

Mindtree Limited
Balance sheet

	Note	As at March 31, 2016	Rs in million As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	1,678	837
Reserves and surplus	3.1.2	22,486	19,271
		24,164	20,108
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	400	-
Trade payables			
Payable to micro and small enterprises	3.20	4	-
Others		1,242	1,188
Other current liabilities	3.3.2	3,712	2,776
Short-term provisions	3.3.3	2,153	2,028
		7,511	5,992
		32,765	26,461
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3.4.1	4,304	4,507
Intangible assets	3.4.1	92	119
Capital work-in-progress		232	354
Non-current investments	3.4.2	9,052	1,113
Deferred tax assets (net)	3.4.3	593	449
Long-term loans and advances	3.4.4	1,842	1,639
Other non-current assets	3.4.5	276	17
		16,391	8,198
Current assets			
Current investments	3.5.1	2,101	5,343
Trade receivables	3.5.2	8,825	6,798
Cash and bank balances	3.5.3	1,924	3,669
Short-term loans and advances	3.5.4	1,476	1,448
Other current assets	3.5.5	2,048	1,005
		16,374	18,263
		32,765	26,461

Significant accounting policies and notes to the accounts 2&3

The notes referred to above form an integral part of the 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 Ramanan
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
Statement of profit and loss

Particulars	Note	Rs in million, except share and per share data			
		For the quarter ended		For the year ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Revenue from operations		12,051	9,036	43,565	35,474
Other income	3.6	249	170	939	831
Total revenues		12,300	9,206	44,504	36,305
Expenses:					
Employee benefits expense	3.7	7,244	5,304	25,766	20,608
Finance costs	3.7	1	-	3	1
Depreciation and amortisation expense	3.4.1	339	294	1,309	1,017
Other expenses	3.7	2,480	1,974	9,691	7,802
Total expenses		10,064	7,572	36,769	29,428
Profit before tax		2,236	1,634	7,735	6,877
Tax expense:	3.4.3				
Current tax		527	369	1,830	1,581
Deferred tax		(66)	(2)	(144)	(47)
Profit for the period		1,775	1,267	6,049	5,343
Earnings per equity share	3.17				
Equity shares of par value Rs 10/- each					
Basic		10.58	7.57	36.08	31.95
Diluted		10.55	7.55	35.99	31.83
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

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Mindtree Limited
Cash flow statement

	Rs in million	
	For the year ended March 31,	
	2016	2015
Cash flow from operating activities		
Profit before tax	7,735	6,877
Adjustments for :		
Depreciation and amortisation expense	1,309	1,017
Expense on employee stock based compensation	90	168
Finance costs	3	1
Interest/ dividend income	(400)	(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	(97)	9
Operating profit before working capital changes	8,448	7,465
Changes in trade receivables	(2,027)	(794)
Changes in loans and advances and other assets	(1,098)	(33)
Changes in liabilities and provisions	657	879
Net cash provided by operating activities before taxes	5,980	7,517
Income taxes paid	(1,929)	(1,540)
Net cash provided by operating activities	4,051	5,977
Cash flow from investing activities		
Purchase of fixed assets	(1,570)	(1,995)
Proceeds from sale of fixed assets	269	8
Investment in subsidiaries	(6,659)	(600)
Interest/ dividend received from investments	479	219
Purchase of investments	(10,062)	(9,982)
Sale/ maturities of investments	13,385	10,252
Net cash used in investing activities	(4,158)	(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	400	-
Dividends paid (including distribution tax)	(2,151)	(1,438)
Net cash used in financing activities	(1,735)	(1,376)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	97	(9)
Net (decrease)/ increase in cash and cash equivalents	(1,745)	2,494
Cash and cash equivalents at the beginning of the year	3,669	1,175
Cash and cash equivalents at the end of the year (Refer note 3.5.3)	1,924	3,669

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

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

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Mindtree Limited

Significant accounting policies and notes to the accounts

For the quarter and year ended March 31, 2016

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

1. Background

Mindtree Limited ('Mindtree' or 'the Company') is an international Information Technology consulting and implementation company that delivers business solutions through global software development. The Company 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 Company 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 Company 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 and Ireland.

