

# **PARTNERING** for Prosperity

Annual Report 2016-17



**Mindtree**

*Welcome to possible*



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# Partnering for Prosperity



To compete, thrive and remain relevant in this rapidly evolving digital world, a global company needs innovative and disruptive technologies to better compete and thrive. At Mindtree, our mission is to deliver meaningful technology solutions to new and existing clients that result in the best possible business outcomes. We believe that only a strong network of partners can help us accomplish our mission. In today's competitive market, no company can survive as an island. It takes an ecosystem of innovative technology partners working together to help clients not only compete, but flourish.

With the right partners, we can move faster and smarter. Partners bring many types of valuable resources to Mindtree that broaden our capabilities and help us differentiate our company in the marketplace. These resources include not only people and innovative technology, but also access to markets.

There is no perfect company that can deliver everything to everyone at just the right time. Only through strong partnerships can we consistently deliver what our clients seek. Here are some of the ways we approach our prospective partners:

**Present-forward approach.** We seek partners who are technology innovators and who will not only fulfill clients' needs today, but also do so well into the future. These are partners whose vision extends beyond short term solutions and focus on what's best for the long-term growth of our clients.

**Future-backward approach.** We also have a vision for where the future is headed, and we look for partners who can help us succeed in the years to come. For instance, while technologies such as blockchain are not a big part of our conversations with customers today, we expect them to be in the future. For that reason, we want partners who share this future-backward approach – seeing where the market is going in five to ten years and then setting a strategy to get there.



## Partnerships Make Us Stronger

A successful partner ecosystem can have a multiplier effect on projects and customer value – producing more new capabilities and intellectual property than the sum of the parts. For that reason, we believe that taking the time to build a robust partner ecosystem is essential.

Since 1999, our partners have been foundational to Mindtree's success. Our partnerships have been mutually beneficial and helped achieve greater success. With the right partners, together we have been able to pursue new leads, improve operational efficiencies, expand our reach, exceed expectations on challenging projects and launch new services at market speed. With the right partners, we have tried out new ideas and expanded our footprint in the marketplace. One of these partners is Conversable, which provides chatbot technology connecting consumers and brands through conversation by bringing together artificial intelligence with messaging and voice. This provides more personalized customer care, while also reducing cost through automation.

Our partner ecosystem encompasses a range of partners who help us deliver the technologies, products and services our clients want. For Mindtree, that ecosystem includes global technology leaders such as Microsoft, SAP and Salesforce. There's a reason most of the world's organizations depend on the technologies these companies provide to conduct business and run their operations today.

Also, we believe a strategic partner ecosystem must include smaller, more innovative start-ups like DataStax, ThingWorx and Conversable that develop the specialty breakthrough technologies of tomorrow. These nimble companies generally powered by fearless, creative and ambitious minds are capable of producing innovative solutions and ideas at unmatched speed.

In the big picture, the true value of an effective ecosystem comes from creating a mix of partners and technologies that brings the best of all worlds to our clients.

### Our Commitment to Our Partners

We understand that successful alliances are a two-way endeavor, and we aim to be the best possible partner to the companies we work with. We try to accomplish this in several ways.

We maintain an unusually high level of openness in our partnerships. In fact, we approach our partnerships as friendly alliances, rather than just contractual obligations. Through a shared vision and collaborative spirit, we engage with our partners to provide better, more effective solutions to our clients. And our clients recognize the value our partners bring to the table and appreciate the benefits they accrue through solutions that are uniquely crafted for them. For example, Mindtree's Digital Factory solution built on Sitecore provides a unified, automated, multi-channel marketing platform that services all of P&G's 65 unique brands.

