Mindtree Limited
Consolidated balance sheet

	Note	As at March 31, 2016	As at March 31, 2015
			Rs in million
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	1,678	837
Reserves and surplus	3.1.2	22,278	19,287
		23,956	**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	1,072	334
		1,090	**357**
Current liabilities			
Short-term borrowings	3.3.1	415	-
Trade payables			
Payable to micro and small enterprises	3.22	4	-
Others		1,675	1,227
Other current liabilities	3.3.2	4,051	2,792
Short-term provisions	3.3.3	2,211	2,045
		8,356	**6,064**
		33,402	**26,549**
ASSETS			
Non-current assets			
Goodwill on consolidation		7,606	922
Fixed assets			
Tangible assets	3.4.1	4,367	4,513
Intangible assets	3.4.1	258	120
Capital work-in-progress		232	354
Non-current investments	3.4.2	58	8
Deferred tax assets (net)	3.4.3	602	449
Long-term loans and advances	3.4.4	1,855	1,640
Other non-current assets	3.4.5	276	17
		15,254	**8,023**
Current assets			
Current investments	3.5.1	2,101	5,343
Trade receivables	3.5.2	9,728	6,963
Cash and bank balances	3.5.3	2,332	3,763
Short-term loans and advances	3.5.4	1,570	1,451
Other current assets	3.5.5	2,417	1,006
		18,148	**18,526**
		33,402	**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

N. Krishnakumar
Chairman

Rostow Ravanan
CEO & Managing Director

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : April 18, 2016

Place: Bengaluru
Date : April 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 year ended**	
		March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
Revenue from operations		13,242	9,181	46,896	35,619
Other income	3.6	94	174	805	835
Total revenues		**13,336**	**9,355**	**47,701**	**36,454**
Expense:					
Employee benefits expense	3.7	8,197	5,401	28,026	20,710
Finance costs	3.7	1	-	3	1
Depreciation and amortisation expense	3.4.1	348	295	1,332	1,018
Other expenses	3.7	2,786	1,994	10,566	7,817
Total expenses		**11,332**	**7,690**	**39,927**	**29,546**
Profit before tax		**2,004**	**1,665**	**7,774**	**6,908**
Tax expense:	3.4.3				
Current tax		511	380	1,894	1,592
Deferred tax		(67)	(2)	(153)	(47)
Profit for the period		**1,560**	**1,287**	**6,033**	**5,363**
Earnings per equity share	3.11				
Equity shares of par value Rs 10/- each					
Basic		9.30	7.69	35.99	32.07
Diluted		9.27	7.66	35.89	31.94
Weighted average number of equity shares used in computing earnings per share					
Basic		167,783,641	167,431,815	167,649,773	167,238,871
Diluted		168,204,534	168,064,710	168,091,689	167,893,221
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
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Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : April 18, 2016

Place: Bengaluru
Date : April 18, 2016

Mindtree Limited
Consolidated cash flow statement

		Rs in million
	For the year ended March 31,	
	2016	**2015**
Cash flow from operating activities		
Profit before tax	7,774	6,908
Adjustments for :		
Depreciation and amortisation expense	1,332	1,018
Expense on employee stock based compensation	90	168
Finance costs	3	1
Interest / dividend income	(238)	(294)
Profit on sale of fixed assets	(30)	(6)
Profit on sale of investments	(131)	(286)
Exchange difference on derivatives	(31)	(21)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(105)	6
Operating profit before working capital changes	8,664	7,494
Changes in trade receivables	(1,804)	(742)
Changes in loans and advances and other assets	(1,058)	(35)
Changes in liabilities and provisions	619	805
Net cash provided by operating activities before taxes	6,421	7,522
Income taxes paid	(1,939)	(1,539)
Net cash provided by operating activities	**4,482**	**5,983**
Cash flow from investing activities		
Purchase of fixed assets	(1,584)	(1,995)
Proceeds from sale of fixed assets	269	8
Investment in subsidiaries	(6,659)	(600)
Interest/ dividend received from investments	318	219
Purchase of investments	(10,062)	(9,982)
Sale/maturities of investments	13,385	10,252
Net cash used in investing activities	**(4,333)**	**(2,098)**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	24	67
Finance costs	(3)	(1)
Repayment of borrowings	(5)	(4)
Proceeds from short-term loans	415	-
Dividends paid (including distribution tax)	(2,151)	(1,438)
Net cash used in financing activities	**(1,720)**	**(1,376)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	92	(6)
Net (decrease)/ increase in cash and cash equivalents	(1,479)	2,503
Opening cash balance in Discoverture Solutions L.L.C. (Refer note 3.14)	-	76
Opening cash balance in Bluefin Solutions limited (Refer note 3.15)	15	-
Opening cash balance in Relational Solutions Inc (Refer note 3.16)	23	-
Opening cash balance in Magnet 360 L.L.C (Refer note 3.17)	10	-
Cash and cash equivalents at the beginning of the year	3,763	1,184
Cash and cash equivalents at the end of the year (Refer note 3.5.3)	**2,332**	**3,763**