2. Significant accounting policies

2.1 Basis of preparation of 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, inter alia 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).

2.2 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles 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 financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the quarter and year ended March 31, 2016

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

2.3 Fixed assets and depreciation

- 2.3.1 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.
- 2.3.2 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 Company.
- 2.3.3 Leases under which the Company 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 statement of profit and loss on a straight-line basis over the lease term.
- 2.3.4 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.
- 2.3.5 Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Company. 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 Company for its use. The Company 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	5 years
Electrical installations	3 years
Office equipment	4 years
Motor vehicles	4 years
Plant and machinery	4 years
Intellectual property	5 years

The Company 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 which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the quarter and year ended March 31, 2016

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

- 2.3.6 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.

2.4 Investments

- 2.4.1 Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.
- 2.4.2 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.
- 2.4.3 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.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of 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.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby 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 Company are segregated.

2.7 Employee benefits

- 2.7.1 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 Company 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 statement of profit and loss.
- 2.7.2 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 Company accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.
- 2.7.3 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.

Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the quarter and year ended March 31, 2016

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

2.8 Revenue recognition

2.8.1 The Company 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.

2.8.2 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.

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

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

2.9 Foreign exchange transactions

2.9.1 The Company 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 Company enters into foreign exchange forward contracts and other derivative instruments.

2.9.2 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 statement of profit and loss for the period.

2.9.3 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 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.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)**

- 2.9.4 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 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 statement of profit and loss.
- 2.9.5 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 amortized as income or expense over the life of the contract.
- 2.9.6 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 Company 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 the Company 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 is debited/ credited to statement of profit and loss.

2.10 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 period of recognition of revenue.

2.11 Provision and contingent liabilities

The Company 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.

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the quarter and year ended March 31, 2016
(Rupees in millions, except share and per share data, unless otherwise stated)

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.

2.12 Taxation

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company. 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 Company 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 Company offsets, 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.

2.13 Earnings per share

In determining earnings per share, the Company considers the 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.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)****2.14 Impairment of assets**

The Company 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 Company 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 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.

2.15 Employee stock based compensation

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

2.16 Government grants

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

- (i) the Company 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 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 Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a nominal value.

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the quarter and year ended March 31, 2016
(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	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		As at	
	March 31, 2016		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 Company 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 Company 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 Company 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%

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the quarter and year ended March 31, 2016
(Rupees in millions, except share and per share data, unless otherwise stated)

(Rs 4 per equity share of par value Rs 10/- each) for the quarter ended December 31, 2015 respectively.

During the quarter, the Company 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 Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company 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:
- 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.
 - The Company has not bought back any equity shares.
 - The Company has not allotted any equity shares as fully paid up without payment being received in cash.

f) Employee stock based compensation

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

Program 1 [ESOP 1999]

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

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(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		Year ended	
	March 31,		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.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)**

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)

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.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)**

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)

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	-	-	-	-

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(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%

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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The following table summarizes information about the weighted average exercise price of options/ shares exercised under various programs:

Particulars	Amount in Rs			
	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.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)**

Had stock based compensation been determined under the fair value approach described in the Guidance Note on, “Accounting for employee share-based payments” issued by ICAI, the Company’s net profit and basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

Particulars	Quarter ended		Year ended	
	2016	2015	2016	2015
Net profit as reported	1,775	1,267	6,049	5,343
Add: Stock-based employee compensation expense (intrinsic value method)	7	22	90	168
Less: Stock-based employee compensation expense (fair value method)	(7)	(23)	(92)	(173)
Pro forma net profit	1,775	1,266	6,047	5,338
Basic earnings per share as reported	10.58	7.57	36.08	31.95
Pro forma basic earnings per share	10.58	7.57	36.07	31.92
Diluted earnings per share as reported	10.55	7.55	35.99	31.83
Pro forma diluted earnings per share	10.55	7.54	35.98	31.80

- g) As at March 31, 2015, the Company 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 Company made the allotment for these 15,276 equity shares during the year ended March 31, 2016.