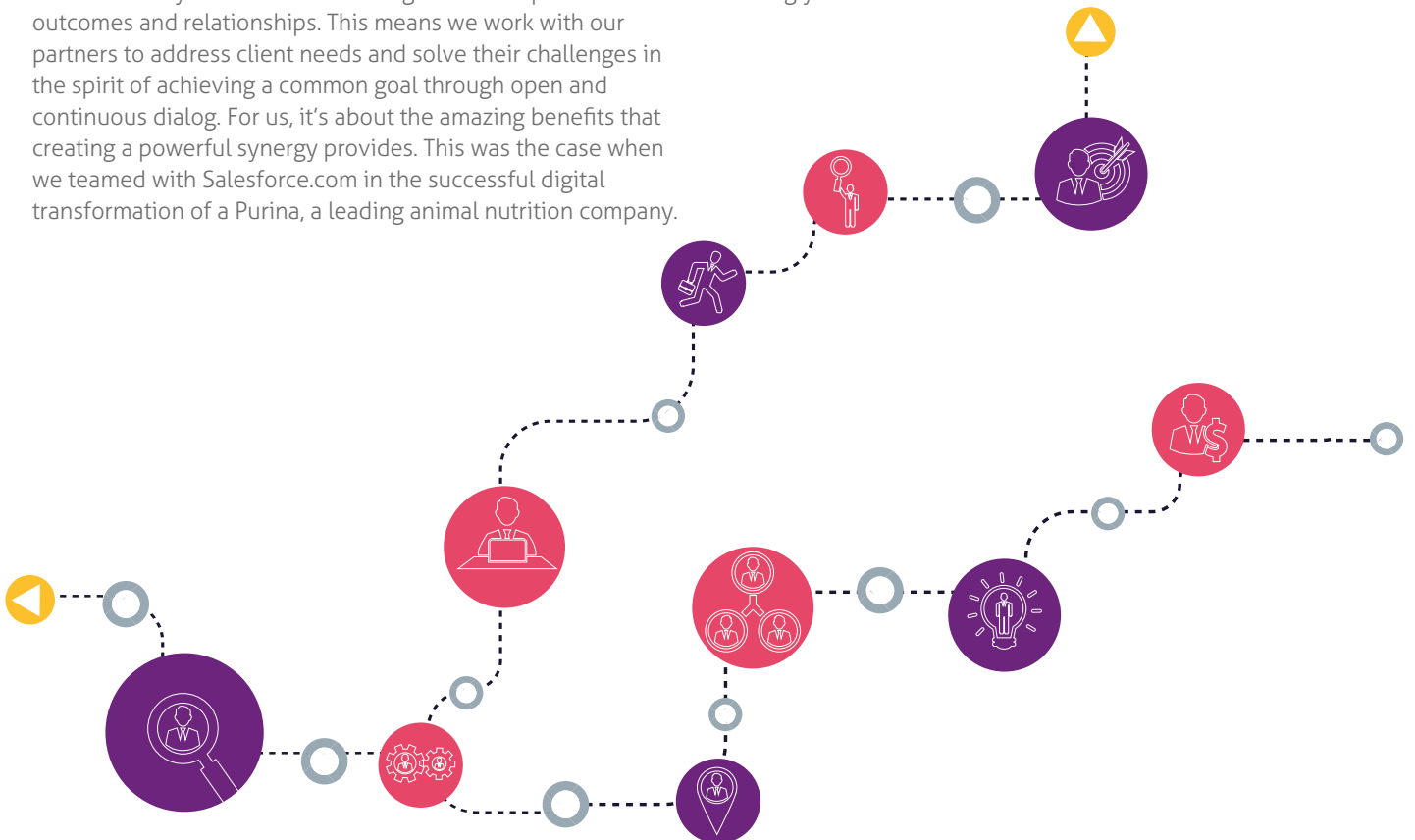
We continually demonstrate a willingness to adapt to business outcomes and relationships. This means we work with our partners to address client needs and solve their challenges in the spirit of achieving a common goal through open and continuous dialog. For us, it's about the amazing benefits that creating a powerful synergy provides. This was the case when we teamed with Salesforce.com in the successful digital transformation of a Purina, a leading animal nutrition company.