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

N. Krishnakumar
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Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : April 18, 2016

Place: Bengaluru
Date : April 18, 2016

1. Background

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. Magnet 360, LLC, Reside LLC., M360 Investments, LLC and Numercial 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 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

These 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'), the provisions of the Act (to the extent notified and applicable) 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%
Magnet 360, LLC***	U.S.A	100%
Reside, LLC ***	U.S.A	100%
M360 Investments, LLC ***	U.S.A	100%
Numerical Truth, LLC***	U.S.A	100%

*Consolidated with effect from February 13, 2015.
**Consolidated with effect from July 16, 2015.
*** Consolidated with effect from January 19, 2016.
^Dissolved with effect from November 19, 2015.
^^Application for dissolution filed on March 24, 2016.

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	2-3 years
Test equipment	3 years
Furniture and fixtures	3-7 years
Electrical installations	3 years
Office equipment	3-5 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 that are highly liquid and are readily convertible to known amounts of cash.

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 social security plans, which are a defined contribution scheme, are charged to the 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. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

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 to the extent of impairment, if any.

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 March 31, 2016	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		
167,786,176 (March 31, 2015 : 83,732,372) equity shares of Rs 10 each fully paid	1,678	837
Total	**1,678**	**837**

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the year	83,732,372	837	41,689,731	417
Add: Shares issued on exercise of stock options and restricted shares	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 year	167,786,176	1,678	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 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.

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

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

During the quarter, the Group has issued bonus shares in the ratio of 1:1 after approval of shareholders through postal ballot.

The Board of Directors at its meeting held on March 23, 2016, have declared an interim dividend of 20% (Rs 2 per equity share (after bonus issue) of par value of Rs 10/- each) for the quarter ended March 31, 2016. Further, the Board of Directors at its meeting held on April 18, 2016 have recommended a final dividend of 30% (Rs 3 per equity share (after bonus issue) of par value Rs 10/- each) for the year ended March 31, 2016.

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 year is as given below:

Sr. No.	Name of the shareholder	As at March 31, 2016*		As at March 31, 2015	
		Number of shares	%	Number of shares	%
1	Coffee Day Enterprises Limited	17,461,768	10.4%	8,730,884	10.4%
2	Nalanda India Fund Limited	15,796,356	9.4%	7,898,178	9.4%
3	Coffee Day Trading Limited	10,594,244	6.3%	5,297,122	6.3%

*Post bonus issue

e) In the period of five years immediately preceding March 31, 2016:
   a. The Company 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.
   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 March 31,**		**Year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Outstanding options, beginning of the period	21,158*	29,062	32,976*	54,777*
Granted during the period	-	-	-	-
Exercised during the period	370	5,410	10,894	29,401
Lapsed during the period	2,428	580	3,722	2,304
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**18,360**	**23,072**	**18,360**	**23,072**
Options vested and exercisable, end of the period	18,360	23,072	18,360	23,072

*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.

Particulars	**Quarter ended March 31,**		**Year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Outstanding options, beginning of the period	-	89,000	74,000	213,750*
Granted during the period	-	-	-	-
Exercised during the period	-	15,000	74,000	92,000
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	47,750
Outstanding options, end of the period	**-**	**74,000**	**-**	**74,000**
Options vested and exercisable, end of the period	-	74,000	-	74,000

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

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

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 option is entitled to 1 equity share of Rs 10 each.

Particulars	**Quarter ended March 31,**		**Year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Outstanding options, beginning of the period	152,336*	86,712	159,244*	168,295*
Granted during the period	-	-	-	-
Exercised during the period	-	3,636	6,908	51,293
Lapsed during the period	-	-	-	33,926
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**1,52,336**	**83,076**	**1,52,336**	**83,076**
Options vested and exercisable, end of the period	1,52,336	83,076	1,52,336	83,076

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

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 March 31,**		**Year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Outstanding options, beginning of the period	40,000*	40,000	60,000*	75,000*
Granted during the period	-	-	-	-
Exercised during the period	-	-	20,000	35,000
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding options, end of the period	**40,000**	**40,000**	**40,000**	**40,000**
Options vested and exercisable, end of the period	40,000	26,666	40,000	26,666

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

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

Program 7 [ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received by the Company 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 March 31, 2016.