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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3.1.2 Reserves and surplus

Particulars	As at March 31, 2016	As at March 31, 2015
<i>Capital reserve</i>		
Opening balance	87	87
	87	87
<i>Securities premium reserve</i>		
Opening balance	1,898	2,208
Additions during the year	63	108
Less: Amount utilised for bonus shares	(839)	(418)
	1,122	1,898
<i>General reserve</i>		
Opening balance	1,542	1,542
	1,542	1,542
<i>Share option outstanding account</i>		
Opening balance	78	68
Additions during the year	29	10
	107	78
<i>Hedge reserve</i>		
Opening balance	-	49
Movement during the year	-	(49)
	-	-
<i>Surplus (Balance in the statement of profit and loss)</i>		
Opening balance	15,666	12,038
Add: Amount transferred from statement of profit and loss	6,049	5,343
Amount available for appropriations	21,715	17,381
Appropriations:		
Interim dividend	(1,258)	(586)
Final dividend	(504)	(838)
Dividend distribution tax (net)	(325)	(291)
	19,628	15,666
Total	22,486	19,271

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Significant accounting policies and notes to the accounts (continued)
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3.2 Non-current liabilities

3.2.1 Long-term borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured)</i>		
Other loans	18	23
Total	18	23

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

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

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

3.2.2 Other long-term liabilities

Particulars	As at 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)

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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3.3 Current liabilities

3.3.1 Short-term borrowings

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Secured)</i>		
Other loans from banks	400	-
Total	400	-

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	230	225
Unpaid dividends	7	5
Dividend payable	336	-
Creditors for capital goods	185	218
Advances from customers	42	27
Employee related liabilities	1,091	1,462
Book overdraft	395	155
Gratuity payable (net)	138	18
Other liabilities**	1,282	660
Total	3,712	2,776

*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 Company 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 statement of profit and loss.

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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

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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 Company 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, takes 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

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Provision for compensated absences	530	352
Provision for taxes, net of advance tax and tax deducted at source	270	227
Provision for discount	663	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	2,153	2,028

*Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Company 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.

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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,		For the year ended March 31,	
	2016	2015	2016	2015
Balance at the beginning of the period	576	448	367	270
Provisions made during the period	129	143	486	433
Utilisations during the period	(26)	(219)	(172)	(328)
Released during the period	(16)	(5)	(18)	(8)
Provision at the end of the period	663	367	663	367

Provision for post contract support services

Particulars	For the quarter ended March 31,		For the year ended March 31,	
	2016	2015	2016	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,		For the year ended March 31,	
	2016	2015	2016	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

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Significant accounting policies and notes to the accounts

For the quarter and year ended March 31, 2016

(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 during the year	Deletions during the year	As at March 31, 2016	As at April 1, 2015	For the year	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	992	3,046	1,105	216	360	961	2,085
Leasehold improvements	1,016	170	-	1,186	554	146	-	700	486
Computer systems	2,037	631	68	2,600	1,400	549	68	1,881	719
Test equipment	217	-	-	217	217	-	-	217	-
Furniture and fixtures	257	139	49	347	166	36	49	153	194
Electrical installations	521	121	32	610	319	111	32	398	212
Office equipment	731	156	78	809	492	113	77	528	281
Motor vehicles	28	-	-	28	5	9	-	14	14
Plant and machinery	8	-	-	8	1	-	-	1	7
Total (A)	8,861	1,634	1,232	9,263	4,354	1,192	587	4,959	4,304
Intangible assets									
Intellectual property	67	-	-	67	65	2	-	67	-
Computer Software	921	90	5	1,006	804	115	5	914	92
Total (B)	988	90	5	1,073	869	117	5	981	92
Total (A+B)	9,849	1,724	1,237	10,336	5,223	1,309	592	5,940	4,396

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3.4.1 Fixed Assets (continued)

Assets	Gross block				Accumulated depreciation				Net book value
	As at April 1, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	As at April 1, 2014	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	569	102	2,037	1,085	416	101	1,400	637
Test equipment	218	-	1	217	217	1	1	217	-
Furniture and fixtures	191	71	5	257	157	14	5	166	91
Electrical installations	360	167	6	521	256	69	6	319	202
Office equipment	600	155	24	731	436	80	24	492	239
Motor vehicles	2	27	1	28	1	5	1	5	23
Plant and machinery	8	-	-	8	1	-	-	1	7
Total (A)	6,887	2,114	140	8,861	3,621	872	139	4,354	4,507
Intangible assets									
Intellectual property	67	-	-	67	52	13	-	65	2
Computer Software	892	94	65	921	737	132	65	804	117
Total (B)	959	94	65	988	789	145	65	869	119
Total (A+B)	7,846	2,208	205	9,849	4,410	1,017	204	5,223	4,626

