equipment	217	-	-	-	-	217	217	-	-	-	-	217	-
Furniture and fixtures	261	20	126	(1)	36	370	168	19	27	(1)	36	177	193
Electrical installations	521	-	62	-	1	582	319	-	81	-	1	399	183
Office equipment	734	14	144	-	12	880	496	14	83	-	12	581	299
Motor vehicles	29	-	-	-	-	29	5	-	7	-	-	12	17
Plant and machinery	8	-	-	-	-	8	1	-	-	-	-	1	7
Total (A)	**8,879**	**129**	**1,226**	**(3)**	**108**	**10,123**	**4,366**	**108**	**890**	**(3)**	**100**	**5,261**	**4,862**
Intangible assets													
Intellectual property	67	-	-	-	-	67	65	-	2	-	-	67	-
Computer Software	935	7	72	-	5	1,009	817	3	92	-	5	907	102
Total (B)	**1,002**	**7**	**72**	**-**	**5**	**1,076**	**882**	**3**	**94**	**-**	**5**	**974**	**102**
Total (A+B)	**9,881**	**136**	**1,298**	**(3)**	**113**	**11,199**	**5,248**	**111**	**984**	**(3)**	**105**	**6,235**	**4,964**

*Refer note 3.15 and 3.16

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

3.4.1. Fixed assets (continued)

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

*Refer note 3.14

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

3.4.2 Non-current investments

Particulars	**As at December 31, 2015**	**As at March 31, 2015**
Investment in non-convertible bonds (quoted)	50	-
Trade investments (unquoted)		
- Investment in equity instruments	2	2
- Investment in preference shares	7	7
Less: Provision for diminution in value of investments	(1)	(1)
Total	**58**	**8**
Aggregate amount of quoted investments	50	-
Aggregate market value of quoted investments	50	-
Aggregate amount of unquoted investments	9	9

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

Particulars	**As at December 31, 2015**	**As at March 31, 2015**
50 secured redeemable non-convertible bonds of Rs 1 million in the nature of promissory notes in PNB Housing Finance Limited	50	-
Total	**50**	**-**

Details of investment in equity instruments are as given below:

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

Details of investment in preference shares are as given below:

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

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

3.4.3 Taxes

Particulars	For the quarter ended December 31, 2015	2014	For the nine months ended December 31, 2015	2014
Tax expense				
Current tax	460	385	1,386	1,212
- MAT credit entitlement	(3)	-	(3)	-
	457	385	1,383	1,212
Deferred tax	(17)	22	(86)	(45)
Total	**440**	**407**	**1,297**	**1,167**

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.

Deferred tax assets (net):
Deferred tax assets included in the balance sheet comprises the following:

Particulars	**As at December 31, 2015**	**As at March 31, 2015**
Excess of depreciation as per books over depreciation allowed under Income Tax Act, 1961	211	205
Provision for doubtful debts	24	16
Provision for compensated absence	146	117
Provision for volume discount	64	39
Others	90	72
Total deferred tax assets	**535**	**449**

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

3.4.4 Long-term loans and advances

Particulars	As at December 31, 2015	As at March 31, 2015
(Unsecured, considered good)		
Capital advances	97	107
Security deposits*	564	547
Advance tax and tax deducted at source, net of provision for taxes	1,000	834
MAT credit entitlement	114	110
Other loans and advances	32	42
Total	**1,807**	**1,640**

*Refer note 3.10 for related party balances.

3.4.5 Other non-current assets

Particulars	As at December 31, 2015	As at March 31, 2015
(Unsecured considered good)		
Other non-current assets	80	17
Total	**80**	**17**

3.5 Current assets

3.5.1 Current investments

Particulars	As at December 31, 2015	As at March 31, 2015
Investment in mutual funds (quoted)	3,873	4,643
Investment in non-convertible bonds (quoted)	100	-
Term deposits (unquoted)	350	700
Total	**4,323**	**5,343**
Aggregate carrying amount of quoted investments	3,973	4,643
Aggregate market value of quoted investments	4,108	4,790
Aggregate amount of unquoted investments	350	700

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

Details of investment in mutual funds are as given below:

Particulars	**As at December 31, 2015**		**As at March 31, 2015**	
	No of units	**Amount**	***No of units***	**Amount**
ICICI Prudential Mutual Fund	*17,951,777*	416	*28,722,324*	472
IDFC Mutual Fund	*23,620,355*	395	*37,530,726*	433
UTI Mutual Fund	*3,703,194*	310	*13,456,138*	158
HSBC Mutual Fund	*61,120*	90	-	-
Franklin Templeton Mutual Fund	*113,000*	156	*11,695,643*	290
DSP Blackrock Mutual Fund	*158,935*	201	*14,790,537*	351
Birla Sun Life Mutual Fund	*14,842,702*	312	*20,007,295*	454
Reliance Mutual Fund	*17,651,564*	303	*23,725,772*	428
Tata Mutual Fund	*20,997,480*	371	*36,229,022*	422
DWS Mutual Fund	-	-	*4,483,697*	45
SBI Mutual Fund	*5,829,080*	319	*13,787,278*	358
HDFC Mutual Fund	*3,749,962*	399	*27,872,023*	424
Axis Mutual Fund	*36,680*	60	*100,840*	104
Bank of India AXA Mutual Fund	*10,000,000*	100	*10,000,000*	100
Kotak Mutual Fund	*5,926,200*	60	*5,681,936*	58
JP Morgan India Mutual Fund	-	-	*16,989,901*	189
Sundaram Mutual Fund	*2,248,895*	70	-	-
L & T Mutual Fund	*89,045*	90	*98,576*	100
IDBI Mutual Fund	*183,907*	221	*254,281*	257
Total		**3,873**		**4,643**

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

Particulars	**As at December 31, 2015**	**As at March 31, 2015**
50 secured redeemable non-convertible debentures of Rs 1 million in Kotak Mahindra Prime Limited	50	-
50 secured redeemable non-convertible debentures of Rs 1 million in Kotak Mahindra Investments Limited	50	-
Total	**100**	**-**

Details of investments in term deposit are as given below:

Particulars	**As at December 31, 2015**	**As at March 31, 2015**
HDFC Limited	100	700
IL&FS Limited	100	-
Bajaj Finance Limited	50	-
Kotak Mahindra Investments Limited	50	
LIC Housing Finance Limited	50	-
Total	**350**	**700**

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

3.5.2 Trade receivables

Particulars	**As at December 31, 2015**	**As at March 31, 2015**
(Unsecured)		
Debts overdue for a period exceeding six months		
- considered good	27	62
- considered doubtful	103	75
Other debts		
- considered good	8,896	6,901
- considered doubtful	16	8
Less: Provision for doubtful debts	(119)	(83)
Total	**8,923**	**6,963**

3.5.3 Cash and bank balances

Particulars	**As at December 31, 2015**	**As at March 31, 2015**
Balances with banks in current and deposit accounts*	2,042	3,758
Cash on hand	-	-
Other bank balances**	7	5
Total	**2,049**	**3,763**

*The deposits maintained by the Group with banks comprises time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.
**Other bank balances represent earmarked balances in respect of unpaid dividends.

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

3.5.4 Short-term loans and advances

Particulars	As at December 31, 2015	As at March 31, 2015
(Unsecured, considered good)		
Security deposits	58	143
MAT credit entitlement	37	36
Advances recoverable in cash or in kind or for value to be received*	1,017	1,292
Less: Provision for doubtful advances	(19)	(20)
Total	**1,093**	**1,451**

*Refer note 3.10 for related party balances. This also includes amounts pertaining to housing deposits, vehicles, medical emergencies, travel and salary advances given to employees to the extent of Rs 297 as at December 31, 2015. (As at March 31, 2015: Rs 287).

3.5.5 Other current assets

Particulars	As at December 31, 2015	As at March 31, 2015
Unbilled revenue	1,614	982
Other current assets*	68	24
Total	**1,682**	**1,006**

*Includes derivative asset of Rs 23 (As at March 31, 2015: Rs 24)

3.6 Other income

Particulars	For the quarter ended December 31,		For the nine months ended December 31,	
	2015	2014	2015	2014
Interest income	27	50	150	81
Dividend income	14	41	63	113
Net gain on sale of investments	4	26	112	125
Foreign exchange gain	95	70	361	309
Other non-operating income	7	23	25	33
Total	**147**	**210**	**711**	**661**