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 March 31,**		**Year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Outstanding shares, beginning of the period	3,750	4,678	-	-
Granted during the period	-	-	48,914	69,286
Exercised during the period	3,750	4,678	48,914	69,286
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding shares, end of the period	-	-	-	-
Shares vested and exercisable, end of the period	-	-	-	-

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

Other stock based compensation arrangements

The Company has also granted phantom stocks 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 March 31, 2016 are given below:

Particulars	**Phantom stocks plan***
Total no. of units	1,195,000
Vested units	-
Lapsed units	-
Forfeited units	-
Cancelled units	-
Outstanding units as at the end of the period	1,195,000
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, beginning of the year	308,000
Number of units/shares issued under letters of intent	94,250
Vested units/ shares	38,102
Lapsed units/ shares	4,448
Forfeited units/ shares	17,000
Cancelled units/ shares	-
Outstanding units/ shares as at the end of the year	342,700
Contractual life	2 - 4 years
Date of grant**	18-Jul-13, 12-May-15, 21-Oct-15, 27-Oct-15, 25-Feb-16
Price per share/ unit**	Exercise price of Rs 10

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

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was Rs 1,418 (Rs. 705, after bonus issue) using the Black-Scholes model with the following assumptions:

	Pre bonus issue	Post bonus issue
Weighted average grant date share price	Rs 1,435	Rs 717
Weighted average exercise price	Rs 10	Rs 10
Dividend yield %	0.22%	0.31%
Expected life	1-4 years	1-4 years
Risk free interest rate	7.43%	7.43%
Volatility	45.53%	45.53%

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

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

Amount in Rs

Particulars	**Quarter ended March 31,**		**Year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Program 2	25.00	25.00	25.00	30.25
Program 4	-	285.00	265.07	344.77
Program 5	-	239.25	239.25	201.88
DSOP 2006	-	-	309.50	560.00
ERSP 2012	10.00	10.00	10.00	10.00

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

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

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

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 Company has recorded compensation cost for all grants using the intrinsic value-based method of accounting.

(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 March 31,**		**Year ended March 31,**
	2016	**2015**	**2016**	**2015**
Net profit as reported	1,560	1,287	6,033	5,363
Add: Stock-based employee compensation expense (intrinsic value method)	8	22	90	168
Less: Stock-based employee compensation expense (fair value method)	8	(23)	(92)	(173)
Pro forma net profit	1,560	1,286	6,031	5,358
Basic earnings per share as reported	9.30	7.69	35.99	32.07
Pro forma basic earnings per share	9.30	7.69	35.98	32.04
Diluted earnings per share as reported	9.27	7.66	35.89	31.94
Pro forma diluted earnings per share	9.27	7.66	35.88	31.91

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 year ended March 31, 2016.

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

3.1.2 Reserves and surplus

Particulars	As at March 31, 2016	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 year	63	108
Less: Amount utilised for bonus shares	(839)	(418)
	1,084	**1,860**
General reserve		
Opening balance	1,542	1,542
	1,542	**1,542**
Share option outstanding account		
Opening balance	78	68
Additions during the year	29	10
	107	**78**
Hedge reserve		
Opening balance	-	49
Movement during the year	-	(49)
	-	**-**
Foreign currency translation reserve*		
Opening balance	-	-
Movement during the year	(208)	-
	(208)	**-**
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	6,033	5,363
Amount available for appropriations	21,753	17,435
Appropriations:		
Interim dividend	(1,258)	(586)
Final dividend	(504)	(838)
Dividend distribution tax (net)	(325)	(291)
	19,666	**15,720**
Total	**22,278**	**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 March 31, 2016	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 March 31, 2016	As at March 31, 2015
Other long-term liabilities*	1,072	334
Total	**1,072**	**334**

*Includes payable for acquisition of businesses Rs. 990 (As at March 31, 2015: Rs. 227)

(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 March 31, 2016	As at March 31, 2015
(Secured)		
Other loans from bank	415	-
Total	**415**	**-**

Short-term borrowings represent the packing credit loan from bank secured against receivables.

3.3.2 Other current liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debt*	5	5
Interest accrued but not due on borrowings	1	1
Unearned income	344	225
Unpaid dividends	7	5
Dividend payable	336	-
Creditors for capital goods	186	218
Advances from customers	44	27
Employee related liabilities	1,197	1,477
Book overdraft	395	155
Gratuity payable (net)	138	18
Other liabilities**	1,398	661
Total	**4,051**	**2,792**

*The details of interest rates, repayment and other terms are disclosed under note 3.2.1.
**Includes derivative liability of Rs 1 (As at March 31, 2015: Rs 3) and payable for acquisition of businesses Rs. 714 (As at March 31, 2015: Rs. 269)

As at March 31, 2016, the Group has outstanding forward contracts amounting to USD 30.5 million (As at March 31, 2015: USD 32 million), GBP 1.5 million (As at March 31, 2015: GBP 2.25 million) and Euro 3.25 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 35 and exchange gain Rs 31 for the quarter and year ended March 31, 2016 respectively (for the quarter and year ended March 31, 2015: Exchange gain of Rs 35 and Rs 21 respectively) has been recorded in the consolidated statement of profit and loss.