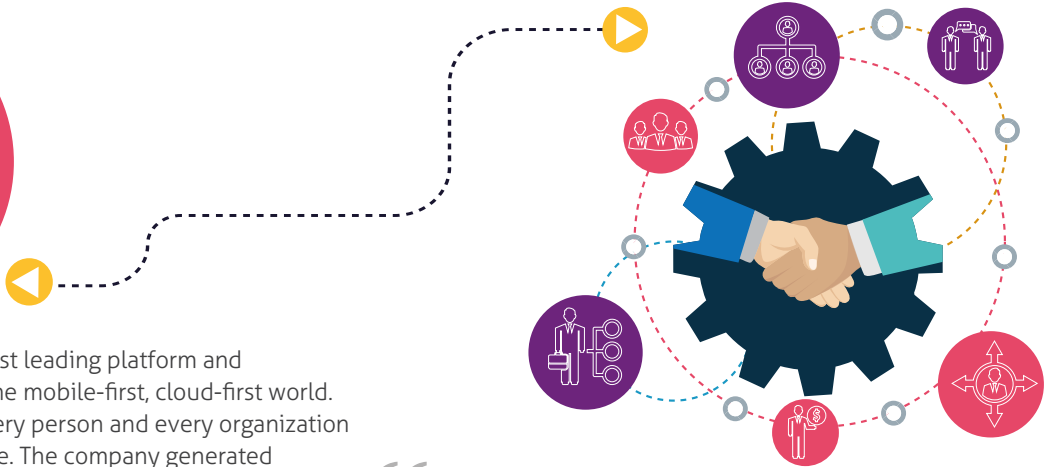
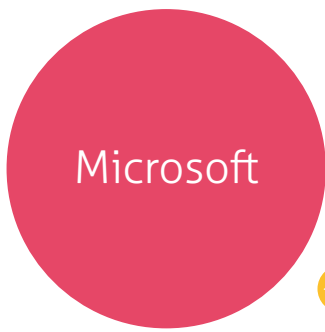
We believe that experimentation with our partners is a key factor that ensures ongoing innovation in the marketplace. This experimentation can take various forms. Sometimes it involves exploring a new solution to a technology problem in our centers of excellence; sometimes it may include strategizing on how to best develop new business models that create greater client value that lets us outdo the competition. Mindtree's Decision Moments is an insight platform powered by Microsoft Azure and Cortana Intelligence Suite that accelerates the transformation of data to insights to business actions, such as market mix modeling, next best product analysis, customer churn retention, and omni-channel customer personalization.

Finally, we believe in dedication and the courage of our convictions. We have to make hard choices at times and still stay true to the technologies, partners and products we've chosen in markets where there are multiple competitive offerings. Therefore, we choose to focus on what we consider key products and services and we do them well. We ask the same from our partners.

### Partnering for Today and Tomorrow

At Mindtree, we are fortunate to have partnerships with many successful organizations. However, several key partners have been especially crucial to our ongoing success. In the following pages, we highlight six partner relationships with enterprises both large and small. We hope you enjoy our theme of partnership, and how partners are helping Mindtree achieve industry-leading growth today and in the coming years.





Microsoft® is one of the largest leading platform and productivity companies for the mobile-first, cloud-first world. Its mission is to empower every person and every organization on the planet to achieve more. The company generated \$85.3 billion in revenue, \$52.5 billion in gross margin, and \$20.2 billion in operating income in FY2016.

Microsoft’s transformation from an operating system and office productivity company to a cloud powerhouse has been remarkable. Today, Microsoft Azure® is one of the largest public cloud platforms in the world, with a growing collection of integrated cloud services that developers and IT professionals use to build, deploy and manage applications through our global network of data centers. Microsoft Office 365® is a cloud-based service designed to meet robust security, reliability, and user productivity needs – with more than 70 million users every single month.

**The Value of the Microsoft Partnership**

Mindtree’s alliance with Microsoft began in 1999 and has continued to grow and strengthen over the last 18 years. Mindtree was one of the early partners to work with Microsoft Azure in 2008. Thanks to Microsoft’s partner-led sales model, Mindtree delivers value to its clients through our digital, testing, information management system (IMS) and other horizontal practices and industry verticals. In recognition of Mindtree’s investments in delivering best-of-class Azure-based solutions that drove key client wins, Microsoft named Mindtree Top Emerging Global Azure Partner for 2015. As a Microsoft Gold Cloud Partner, Mindtree is one of just 25 partners who have access to all Microsoft resources to deliver the best possible solutions to our customers.