Mindtree Limited**Significant accounting policies and notes to the accounts****For the quarter and year ended March 31, 2016****(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	4,813	16
- Investment in preference shares	7	7
- Investment in Limited Liability Company	4,183	1,091
Less: Provision for diminution in value of investments	(1)	(1)
Total	9,052	1,113
Aggregate amount of quoted investments	50	-
Aggregate market value of quoted investments	50	-
Aggregate amount of unquoted investments	9,003	1,114

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
Investment in equity instruments of wholly owned subsidiaries		
Mindtree Software (Shanghai) Co., Ltd ('MSSCL')	14	14
1,104,124 (previous year: Nil) fully paid equity shares of ₹0.001 each in Bluefin Solutions Limited	4,236	-
1,000 (previous year: Nil) fully paid equity shares in Relational Solutions, Inc.	561	-
Investment in equity instruments of other companies		
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 Re.1 each in NuvePro Technologies Private Limited	1	1
Total	4,813	16

Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

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The Company 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 Company effective that date.

The Company 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 Company effective that date.

Details of investment in preference shares are as given below:

Particulars	As at	As at
	March 31, 2016	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

Details of investment in Limited Liability Company is as given below:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Investment in wholly owned subsidiary - Discoverture Solutions L.L.C.	1,091	1,091
Magnet 360, L.L.C.	3,092	-
Total	4,183	1,091

The Company 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 during the year ended March 31, 2015. 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 Company. The transfer of membership interests and control of Discoverture is effective February 13, 2015 and consequently, Discoverture has become a 100% subsidiary of the Company effective that date.

The Company 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.

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3.4.3 Taxes

Particulars	For the quarter ended March 31,		For the year ended March 31,	
	2016	2015	2016	2015
Tax expense				
Current tax	574	369	1,880	1,581
- MAT credit entitlement	(47)	-	(50)	-
	527	369	1,830	1,581
Deferred tax	(66)	(2)	(144)	(47)
Total	461	367	1,686	1,534

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

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

Deferred tax assets (net):

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

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Excess of depreciation as per books over depreciation allowed under Income Tax Act, 1961	250	205
Provision for doubtful trade receivables	22	16
Provision for compensated absence	201	117
Provision for volume discount	73	39
Others	47	72
Total deferred tax assets	593	449

3.4.4 Long-term loans and advances

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<i>(Unsecured considered good)</i>		
Capital advances	42	107
Security deposits*	560	546
Advance tax and tax deducted at source, net of provision for taxes	926	834
Service tax credit receivable	138	-
MAT credit entitlement	148	110
Other loans and advances	28	42
Total	1,842	1,639

* Includes dues from related parties Rs.298 as at March 31, 2016. (As at March 31, 2015 Rs.391) (Refer note 3.15)

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3.4.5 Other non-current assets

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

3.5 Current assets

3.5.1 Current investments

Particulars	As at	As at
	March 31, 2016	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

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

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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

3.5.2 Trade receivables

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured)</i>		
Receivables overdue for a period exceeding six months		
- considered good	34	62
- considered doubtful	82	72
Other receivables		
- considered good	8,791	6,736
- considered doubtful	20	9
Less: Provision for doubtful receivables	(102)	(81)
Total	8,825	6,798

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*	1,581	3,664
Cash on hand	-	-
Other bank balances**	343	5
Total	1,924	3,669

*The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company 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.