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

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

Particulars	**As at March 31, 2016**	**As at March 31, 2015**
Change in projected benefit obligations		
Obligations at the beginning of the year	413	365
Service cost	91	81
Interest cost	29	29
Benefits settled	(50)	(55)
Actuarial (gain)/ loss	30	(7)
Obligations at end of the year	**513**	**413**
Change in plan assets		
Plan assets at the beginning of the year, at fair value	395	363
Expected return on plan assets	32	29
Actuarial gain/ (loss)	(6)	5
Contributions	4	53
Benefits settled	(50)	(55)
Plan assets at the end of the year, at fair value	**375**	**395**

Summary of the present value of the obligation, the fair value of the plan assets and experience adjustments

Particulars	**As at March 31,**				
	2016	**2015**	**2014**	**2013**	**2012**
Fair value of plan assets at the end of the year	375	395	363	313	275
Present value of defined obligations at the end of the year	(513)	(413)	(365)	(324)	(276)
Asset/ (liability) recognised in the balance sheet	**(138)**	**(18)**	**(2)**	**(11)**	**(1)**
Experience adjustment on plan liabilities	30	(7)	(23)	8	25
Experience adjustment on plan assets	(6)	5	-	1	38

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

Particulars	For the quarter ended March 31,		For the year ended March 31,	
	2016	2015	2016	2015
Gratuity cost				
Service cost	23	20	91	81
Interest cost	7	7	29	29
Expected return on plan assets	(7)	(9)	(32)	(29)
Actuarial (gain)/loss	6	3	36	(12)
Net gratuity cost	**29**	**21**	**124**	**69**
Actual return on plan assets	13	9	36	29
Assumptions				
Interest rate	7.70%	7.80%	7.70%	7.80%
Expected rate of return on plan assets	8.75%	8.75%	8.75%	8.75%
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 Group has invested the plan assets in the insurer managed funds. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of obligation. Expected contribution to the fund for the year ending March 31, 2017 is Rs. 138.

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.

3.3.3 Short-term provisions

	March 31, 2016	March 31, 2015
Provision for compensated absences	538	357
Provision for taxes, net of advance tax and tax deducted at source	315	239
Provision for discount	668	367
Dividend payable	504	837
Dividend distribution tax payable	103	172
Provision for post contract support services	7	5
Provision for disputed dues*	76	68
Total	**2,211**	**2,045**

*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.

(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 March 31, 2016	For the quarter ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Balance at the beginning of the period	580	448	367	270
Provisions made during the period	130	143	491	433
Utilisations during the period	(26)	(219)	(172)	(328)
Released during the period	(16)	(5)	(18)	(8)
Provision at the end of the period	668	367	668	367

Provision for post contract support services

Particulars	For the quarter ended March 31, 2016	For the quarter ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Balance at the beginning of the period	6	6	5	4
Provisions made during the period	1	(1)	2	2
Utilisations during the period	-	-	-	-
Released during the period	-	-	-	(1)
Provision at the end of the period	7	5	7	5

Provision for disputed dues

Particulars	For the quarter ended March 31, 2016	For the quarter ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Balance at the beginning of the period	74	67	68	62
Provisions made during the period	2	1	8	6
Utilisations during the period	-	-	-	-
Released during the period	-	-	-	-
Provision at the end of the period	76	68	76	68

Mindtree Limited
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3.4 Non-current assets

3.4.1 Fixed assets

	Gross block						Accumulated depreciation						Net book value
Assets	As at April 1, 2015	Additions on account of acquisition*	Additions during the year	Translation adjustment	Deletions during the year	As at March 31, 2016	As at April 1, 2015	Additions on account of acquisition*	For the year	Translation adjustment	Deletions during the year	As at March 31, 2016	As at March 31, 2016
Tangible assets													
Leasehold land	425	-	-	-	13	412	95	-	12	-	1	106	306
Buildings	3,621	-	417	-	993	3,045	1,105	-	216	-	360	961	2,084
Leasehold improvements	1,016	26	170	-	-	1,212	554	13	147	-	-	714	498
Computer systems	2,047	133	644	(4)	69	2,751	1,406	99	564	(4)	69	1,996	755
Test equipment	217	-	-	-	-	217	217	-	-	-	-	217	-
Furniture and fixtures	261	41	139	-	49	392	168	27	39	(1)	49	184	208
Electrical installations	521	-	121	-	32	610	319	-	111	-	32	398	212
Office equipment	734	19	156	(1)	78	830	496	16	114	(1)	77	548	282
Motor vehicles	29	-	-	-	-	29	5	-	9	-	-	14	15
Plant and machinery	8	-	-	-	-	8	1	-	-	-	-	1	7
Total (A)	**8,879**	**219**	**1,647**	**(5)**	**1,234**	**9,506**	**4,366**	**155**	**1,212**	**(6)**	**588**	**5,139**	**4,367**
Intangible assets													
Intellectual property	67	-	-	-	-	67	65	-	2	-	-	67	-
Computer Software	935	16	90	-	5	1,036	817	8	118	-	5	938	98
Goodwill**	-	160	-	-	-	160	-	-	-	-	-	-	160
Total (B)	**1,002**	**176**	**90**	**-**	**5**	**1,263**	**882**	**8**	**120**	**-**	**5**	**1,005**	**258**
Total (A+B)	**9,881**	**395**	**1,737**	**(5)**	**1,239**	**10,769**	**5,248**	**163**	**1,332**	**(6)**	**593**	**6,144**	**4,625**