**The Value We Bring to our Clients**

Mindtree has more than 4000 Microsoft experts, representing a vast base of knowledge and skills in Azure, Office 365, SharePoint®, Microsoft.NET platform, SQL Server®, BizTalk® and Windows Server®. We leverage our close Microsoft partnership to deliver digital transformation services that our clients need to succeed in a cloud-first world:

- Planning and implementing enterprise-grade projects from on-premises Windows server deployments to Azure cloud deployments.
- Delivering web, mobile, social, service oriented, windows and rich Internet application solutions.
- Migrating legacy applications to the latest Microsoft technologies.

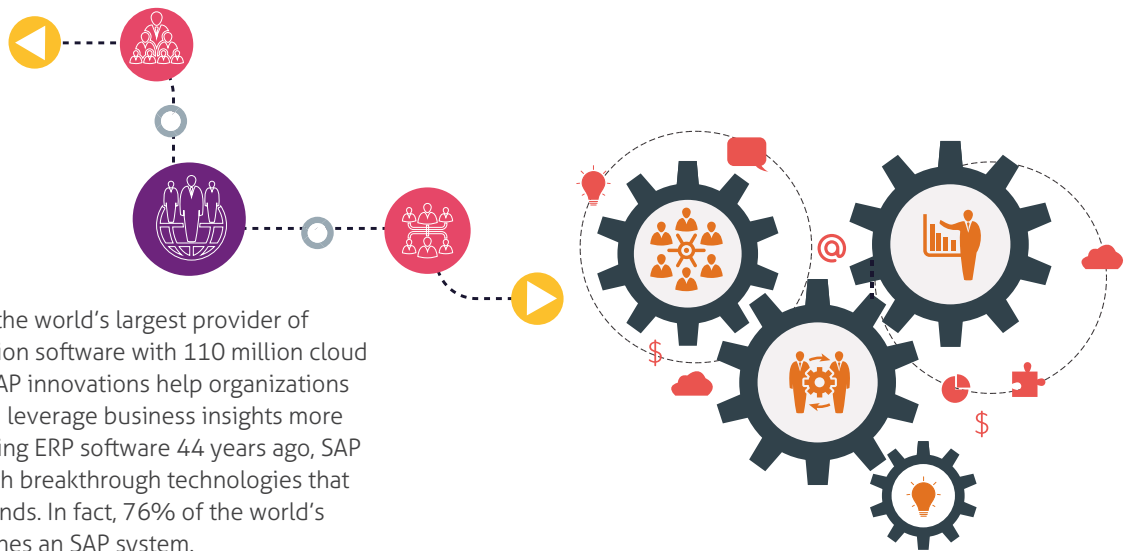
**“ Mindtree Awards from Microsoft**

- 2016 Microsoft Azure Innovation Partner of the Year
- 2015 Microsoft Emerging Azure Partner of the Year
- 2015 Microsoft Gold Competency in Collaboration and Deployment of Azure and O365 in China
- 2013 Microsoft Gold Competency Award in Business Intelligence, Portal and Collaboration
- 2011 Microsoft National Systems Integrator
- 2011 Microsoft Communication and Collaboration Partner of the Year for SharePoint
- 2011 Microsoft Application Platform Partner of the Year for Azure
- 2008 Microsoft Gold Partner for Cloud



As a global systems integrator delivering digital transformation and technology services to our clients, we take an agile, collaborative approach to create customized solutions across the digital value chain. Our Microsoft cloud solution services include Azure cloud advisory, build, application development, migration, testing and management. Specific services include Azure cloud platform and application migration services for SAP®, SAP HANA®, SiteCore™, Duck Creek™ and Open Source. Our Office 365 services encompass Skype®, Yammer®, Exchange®, OneDrive®, Power BI™, Cortana® Analytics and SharePoint.

Our Microsoft Center of Excellence (COE) continues to deepen and widen our partnership with the Microsoft team, developing our own unique cloud offerings. Mindtree solutions built on Microsoft Azure include Gladius IoT video surveillance and management platform, Flooresense retail sales video and analytics platform, and ShotClasses mobile-based learning and assessment platform for customer-facing staff. For clients looking to drive effective marketing with big and fast data, Mindtree’s Decision Moments platform accelerates data to insights to business action, providing market mix analysis and omni-channel customer personalization.