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Significant accounting policies and notes to the accounts (continued)
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3.5.4 Short-term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured considered good)</i>		
Security deposits	36	143
MAT credit entitlement	49	36
Advances recoverable in cash or in kind or for value to be received*	1,411	1,289
Less: Provision for doubtful advances	(20)	(20)
Total	1,476	1,448

* Includes dues from related parties Rs. Nil as at March 31, 2016. (As at March 31, 2015 Rs.94) (Refer note 3.15)

This also includes amounts pertaining to housing deposits, vehicles, medical emergencies, travel and salary advances given to employees to the extent of Rs 431 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	1,830	981
Other current assets*	218	24
Total	2,048	1,005

*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
Dividend income from subsidiaries	162	-	162	-
Net gain on sale of current investments	19	161	131	286
Foreign exchange gain / (loss)	25	(132)	365	177
Other non-operating income	18	41	43	74
Total	249	170	939	831

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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	6,840	5,000	24,126	19,215
Contribution to provident and other funds**	358	237	1,375	1,050
Expense on employee stock based compensation*	7	22	90	168
Staff welfare expenses	39	45	175	175
Total	7,244	5,304	25,766	20,608

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	464	394	2,086	1,732
Communication expenses	157	124	615	436
Sub-contractor charges	714	558	2,599	2,107
Computer consumables	181	127	617	441
Legal and professional charges	123	55	478	406
Power and fuel	79	64	316	275
Rent (Refer note 3.16)	182	155	689	625
Repairs to buildings	11	22	52	51
Repairs to machinery	19	11	47	35
Insurance	14	11	57	48
Rates and taxes	33	28	123	93
Other expenses	503	425	2,012	1,553
Total	2,480	1,974	9,691	7,802

*Refer note 3.1.1 (f)

**includes contribution to defined contribution plans Rs 1251 (For the year ended March 31, 2015: Rs 981)

Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the quarter and year ended March 31, 2016

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3.8 Contingent liabilities

- a) The Company has received an income tax assessment for the financial year 2008-09 wherein demand of Rs 24 has been raised against the Company 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 Company 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 Company has filed an appeal against the demands received.

The Company 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 Company. On the other grounds which are not favourable, the Company has filed an appeal before the Income Tax Appellate Tribunal ('ITAT').

- b) The Company 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 Company has filed an appeal against the demand received. The Company 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 Company 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 Company. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Company has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Company 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.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)**

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

The Company 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 Company 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 Company 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 Company has filed an appeal with Commissioner of Income Tax (Appeals) against the demand received.

The Company 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 Company 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 Company has deposited Rs 5 with the department against this demand.

- e) The Company 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 Company has filed an appeal with Commissioner of Income Tax (Appeals).

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)**

- 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).

3.9 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).

3.10 Value of imports on CIF basis

Particulars	For the quarter ended March 31,	
	2016	2015
Capital goods	39	128
Total	39	128

Particulars	For the year ended March 31,	
	2016	2015
Capital goods	270	339
Total	270	339

3.11 Expenditure in foreign currency

Particulars	For the quarter ended March 31,	
	2016	2015
Branch office expenses	6,979	4,159
Travel expenses	68	62
Professional charges	5	4
Others	78	128
Total	7,130	4,353

Particulars	For the year ended March 31,	
	2016	2015
Branch office expenses	20,635	15,822
Travel expenses	269	244
Professional charges	60	52
Others	295	363
Total	21,259	16,481

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)****3.12 Earnings in foreign currency**

Particulars	For the quarter ended March 31,	
	2016	2015
Income from software development	11,784	8,781
Dividend income from subsidiaries	162	-
Other income	3	26
Total	11,949	8,807

Particulars	For the year ended March 31,	
	2016	2015
Income from software development	42,566	34,452
Dividend income from subsidiaries	162	-
Other income	9	31
Total	42,737	34,483

3.13 During the quarter and year ended March 31, 2016, the Company has remitted in foreign currency dividend of Rs 7 and Rs 38 respectively (quarter and year ended March 31, 2015: Rs 7 and Rs 29 respectively)

Particulars	For the quarter ended March 31, 2016	For the quarter ended March 31, 2015
Number of shares held	1,695,047	1,878,172
Number of shareholders	52	56
Amount remitted (in Rs)	7	7
Year to which dividend relates	Third interim dividend 2015-16	Second interim dividend 2014-15