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

3.7 Expenses

Employee benefits expense	For the quarter ended December 31, 2015	2014	For the nine months ended December 31, 2015	2014
Salaries and wages	6,511	4,700	17,868	13,806
Contribution to provident and other funds	630	457	1,735	1,227
Expense on employee stock based compensation*	41	51	83	146
Staff welfare expenses	67	51	143	130
Total	**7,249**	**5,259**	**19,829**	**15,309**

Finance costs	For the quarter ended December 31, 2015	2014	For the nine months ended December 31, 2015	2014
Interest expense	-	1	2	1
Total	**-**	**1**	**2**	**1**

Other expenses	For the quarter ended December 31, 2015	2014	For the nine months ended December 31, 2015	2014
Travel expenses	554	422	1,733	1,339
Communication expenses	182	113	470	312
Sub-contractor charges	797	559	2,167	1,549
Computer consumables	156	106	457	314
Legal and Professional charges	153	106	376	355
Power and fuel	79	67	238	211
Rent (Refer note 3.11)	189	159	539	471
Repairs to buildings	13	7	45	29
Repairs to machinery	10	9	28	24
Insurance	19	15	49	38
Rates and taxes	32	25	92	65
Adjustments to the carrying amount of investments	-	4	-	4
Other expenses	565	400	1,586	1,112
Total	**2,749**	**1,992**	**7,780**	**5,823**

*Refer note 3.1.1 (f)

3.8 Contingent liabilities

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

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

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

b) The Group has received income tax assessments for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to Rs 11 and Rs 10 on account of certain disallowances/ adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal against the demand received. The Group has not deposited the amount of demand with the department.

c) The Group has received income tax assessments under Section 143(3) of the Income-tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 wherein demand of Rs 210, Rs 49, Rs 61, Rs 28, Rs 58, Rs 119, Rs 214 and Rs 63 respectively has been raised against the Group. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Group has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Group has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Group has deposited Rs 15 with the department against these demands. The department has adjusted pending refunds amounting to Rs 450 against these demands.

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

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

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

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

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

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

3.8.1 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at December 31, 2015 is Rs 382 (March 31, 2015: Rs 508).

3.9 Segmental reporting

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

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

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

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

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

Business segments

Statement of profit and loss	**For the quarter ended December 31,**	
	2015	**2014**
Segment revenue		
RCM	2,473	2,020
BFSI	3,050	2,141
TMS	3,671	2,985
TH	1,898	1,479
Others	1,053	492
Total	**12,145**	**9,117**
Segment operating income		
RCM	542	396
BFSI	425	327
TMS	673	670
TH	365	286
Others	142	187
Total	**2,147**	**1,866**
Unallocable expenses	(345)	(260)
Profit for the period before interest, other income and tax	**1,802**	**1,606**
Finance costs	-	(1)
Other income	147	210
Net profit before taxes	**1,949**	**1,815**
Income taxes	(440)	(407)
Net profit after taxes	**1,509**	**1,408**

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

Statement of profit and loss	**For the nine months ended December 31,**	
	2015	**2014**
Segment revenue		
RCM	7,045	5,728
BFSI	8,524	6,085
TMS	10,345	8,646
TH	5,043	4,374
Others	2,697	1,605
Total	**33,654**	**26,438**
Segment operating income		
RCM	1,603	1,083
BFSI	1,170	687
TMS	1,816	2,002
TH	828	882
Others	628	652
Total	**6,045**	**5,306**
Unallocable expenses	(984)	(723)
Profit for the period before interest, other income and tax	**5,061**	**4,583**
Finance costs	(2)	(1)
Other income	711	661
Net profit before taxes	**5,770**	**5,243**
Income taxes	(1,297)	(1,167)
Net profit after taxes	**4,473**	**4,076**

Geographical segments

Revenues	**For the quarter ended December 31,**		**For the nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
America	7,710	5,746	21,735	16,107
Europe	3,203	2,214	8,452	6,789
India	335	374	1,043	1,023
Rest of World	897	783	2,424	2,519
Total	**12,145**	**9,117**	**33,654**	**26,438**

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

3.10 Related party transactions

Name of related party	Nature of relationship
Mindtree Foundation	Entity with common key managerial person
Coffee Day Global Limited Tanglin Developments Limited ('TDL') Mysore Amalgamated Coffee Estate Ltd	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.72% equity stake in Mindtree, and the group has a nominee on the Mindtree Board.