Founded in 1972, SAP is the world’s largest provider of enterprise cloud application software with 110 million cloud subscribers worldwide. SAP innovations help organizations work more efficiently and leverage business insights more effectively. From pioneering ERP software 44 years ago, SAP continues to innovate with breakthrough technologies that shape IT and business trends. In fact, 76% of the world’s transaction revenue touches an SAP system.

Among its industry-leading offerings is the SAP HANA cloud platform that enables customers to extend existing cloud applications or quickly develop entirely new ones. While SAP customers include 87% of the Forbes Global 2000 companies and 98% of the 100 most valued brands, 80% of SAP customers are small and medium businesses (SMEs).

**The Value of the SAP Partnership**

Since Mindtree and SAP became strategic partners in 2008, the relationship has only grown stronger, enhanced by the acquisition of Bluefin Solutions in 2015. Today, Mindtree Bluefin is considered one of SAP’s go-to HANA innovation partners. We deploy cutting-edge enterprise solutions around the world such as the world’s first SAP BW/4HANA proof of concept for Noble Drilling to the largest global deployment of Business Suite on HANA.

SAP has taken a “cloud-first” focus, and Mindtree Bluefin is uniquely positioned to advance its strategic vision. We are currently the only integrated service provider in the world with expertise on the SAP HANA platform across all three major public cloud platforms: Amazon Web Services, Microsoft Azure and Google Cloud. We are also one of a handful of “Lighthouse Partners,” who offer customers SAP’s re-imagined ERP solution, SAP S/4HANA, in the public cloud.

Beginning in 2025, SAP will no longer support ECC 6.0, its previous ERP solution. Enterprises must consider migrating to S/4HANA in the next few years. Mindtree Bluefin’s depth of understanding in this area, along with our unrivaled ability to deploy the software suite on-premises, or on a private, managed, public or hybrid cloud, will provide enormous value and flexibility to those ECC 6.0 customers when they embark on their SAP platform modernization journey.

**The Value We Bring to Our Clients**

Our strong relationship with SAP, enriched by four SAP Mentors who are part of the Mindtree Bluefin team, gives us competitive advantages. We have access to the most

innovative enterprise technology and receive priority resolution to product issues. We bring expert consulting advice based on years of experience and a sound technological understanding that ensures customer success. In fact, Bluefin was the first to market with its U.S.-based SAP HANA practice in 2011. Along with the integration, upgrade, testing and managed services we offer our customers, Mindtree Bluefin is also a licensed reseller within the UK and APAC regions.

Our Centers of Excellence (CoE) cover seven areas: HANA & business intelligence, S/4HANA, enterprise performance management, customer engagement, mobility UX & development, database & technology, and project management. Each CoE has developed numerous proofs of concepts and solution accelerators to elevate user experience and streamline migrations and upgrades. The results of our CoE teams, thought leadership research and testing are regularly published in industry and technology publications, as well as on the Mindtree and SAP websites.

**“ Key SAP Partner Awards**

- 2016 SAP Gold Partner Status for Bluefin
- 2015 SAP Pinnacle Awards - Customer Choice
- 2014 Prestige Class, SAP Partner of the Year (Singapore)
- 2013 SAP TechEd Mobile App Challenge First Prize
- 2012 SAP Customer & Partner Appreciation Awards (APAC)
- 2011 SAP Partner of the Year, SAP CRM Partner of the Year, SAP HANA Partner of the Year
- 2010 SAP BI Partner of the Year
- 2009 SAP Quality Award for Solution Manager Best Practice
- 2008 SAP Most Innovative Project for CRM



Salesforce is the innovative company behind the world's number one CRM solution. In 1999, Salesforce pioneered a new technology model with its cloud platform, a pay-as-you-go business model focused on customer success. Since that time, the company has not only made its mark on cloud and mobility, but also redefined the company-customer relationship model.