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Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Number of shares held		
Final dividend 2014-15	1,870,100	-
First interim dividend 2015-16	1,870,600	-
Second interim dividend 2015-16	1,796,998	-
Third interim dividend 2015-16	1,695,047	-
Third interim dividend 2013-14	-	1,119,693
Final and special dividend 2013-14	-	2,150,288
First interim dividend 2014-15	-	1,870,871
Second interim dividend 2014-15	-	1,878,172
Number of shareholders		
Final dividend 2014-15	55	-
First interim dividend 2015-16	55	-
Second interim dividend 2015-16	52	-
Third interim dividend 2015-16	52	-
Third interim dividend 2013-14	-	53
Final and special dividend 2013-14	-	51
First interim dividend 2014-15	-	52
Second interim dividend 2014-15	-	56
Amount Remitted (in Rs)		
Final dividend 2014-15	19	-
First interim dividend 2015-16	5	-
Second interim dividend 2015-16	7	-
Third interim dividend 2015-16	7	-
Third interim dividend 2013-14	-	6
Final and special dividend 2013-14	-	10
First interim dividend 2014-15	-	6
Second interim dividend 2014-15	-	7

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)**

For the quarter and year ended March 31, 2016

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3.14 Segmental reporting

The Company is structured into five verticals – RCM, BFSI, TMS, TH and Others. The Company 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 Company 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 Company 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.

Business segments

Statement of profit and loss	For the quarter ended March 31,	
	2016	2015
Segment revenue		
RCM	2,394	1,992
BFSI	3,045	2,148
TMS	4,158	2,995
TH	2,121	1,469
Others	333	432
Total	12,051	9,036
Segment operating income		
RCM	458	420
BFSI	438	225
TMS	861	724
TH	429	254
Others	141	141
Total	2,327	1,764
Unallocable expenses	(339)	(300)
Profit for the period before interest, other income and tax	1,988	1,464
Finance costs	(1)	-
Other income	249	170
Net profit before taxes	2,236	1,634
Income taxes	(461)	(367)
Net profit after taxes	1,775	1,267

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)**

For the quarter and year ended March 31, 2016

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Other information	For the quarter ended March 31,	
	2016	2015
Depreciation and Amortisation (Unallocable)	339	294
Other significant non-cash expense (Allocable)		
RCM	11	-
BFSI	6	2
TMS	15	-
TH	-	-
Others	-	10

Statement of profit and loss	For the year ended March 31,	
	2016	2015
Segment revenue		
RCM	9,346	7,720
BFSI	10,979	8,233
TMS	14,505	11,641
TH	7,164	5,843
Others	1,571	2,037
Total	43,565	35,474
Segment operating income		
RCM	2,040	1,503
BFSI	1,455	912
TMS	2,681	2,738
TH	1,255	1,136
Others	677	793
Total	8,108	7,082
Unallocable expenses	(1,309)	(1,035)
Profit for the period before interest, other income and tax	6,799	6,047
Finance costs	(3)	(1)
Other income	939	831
Net profit before taxes	7,735	6,877
Income taxes	(1,686)	(1,534)
Net profit after taxes	6,049	5,343

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)**

Other information	For the year ended March 31,	
	2016	2015
Depreciation and Amortisation (Unallocable)	1,309	1,017
Other significant non-cash expense (Allocable)		
RCM	15	-
BFSI	8	-
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	8,178	5,814	29,296	21,921
Europe	2,589	2,175	9,717	8,964
India	369	327	1,411	1,350
Rest of World	915	720	3,141	3,239
Total	12,051	9,036	43,565	35,474

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)****3.15 Related party transactions**

Name of related party	Nature of relationship
Mindtree Software (Shanghai) Co., Ltd ('MSSCL'), Republic of China	Subsidiary
Discoverure Solutions L.L.C.	Subsidiary with effect from February 13, 2015
Discoverure Solutions U.L.C.*	Subsidiary with effect from February 13, 2015
Discoverure Solutions Europe Limited**	Subsidiary with effect from February 13, 2015
Janaagraha Centre for Citizenship & Democracy	Entity with common key managerial person
Mindtree Foundation	Entity with common key managerial person
Bluefin Solutions Limited	Subsidiary with effect from July 16, 2015
Bluefin Solutions Inc.	Subsidiary with effect from July 16, 2015
Bluefin Solutions Sdn Bhd	Subsidiary with effect from July 16, 2015
Blouvin (Pty) Limited	Subsidiary with effect from July 16, 2015
Bluefin Solutions Pte Ltd	Subsidiary with effect from July 16, 2015
Relational Solutions, Inc	Subsidiary with effect from July 16, 2015
Magnet 360, LLC	Subsidiary with effect from January 19, 2016
Reside, LLC	Subsidiary with effect from January 19, 2016
M360 Investments, LLC	Subsidiary with effect from January 19, 2016
Numerical Truth, LLC	Subsidiary with effect from January 19, 2016
Coffee Day Global Limited	
Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.72% equity stake in Mindtree.
Mysore Amalgamated Coffee Estate Ltd	