Transactions with the above related parties during the period were:

Name of related party	Nature of transaction	For the quarter ended December 31, 2015	2014
Mindtree Foundation	Donation paid	8	-
Coffee Day Global Limited	Procurement of supplies	6	5
	Software services rendered	20	-
Tanglin Developments Limited	Leasing office buildings and land	92	77
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	-	12
	- towards lease rentals	54	42
	Interest on advance towards electricity charges/ deposit	-	1

Name of related party	Nature of transaction	For the nine months ended December 31, 2015	2014
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	1	-
Mindtree Foundation	Donation paid	32	13

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

Janaagraha Centre for Citizenship & Democracy	Donation paid	-	1
Coffee Day Global Limited	Procurement of supplies	16	13
	Software services rendered	20	-
Tanglin Developments Limited	Leasing office buildings and land	277	235
	Advances/ deposits paid		
	- towards electricity deposit/ charges	-	9
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	16	39
	- towards lease rentals	150	114
	Interest on advance towards electricity charges/ deposit	-	4

Balances payable to related parties are as follows:

Name of related party	As at December 31, 2015	As at March 31, 2015
Coffee Day Global Limited	1	-

Balances receivable from related parties are as follows:

Name of related party	Nature of transactions	As at December 31, 2015	As at March 31, 2015
Coffee Day Global Limited	Trade Receivables	16	-
Tanglin Developments Limited	Rental Advance	-	94
	Advance towards electricity charges	-	16
	Security deposit (including electricity deposit) returnable on termination of lease	319	375

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

Key Managerial Personnel:

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

*Appointed with effect from April 1, 2015.
**Appointed with effect from June 22, 2015.

Remuneration to key managerial personnel during the quarter and nine months ended December 31, 2015 amounts to Rs 37 and Rs 101 respectively (for the quarter and nine months ended December 31, 2014 amounts to Rs 52 and Rs 179 respectively). Dividends paid to directors during the quarter ended and nine months December 31, 2015 amounts to Rs 44 and Rs 186 respectively (for the quarter and nine months ended December 31, 2014 amounts to Rs 33 and Rs 130 respectively).

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

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

3.11 Lease transactions

Lease rental expense under non-cancellable operating lease during the quarter and nine months ended December 31, 2015 amounted to Rs 116 and Rs 332 respectively (for the quarter and nine months ended December 31, 2014: Rs 94 and Rs 265 respectively). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at December 31, 2015	As at March 31, 2015
Payable -- Not later than one year	354	403
Payable -- Later than one year and not later than five years	445	543
Payable -- later than five years	94	106

Additionally, the Group leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the quarter and nine months ended December 31, 2015 was Rs 73 and Rs 207 (for the quarter and nine months ended December 31, 2014: Rs 65 and Rs 206 respectively).

3.12 Earnings per share

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

Particulars	For the quarter ended December 31, 2015		For the quarter ended December 31, 2014	
	Basic EPS	**Diluted EPS**	**Basic EPS**	**Diluted EPS**
Weighted average number of equity shares outstanding during the quarter	83,854,600	83,854,600	83,680,265	83,680,265
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	240,146	-	364,976
Weighted average number of equity shares for calculation of earnings per share	83,854,600	84,094,746	83,680,265	84,045,241

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

Particulars	**For the nine months ended December 31, 2015**		**For the nine months ended December 31, 2014**	
	Basic EPS	**Diluted EPS**	**Basic EPS**	**Diluted EPS**
Weighted average number of equity shares outstanding during the period	83,802,738	83,802,738	83,587,863	83,587,863
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	254,987	-	388,309
Weighted average number of equity shares for calculation of earnings per share	83,802,738	84,057,725	83,587,863	83,976,172

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

Nature of expenses	**For the quarter ended December 31,**	
	2015	**2014**
Grant towards workforce training	8	5
Total	**8**	**5**

Nature of expenses	**For the nine months ended December 31,**	
	2015	**2014**
Grant towards workforce training	9	20
Total	**9**	**20**

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

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

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

Particulars	**For the quarter ended December 31,**	
	2015	**2014**
Grant towards R & D credit	19	-
Total	**19**	**-**