Salesforce empowers companies to connect with their customers in a whole new way, run their business from anywhere on any device, create one-to-one customer journeys and make smarter, more predictive decisions in real time. According to Fortune Magazine, the company is among the top-10 software companies and remains one of the fastest growing in the world. In addition, Forbes has ranked Salesforce as one of the world's most innovative companies for five consecutive years.

### The Value of the Salesforce Partnership

Magnet 360, a Mindtree company, has collaborated closely with Salesforce since 2004, serving clients internationally across every industry. Recognized for deep platform expertise, Magnet 360 is one of the strategic innovators within the Salesforce partner ecosystem. This includes our multi-cloud expertise, marketing automation knowledge, as well as our agile approach in implementing award-winning solutions on the Salesforce platform. In fact, we hold Salesforce Cloud Alliance Partner Fullforce certifications that attest to our valuable capabilities across several industries.

We understand the power of Salesforce solutions so intimately because we are also a highly-satisfied customer. Mindtree migrated to Salesforce's single integrated platform to consolidate key account data that had been stored in different company silos. After implementing Salesforce DemandFarm, we could track 47% of revenue for 22 top accounts. Based on its immediate impact, DemandFarm jumped to a 68% adoption rate—and rising—among our sales teams.

### The Value We Bring to Our Clients

As a Salesforce Platinum partner, we specialize in Salesforce implementation strategies to drive digital growth through client engagement. Our Salesforce team, led by certified experts, uses an advanced solution framework and proprietary accelerators to reduce overall implementation costs and help our clients get the most out of their Salesforce investments.

## “ Key Salesforce Partner Awards

- 2016 Salesforce Partner Innovation Award for Best Cross-Cloud Solution (for Purina)
- 2015 Salesforce Platinum Status achieved
- 2013 Salesforce Partner Innovation Award for Service



Our core Salesforce expertise combined with our skill in implementing and integrating Salesforce's marketing automation solutions in conjunction with Salesforce Community Cloud help us rise above competition. In addition, we have Salesforce-related expertise in several other areas, including web and mobile application development, maintenance and support, AppExchange product development, on-premises to cloud web and mobile application migration, application development on the Heroku platform, and cloud-based social listening solutions.

Our global Salesforce practice is invested in growing our capabilities around Salesforce Commerce Cloud and CPQ offerings to further align ourselves with Salesforce and meeting the growing needs of our clients. Our Salesforce partnership reinforces our clients' trust in Mindtree, and belief that, in concert with our partners, we offer the best foundation for leveraging the cloud to drive true digital transformation.





Informatica delivers comprehensive master data management (MDM) solutions, as well as big data processing, data quality, data integration, cloud integration and identity resolution. With Informatica, customers achieve a trusted, 360-degree view of relationships and interactions, allowing them to develop closer ties with their customers. More than 7,000 organizations around the world now use Informatica for data solutions to power their businesses.

For the 11<sup>th</sup> consecutive year, Informatica earned top marks in the annual Data Integration Customer Satisfaction Survey conducted by independent researcher Kantar TNS. Recently, Informatica garnered the highest overall scores for new version quality, ease of use, ease of installing software fixes, effectiveness of escalation management, and value received from customer training. In 2016, Gartner positioned Informatica as an industry leader in its inaugural Magic Quadrant for Master Data Management (MDM) Solutions report.

#### The Value of the Informatica Partnership

Mindtree has been an Informatica partner since 2014. Mindtree has developed reusable business intelligence (BI) components that accelerate Informatica's BI and data warehousing implementations. This consists of a data integration layer that consolidates data from multiple transaction systems, an intelligence layer that contains spend-related business metrics, and a presentation layer with intuitive, user-friendly dashboards for information delivery.

Mindtree hosts a center of excellence (CoE) for research on key technologies including data governance, data analytics, information management and MDM. At the CoE, we work directly with Informatica product teams to solve unique real-world client needs, provide technical feedback, and test the latest versions of existing and pre-release products.

#### The Value We Bring to Our Clients

Mindtree and Informatica connect the world's cloud data and turn it into actionable insights. Together, we drive data personalization for enterprises by providing a comprehensive view of their customers and the real-world use of their products and services.