*Dissolved with effect from November 19, 2015.

**Application for dissolution filed on March 24, 2016.

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Significant accounting policies and notes to the accounts (continued)
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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 Software (Shanghai) Co., Ltd	Software services received	4	6
Discoverture Solutions L.L.C.	Software services rendered	102	22
	Software services received	35	-
Bluefin Solutions Limited	Software services rendered	4	-
	Software services received	4	-
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

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(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
Mindtree Software (Shanghai) Co., Ltd	Software services received	20	19
Relational Solutions, Inc	Software license fees paid	3	-
Discoverture Solutions L.L.C.	Software services rendered	248	22
	Software services received	92	-
Bluefin Solutions Limited	Software services rendered	4	-
	Software services received	7	-
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	1	-
Mindtree Foundation	Donation paid	36	13
Janaagraha Centre for Citizenship & Democracy	Software services rendered	-	1
	Donation paid	4	4
Coffee Day Global Limited	Procurement of supplies	23	17
	Software services rendered	27	-

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Significant accounting policies and notes to the accounts (continued)
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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
Mindtree Software (Shanghai) Co., Ltd	1	6
Discoverture Solutions L.L.C.	15	-
Bluefin Solutions Limited	4	-
Coffee Day Global Limited	1	-

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
Discoverture Solutions L.L.C.	Trade receivables	98	22
Bluefin Solutions Limited	Trade receivables	4	-
Coffee Day Global Limited	Trade receivables	25	-

Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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Tanglin Developments Limited	<i>Short-term loans and advances</i>		
	Rental Advance	-	94
	<i>Long-term loans and advances:</i>		
	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.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(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).

3.16 Lease transactions

Lease rental expense under non-cancellable operating lease during the quarter and year ended March 31, 2016 amounted to Rs 98 and Rs 419 respectively (for the quarter and year ended March 31, 2015: Rs 96 and Rs 361 respectively). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Payable -- Not later than one year	297	390
Payable -- Later than one year and not later than five years	317	541
Payable -- later than five years	89	106

Additionally, the Company 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 84 and Rs 270, respectively (for the quarter and year ended March 31, 2015: Rs 59 and Rs 264 respectively).

3.17 Earnings per equity 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.

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(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.

3.18 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

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

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)****3.20 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

Mindtree Limited**Significant accounting policies and notes to the accounts (continued)****For the quarter and year ended March 31, 2016****(Rupees in millions, except share and per share data, unless otherwise stated)**

3.21 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).

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

Balance Sheet items		<i>Amount in Rs</i>	
Particulars	As at 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	15,350	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		<i>Amount in Rs</i>	
Particulars	For the quarter ended March 31, 2016	2015	
Finance cost	788,483	206,141	
Adjustment to the carrying amount of investments	(679,202)	(577,255)	

Particulars	For the year ended March 31, 2016	2015	
Adjustment to the carrying amount of investments	(319,056)	3,259,370	

3.23 As of the balance sheet date, the Company'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	10,347	6,483	
Payable	(3,281)	(164)	

Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the quarter and year ended March 31, 2016

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

- 3.24** 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.
- 3.25** 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

For Mindtree Limited

Chartered Accountants
Firm Registration No.: 008072S

V. Balaji
Partner
Membership No. : 203685

N. Krishnakumar
Chairman

Rostow Ramanan
CEO & Managing Director

**Jagannathan
Chakravarthi**
Chief Financial Officer

Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date: April 18, 2016

Place: Bengaluru
Date: April 18, 2016