*Refer note 3.15, 3.16 and 3.17
**Refer note 2.17

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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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 March 31, 2016	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 March 31, 2016	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 March 31, 2016	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 March 31, 2016	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 March 31, 2016	For the quarter ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Tax expense				
Current tax	558	380	1,944	1,592
- MAT credit entitlement	(47)	-	(50)	-
	511	380	1,894	1,592
Deferred tax	(67)	(2)	(153)	(47)
Total	**444**	**378**	**1,741**	**1,545**

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 March 31, 2016	As at March 31, 2015
Excess of depreciation as per books over depreciation allowed under Income Tax Act, 1961	254	205
Provision for doubtful trade receivables	22	16
Provision for compensated absence	203	117
Provision for volume discount	73	39
Others	50	72
Total deferred tax assets	**602**	**449**

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

3.4.4 Long-term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good)		
Capital advances	42	107
Security deposits*	564	547
Advance tax and tax deducted at source, net of provision for taxes	934	834
Service tax credit receivable	139	-
MAT credit entitlement	148	110
Other loans and advances	28	42
Total	**1,855**	**1,640**

* Includes dues from related parties Rs. 298 as at March 31, 2016. (As at March 31, 2015 Rs.391) (Refer note 3.9).

3.4.5 Other non-current assets

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good)		
Other non-current assets	276	17
Total	**276**	**17**

3.5 Current assets

3.5.1 Current investments

Particulars	As at March 31, 2016	As at March 31, 2015
Investment in mutual funds (quoted)	1,751	4,643
Investment in non-convertible bonds (quoted)	100	-
Term deposits (unquoted)	250	700
Total	**2,101**	**5,343**
Aggregate carrying amount of quoted investments	1,851	4,643
Aggregate market value of quoted investments	2,016	4,790
Aggregate amount of unquoted investments	250	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 March 31, 2016		As at March 31, 2015	
	No of units	Amount	*No of units*	Amount
ICICI Prudential Mutual Fund	*17,401,890*	296	*28,722,324*	472
IDFC Mutual Fund	*16,285,532*	192	*37,530,726*	433
UTI Mutual Fund	*3,456,138*	58	*13,456,138*	158
Franklin Templeton Mutual Fund	-	-	*11,695,643*	290
DSP Blackrock Mutual Fund	-	-	*14,790,537*	351
Birla Sun Life Mutual Fund	*14,185,302*	212	*20,007,295*	454
Reliance Mutual Fund	*17,651,564*	303	*23,725,772*	428
Tata Mutual Fund	*21,243,549*	325	*36,229,022*	422
DWS Mutual Fund	-	-	*4,483,697*	45
SBI Mutual Fund	*5,597,950*	87	*13,787,278*	358
HDFC Mutual Fund	*3,635,659*	178	*27,872,023*	424
Axis Mutual Fund	-	-	*100,840*	104
Bank of India AXA Mutual Fund	*10,000,000*	100	*10,000,000*	100
Kotak Mutual Fund	-	-	*5,681,936*	58
JP Morgan India Mutual Fund	-	-	*16,989,901*	189
L & T Mutual Fund	-	-	*98,576*	100
IDBI Mutual Fund	-	-	*254,281*	257
Total		**1,751**		**4,643**

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

Particulars	As at March 31, 2016	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 March 31, 2016	As at March 31, 2015
HDFC Limited	-	700
IL&FS Limited	100	-
Bajaj Finance Limited	50	-
Kotak Mahindra Investments Limited	50	-
LIC Housing Finance Limited	50	-
Total	**250**	**700**

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

3.5.2 Trade receivables

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured)		
Receivables overdue for a period exceeding six months		
- considered good	37	62
- considered doubtful	105	75
Other receivables		
- considered good	9,691	6,901
- considered doubtful	21	8
Less: Provision for doubtful receivables	(126)	(83)
Total	**9,728**	**6,963**

3.5.3 Cash and bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with banks in current and deposit accounts*	1,988	3,758
Cash on hand	1	-
Other bank balances**	343	5
Total	**2,332**	**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 and dividend payable.