As businesses continue to expand beyond on-premises solutions, they need partners who have the proven experience in connecting the world's cloud. Our industry-recognized expertise in Salesforce and SAP, combined with Informatica Cloud provides the confidence clients want to ensure high-performance integration at scale, real-time intelligent business processes, and a secure, customer 360-view value for clients. Together, we help our clients strengthen data compliance, reduce risk, lower costs and grow their business.

### “ Key Informatica and Mindtree Milestones

- 2017 Implemented big data and cloud integration solutions
- 2016 Multi-domain MDM wins with Customer 360 strategies
- 2015 Data integration and data quality-focused implementations
- 2015 Featured in IT Services Vendors listing in Marketplace”

# Duck Creek Technologies

Duck Creek Technologies is a leading global provider of full-suite property and casualty (P&C) software and services for insurers of all sizes. In today's fast-paced and competitive insurance market, Duck Creek's cloud platform enables insurers to push market products and rate changes more quickly by providing a next-generation core that supports added digital, analytics and CRM capabilities.

In January 2017, Duck Creek Technologies earned the industry's top "Advanced and Agile Technology" XCelent award for the third consecutive year. The award recognizes Duck Creek's proven cloud-based software-as-a-service (SaaS) model backed by ongoing resources and expert support through its systems integration partner program. The award also recognizes Duck Creek's continuous product development model that features timely releases to keep clients current and aligned with the latest industry innovations.

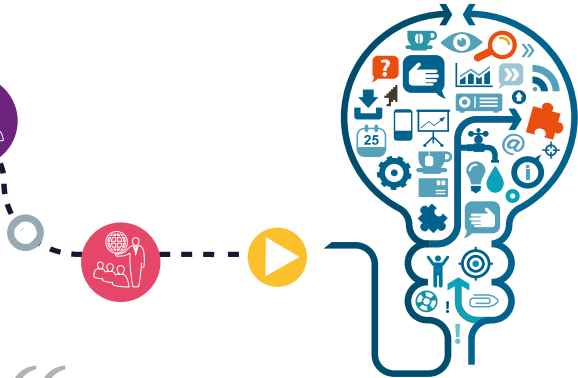
## The Value of the Duck Creek Technologies Partnership

Mindtree has been a valuable Duck Creek partner since 2003. We provide significant expertise and value-add accelerators and services that reduce time, risk and costs for Duck Creek software implementations. We also offer technical support throughout the lifecycle of its software. We serve more Duck Creek clients than anyone else, and are the partner of choice for global systems integrators and services firms. In fact, Mindtree has one of the largest pools of industry-certified Duck Creek professionals in the world. We continuously invest in insurance and technology training, as well as certification programs for our workforce.

Our Kalinga-Duck Creek global learning center in Bhubaneswar, India, is a breeding ground for Duck Creek experts. It's where teams hone their expertise in process flow, service-oriented architecture (SOA), and ACORD web services standards, learning from experienced practitioners working on projects solving real-world problems. Solutions are evaluated with a critical eye toward their impacts on not only the specific business but also on Duck Creek's greater community of users.

## The Value We Bring to our Clients

As a Platinum partner, we enjoy special access to Duck Creek products and engineering support. We are one of their most experienced and trusted systems integrators within the Duck Creek partner ecosystem, and are continually sought for advice on emerging Duck Creek technologies. For our Duck Creek clients, Mindtree offers a large inventory of accelerators, test integration technologies and upgrade services:



## “ Key Duck Creek and Mindtree Milestones

- 2017 Implementing the first full-suite Duck Creek system
- 2016 Deployed Duck Creek On-Demand
- 2016 Deployed first system in Australia ”

**Accelerators.** Our extensive suite enables insurers to efficiently deploy new products or upgrade existing ones in shorter time with less risk. Our Duck Creek accelerators includes XactArch, XactAnalysis, XactConnect, XactData, and XactTest . We also offer a line of QuickStart templates, all well suited for waterfall, agile and hybrid design approaches.

**Test automation.** Our proprietary MindTest™ methodology streamlines release planning, test design, test case build and implementation, and severity-based test exit criteria for the Duck Creek Test Automation Center. In addition, we provide tools, reusable assets, best practices and resources that increase testing efficiency and accelerate product rollouts.