Particulars	**For the nine months ended December 31,**	
	2015	**2014**
Grant towards R & D credit	40	-
Total	**40**	**-**

As at December 31, 2015, the grant recognized in the balance sheet is Rs 40. (As at March 31, 2015: Nil)

3.14 The Group acquired 100% equity interest in Discoverture Solutions L.L.C. (Discoverture), a US based IT solution provider to the insurance industry, for a consideration of USD 17 million. The consideration includes future payments which are based on achievement of certain specific milestones which have currently been provided for based on best estimate of the Group. The transfer of membership interests and control of Discoverture is effective February 13, 2015 and consequently, Discoverture has become a 100% subsidiary of the Group effective that date. From the date of acquiring control, assets, liabilities, income and expenses are consolidated on a line by line basis. The consolidation has resulted in a goodwill of USD 14.9 million. Results from this acquisition are grouped under BFSI in the segmental reporting given above.

3.15 The Group has acquired 100% of the equity interest in Bluefin Solutions Limited ('Bluefin'), a leading UK based IT solutions provider specializing in SAP HANA solutions, in an all cash transaction for GBP 42.3 million. The consideration includes an upfront payment of GBP 34 million and earn out of GBP 8.3 million payable over the next three years. The transfer of equity interests and control of Bluefin is effective July 16, 2015 and consequently, Bluefin has become a 100% subsidiary of the Group effective that date. From the date of acquiring control, assets, liabilities, income and expenses are consolidated on a line by line basis. The consolidation has resulted in a goodwill of GBP 35.8 million. Results from this acquisition are grouped under Others in the segmental reporting given above.

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

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

Particulars	**Bluefin Solutions Limited**
Liabilities as at December 31, 2015	
Current liabilities	415
Assets as at December 31, 2015	
Non-current assets	26
Current assets	1,132

Particulars	**Bluefin Solutions Limited**
Details for the quarter ended December 31, 2015	
Revenue	698
Expenses	691
Profit before tax	7
Profit after tax	6

Particulars	**Bluefin Solutions Limited**
Details for the six months ended December 31, 2015	
Revenue	1,471
Expenses	1,378
Profit before tax	93
Profit after tax	88

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

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

Particulars	**Relational Solutions Inc**
Liabilities as at December 31, 2015	
Current liabilities	39
Assets as at December 31, 2015	
Current assets	55

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

Particulars	**Relational Solutions Inc**
Details for the quarter ended December 31, 2015	
Revenue	47
Expenses	36
Profit before tax	11
Profit after tax	11

Particulars	**Relational Solutions Inc**
Details for the six months ended December 31, 2015	
Revenue	92
Expenses	75
Profit before tax	17
Profit after tax	17

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

Balance Sheet items *Amount in Rs*

Particulars	**As at December 31, 2015**	**As at March 31, 2015**
Share application money pending allotment	3,500	4,281,900
Interest accrued but not due on borrowings	400,828	687,134
Provision for foreseeable losses on contracts	277,936	275,752
Cash on hand	54,998	21,148
12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited	126,400	126,400

Statement of Profit and Loss items *Amount in Rs*

Particulars	**For the quarter ended December 31,**	
	2015	**2014**
Finance cost	427,298	206,141
Adjustment to the carrying amount of investments	723,429	3,622,747

Particulars	**For the nine months ended December 31,**	
	2015	**2014**
Adjustment to the carrying amount of investments	360,146	3,836,625

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

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

Particulars	As at December 31, 2015	As at March 31, 2015
Receivable	8,768	6,669
Payable	(230)	(225)

3.19 On January 18, 2016, the Company has entered into a definitive agreement to acquire 100% membership interest in Magnet 360 LLC, a US-based platinum salesforce partner specializing in multi-cloud solutions, consulting services and implementation, in an all cash transaction for USD 50 million. The consideration includes an upfront payment of USD 37 million and earn out and additional payout of up to USD 13 million over the next two years. This acquisition is subject to customary closing conditions.

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

As per our report of even date attached
For Deloitte Haskins & Sells

Chartered Accountants
Firm Registration No.: 008072S

V. Balaji
Partner
Membership No. : 203685

Place: Bengaluru
Date: January 18, 2016

For **Mindtree Limited**

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date: January 18, 2016