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

3.5.4 Short-term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good)		
Security deposits	36	143
MAT credit entitlement	49	36
Advances recoverable in cash or in kind or for value to be received*	1,505	1,292
Less: Provision for doubtful advances	(20)	(20)
Total	**1,570**	**1,451**

* Includes dues from related parties Rs. Nil as at March 31, 2016. (As at March 31, 2015 Rs.94) (Refer note 3.9)
This also includes amounts pertaining to housing deposits, vehicles, medical emergencies, travel and salary advances given to employees to the extent of Rs 430 as at March 31, 2016. (As at March 31, 2015: Rs 287).

3.5.5 Other current assets

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled revenue	2,131	982
Other current assets*	286	24
Total	**2,417**	**1,006**

*Includes derivative asset of Rs 53 (As at March 31, 2015: Rs 24)

3.6 Other income

Particulars	For the quarter ended March 31,		For the year ended March 31,	
	2016	2015	2016	2015
Interest income	15	59	165	140
Dividend income from current investments	10	41	73	154
Net gain on sale of current investments	19	161	131	286
Foreign exchange gain / (loss)	32	(130)	393	179
Other non-operating income	18	43	43	76
Total	**94**	**174**	**805**	**835**

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

3.7 Expenses

Employee benefits expense	**For the quarter ended March 31,**		**For the year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Salaries and wages	7,698	5,093	26,128	19,312
Contribution to provident and other funds**	449	241	1,623	1,055
Expense on employee stock based compensation*	7	22	90	168
Staff welfare expenses	43	45	185	175
Total	**8,197**	**5,401**	**28,026**	**20,710**

Finance costs	**For the quarter ended March 31,**		**For the year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Interest expense	1	-	3	1
Total	**1**	**-**	**3**	**1**

Other expenses	**For the quarter ended March 31,**		**For the year ended March 31,**	
	2016	**2015**	**2016**	**2015**
Travel expenses	516	401	2,249	1,740
Communication expenses	164	124	634	436
Sub-contractor charges	802	568	2,969	2,117
Computer consumables	194	127	651	441
Legal and Professional charges	134	57	510	412
Power and fuel	78	64	316	275
Rent (Refer note 3.10)	213	158	752	629
Repairs to buildings	13	21	58	51
Repairs to machinery	19	11	47	35
Insurance	18	11	67	49
Rates and taxes	34	30	126	95
Other expenses	601	422	2,187	1,537
Total	**2,786**	**1,994**	**10,566**	**7,817**

*Refer note 3.1.1 (f)
**includes contribution to defined contribution plans Rs 1,499 (For the year ended March 31, 2015: Rs 986)

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. 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 Company 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 Company'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 Company 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.

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).

f) The Company 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 Company 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 March 31, 2016 is Rs 262 (March 31, 2015: Rs 508).

3.8.2 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 March 31,	
	2016	2015
Segment revenue		
RCM	2,414	1,992
BFSI	3,075	2,293
TMS	4,157	2,995
TH	2,121	1,469
Others	1,475	432
Total	**13,242**	**9,181**
Segment operating income		
RCM	456	420
BFSI	329	252
TMS	858	719
TH	430	254
Others	186	141
Total	**2,259**	**1,786**
Unallocable expenses	(348)	(295)
Profit for the period before interest, other income and tax	**1,911**	**1,491**
Finance costs	(1)	-
Other income	94	174
Net profit before taxes	**2,004**	**1,665**
Income taxes	(444)	(378)
Net profit after taxes	**1,560**	**1,287**

Other information	For the quarter ended March 31,	
	2016	2015
Depreciation and Amortisation (Unallocable)	348	295
Other significant non-cash expense (Allocable)		
RCM	11	-
BFSI	24	3
TMS	15	-
TH	-	10
Others	1	-

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

Statement of profit and loss	For the year ended March 31,	
	2016	2015
Segment revenue		
RCM	9,459	7,720
BFSI	11,599	8,378
TMS	14,502	11,641
TH	7,164	5,843
Others	4,172	2,037
Total	**46,896**	**35,619**
Segment operating income		
RCM	2,059	1,503
BFSI	1,499	939
TMS	2,674	2,721
TH	1,258	1,136
Others	814	793
Total	**8,304**	**7,092**
Unallocable expenses	(1,332)	(1,018)
Profit for the period before interest, other income and tax	**6,972**	**6,074**
Finance costs	(3)	(1)
Other income	805	835
Net profit before taxes	**7,774**	**6,908**
Income taxes	(1,741)	(1,545)
Net profit after taxes	**6,033**	**5,363**

Other information	For the year ended March 31,	
	2016	2015
Depreciation and Amortisation (Unallocable)	1,332	1018
Other significant non-cash expense (Allocable)		
RCM	15	-
BFSI	29	1
TMS	33	-
TH	8	11
Others	-	-

Geographical segments

Revenues	For the quarter ended March 31,		For the year ended March 31,	
	2016	2015	2016	2015
America	8,154	5,952	29,889	22,059
Europe	3,891	2,178	12,343	8,967
India	369	327	1,412	1,350
Rest of World	828	724	3,252	3,243
Total	**13,242**	**9,181**	**46,896**	**35,619**

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

3.9 Related party transactions

Name of related party	Nature of relationship
Mindtree Foundation	Entity with common key managerial person
Janaagraha Centre for Citizenship & Democracy	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.

Transactions with the above related parties during the period were:

Name of related party	Nature of transaction	For the quarter ended March 31, 2016	2015
Mindtree Foundation	Donation paid	4	-
Janaagraha Centre for Citizenship & Democracy	Donation paid	4	4
Coffee Day Global Limited	Procurement of supplies	7	4
	Software services rendered	7	-
Tanglin Developments Limited	Leasing office buildings and land	98	86
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	-	12
	- towards lease rentals	22	42
	Interest on advance towards electricity charges/ deposit	-	7

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

Name of related party	Nature of transaction	For the year ended March 31, 2016	2015
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	1	-
Mindtree Foundation	Donation paid	36	13
Janaagraha Centre for Citizenship & Democracy	Donation paid	4	4
	Software services rendered	-	1
Coffee Day Global Limited	Procurement of supplies	23	17
	Software services rendered	27	-
Tanglin Developments Limited	Leasing office buildings and land	375	321
	Advances/ deposits paid		
	- towards electricity deposit/ charges	-	9
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	16	51
	- towards lease rentals	172	156
	Interest on advance towards electricity charges/ deposit		
	- amount recovered	-	7
	- amount accrued	-	4

Balances payable to related parties are as follows:

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

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

Balances receivable from related parties are as follows:

Name of related party	Nature of transactions	As at March 31, 2016	As at March 31, 2015
Coffee Day Global Limited	Trade Receivables	25	-
Tanglin Developments Limited	*Short-term loans and advances*		
	Rental Advance	-	94
	Long-term loans and advances:		
	Advance towards electricity charges	-	16
	Security deposit (including electricity deposit) returnable on termination of lease	298	375

Key Managerial Personnel:

Subroto Bagchi***	Executive Chairman
Krishnakumar Natarajan^	CEO and Managing Director
N.S. Parthasarathy	Executive Director, President and Chief Operating Officer
Rostow 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.
***Effective April 1, 2016, Subroto Bagchi ceased to be the Executive Chairman and will continue as Non-executive director.
^Effective April 1, 2016, Krishnakumar Natarajan has been elevated as Executive Chairman and Rostow Ravanan, as CEO and Managing Director.

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

Remuneration to key managerial personnel during the quarter and year ended March 31, 2016 amounts to Rs 34 and Rs 135 respectively (for the quarter and year ended March 31, 2015 amounts to Rs 45 and Rs 224 respectively).

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

Dividends paid to directors during the quarter ended and year ended March 31, 2016 amounts to Rs 44 and Rs 230 respectively (for the quarter and year ended March 31, 2015 amounts to Rs 43 and Rs 173 respectively).

3.10 Lease transactions

Lease rental expense under non-cancellable operating lease during the quarter and year ended March 31, 2016 amounted to Rs 115 and Rs 447 respectively (for the quarter and year ended March 31, 2015: Rs 98 and Rs 363 respectively). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at March 31, 2016	As at March 31, 2015
Payable -- Not later than one year	361	403
Payable -- Later than one year and not later than five years	433	543
Payable -- later than five years	89	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 year ended March 31, 2016 was Rs 98 and Rs 305, respectively (for the quarter and year ended March 31, 2015: Rs 60 and Rs 266 respectively).

3.11 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 March 31, 2016		For the quarter ended March 31, 2015*	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the quarter	167,783,641	167,783,641	167,431,815	167,431,815
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	420,893	-	632,895
Weighted average number of equity shares for calculation of earnings per share	167,783,641	168,204,534	167,431,815	168,064,710

*In accordance with Accounting Standard 20 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)

Particulars	**For the year ended March 31, 2016**		**For the year ended March 31, 2015***	
	Basic EPS	**Diluted EPS**	**Basic EPS**	**Diluted EPS**
Weighted average number of equity shares outstanding during the period	167,649,773	167,649,773	167,238,871	167,238,871
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	441,916	-	654,350
Weighted average number of equity shares for calculation of earnings per share	167,649,773	168,091,689	167,238,871	167,893,221

*In accordance with Accounting Standard 20 on 'Earnings Per Share', basic and diluted earnings per share is adjusted for bonus issue for previous period presented.

3.12 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 March 31,**	
	2016	**2015**
Grant towards workforce training	6	4
Total	**6**	**4**

Nature of expenses	**For the year ended March 31,**	
	2016	**2015**
Grant towards workforce training	15	24
Total	**15**	**24**

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 March 31,**	
	2016	**2015**
Grant towards R & D credit	19	-
Total	**19**	**-**

Particulars	**For the year ended March 31,**	
	2016	**2015**
Grant towards R & D credit	59	-
Total	**59**	**-**

As at March 31, 2016, the grant recognized in the balance sheet is Rs 59. (As at March 31, 2015: Nil)

3.13 Total of expenditure incurred on Corporate Social Responsibility activities during the year ended March 31, 2016 is Rs 94 (during the year ended March 31, 2015 is Rs 40).

3.14 The Group acquired 100% membership 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 March 31, 2016	
Current liabilities	470
Assets as at March 31, 2016	
Non-current assets	60
Current assets	1,112

Particulars	**Bluefin Solutions Limited**
Details for the quarter ended March 31, 2016	
Revenue	726
Expenses	662
Profit before tax	64
Profit after tax	69

Particulars	**Bluefin Solutions Limited**
Details for the nine months ended March 31, 2016	
Revenue	2,197
Expenses	2,040
Profit before tax	157
Profit after tax	157

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 March 31, 2016	
Current liabilities	35
Assets as at March 31, 2016	
Current assets	44

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

Particulars	**Relational Solutions Inc**
Details for the quarter ended March 31, 2016	
Revenue	23
Expenses	31
Profit /(Loss) before tax	(8)
Profit /(Loss) after tax	(8)

Particulars	**Relational Solutions Inc**
Details for the nine months ended March 31, 2016	
Revenue	115
Expenses	106
Profit before tax	9
Profit after tax	9

3.17 The Group has also acquired 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 45.9 million. The consideration includes an upfront payment of USD 37.3 million and earn out of up to USD 8.6 million over the next two years. The transfer of membership interests and control of Magnet 360, LLC is effective January 19, 2016 and consequently, Magnet 360, LLC has become a 100% subsidiary of the Company 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 40.5 million. Results from this acquisition are grouped under Others 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	**Magnet 360 LLC**
Liabilities as at March 31, 2016	
Current liabilities	283
Assets as at March 31, 2016	
Non-current assets	504
Current assets	421

Particulars	**Magnet 360 LLC**
Details for the quarter ended March 31, 2016	
Revenue	428
Expenses	444
Profit /(Loss) before tax	(16)
Profit /(Loss) after tax	(16)

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

3.18 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 the requisite approvals, no effect has been given for the scheme in these financial statements.

3.19 Auditor's remuneration

Particulars	For the quarter ended March 31,		For the year ended March 31,	
	2016	2015	2016	2015
Audit	4	3	20	15
Taxation matters	-	-	1	1
Other services	1	1	1	1
Reimbursement of expenses and levies	1	-	1	1
Total	**6**	**4**	**23**	**18**

3.20 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 March 31, 2016	As at March 31, 2015
Share application money pending allotment	42,300	4,281,900
Provision for foreseeable losses on contracts	277,996	275,752
Cash on hand	706,147	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 March 31,	
	2016	2015
Finance cost	851,621	206,141
Adjustment to the carrying amount of investments	679,202	-

Particulars	For the year ended March 31,	
	2016	2015
Adjustment to the carrying amount of investments	319,056	3,836,625

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

3.21 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 March 31, 2016**	**As at March 31, 2015**
Receivable	11,638	6,669
Payable	(3,584)	(225)

3.22 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	**For the quarter and year ended March 31, 2016**	**March 31, 2015**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting period;	4	Nil
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period;	Nil	Nil
the amount of interest due and payable for the period (where the principal has been paid but interest under the Act not paid);	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of accounting period; and	Nil	Nil
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

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

3.23 Statement of Net assets and Profit or loss attributable to owners and minority interest

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss for the year ended March 31, 2016	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Mindtree Limited*	93.81%	22,475	96.97%	5,850
Foreign subsidiaries				
Mindtree Software (Shanghai) Co. Ltd	0.05%	12	0.02%	1
Discoverture Solutions LLC (consolidated)	0.49%	116	0.52%	32
Relational Solutions Inc.	0.04%	9	0.15%	9
Bluefin Solutions Limited (consolidated)	2.93%	702	2.61%	157
Magnet 360 LLC (consolidated)	2.68%	642	(0.27%)	(16)
Total	**100%**	**23,956**	**100%**	**6,033**

*after adjusting inter company transactions and balances

3.24 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

For **Mindtree Limited**

V. Balaji
Partner
Membership No. : 203685

N. Krishnakumar
Chairman

Rostow Ravanan
CEO & Managing Director

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date: April 18, 2016

Place: Bengaluru
Date: April 18, 2016