**Upgrade services.** Our Duck Creek upgrade and customization services for Duck Creek skins include manuscripts, themes, forms, task management, and more. Additional services cover database integration, custom components, interfaces, and hardware and software integration.

Together, Mindtree and Duck Creek have helped insurers reap a 43% ROI with automation and web-based underwriting solutions. We have helped global insurers save \$60 million in reinsurance costs, improved process efficiency by 30% and accelerated time to market for new lines of business and rate changes by 50%.

Sitecore is a global leader in customer experience management (CEM) software. Sitecore lets marketers own the experience of every customer that engages with their brand, across every channel. More than 3,500 of the world's leading brands trust Sitecore to help them deliver meaningful interactions that win customers for life.

The Sitecore Experience Platform is a single, connected web-based CEM solution that seamlessly combines content management with customer intelligence. Real one-on-one engagement generated by highly relevant content and personalized digital experience increases customer loyalty and drives revenue. EContent, a digital industry publication, recently listed Sitecore for the ninth time in its top "100 companies that matter most in the digital content industry." Gartner awarded Sitecore its highest "Ability to Execute" score, and, for the second year in a row, named Sitecore as a leader in the 2016 Gartner Magic Quadrant for web content management.

### The Value of the Sitecore Partnership

Partners since 2014, the Mindtree and Sitecore alliance is a great example of how bringing together complementary assets creates winning propositions for clients. Our partnership showcases how Mindtree's success in driving digital experiences and in providing services for web, mobile, analytics, and social marketing combine perfectly with the strengths of Sitecore's web content management, digital marketing and customer engagement across all channels.

### The Value We Bring to Our Client

The Sitecore Experience Platform includes web content engagement, customer intelligence, cross-channel delivery and commerce tool components. Mindtree helps customize, implement and support all of these applications.

**Managing Sitecore ecosystems.** Mindtree manages production for all web, mobile and social development, including localization and maintenance across multiple channels for dozens of Sitecore customers. We simplify and integrate environments that deploy diverse technologies such as .NET, Microsoft SharePoint Server, Java and PHP. We also implement web analytics, content management and search engine optimization (SEO) systems, which can result in cost savings of 40% and speed time to market by 50%.

**Site development.** Because of our extensive omni-channel, omni-brand client experience and Sitecore competencies, we are frequently selected to build and maintain Sitecore sites. In some cases, the platform is already defined. In others, we perform an evaluation resulting in a Sitecore recommendation. Ultimately, the key outcome is to provide the best customer experience that impacts our clients' business results.




**The Digital Factory.** We have worked extensively with Sitecore to create the ultimate omni-brand, omni-channel, omni-agency digital factory blueprint that incorporates a standardized migration model, adaptive templates, and automated processes to rapidly modernize client-facing websites for large, multi-brand conglomerates. The web modernization model helps global organizations save money, reduce time to market, and aggregate capabilities across brands.

## “ Awards

- Sitecore Most Valuable Professional (MVP) awards (2014, 2015, 2016, 2017): A notable accomplishment as there are fewer than 100 MVPs worldwide. The Sitecore MVP Award celebrates the most active Sitecore community members from around the globe.
- Sitecore Experience Award 2017: Won with P&G for Content Management: Marketing Agility





## Purina uses actionable insights to supercharge sales and marketing efforts

Purina Animal Nutrition LLC, a subsidiary of Land O'Lakes, Inc., is one of the largest animal nutrition companies in the U.S. Its feed mills produce thousands of formulations designed for various types of livestock and poultry, as well as lab and zoo animals. More than 6,000 retailers carry Purina products, which drove \$3.8 billion in sales in 2016.

Purina consistently provides a premium products They sought to raise the bar by giving its customers a world-class buying experience. The initiative began by instituting value-add opportunities with its audience and engaging customers beyond the product. The company soon recognized the need to improve its marketing automation and analytics to give a full view of the marketplace.

After analyzing its operations, the company decided to fully integrate its sales and marketing operations, creating the opportunity for sales to better understand the insights gained from marketing.

### Transforming to data-driven, customer-centric marketing

Purina realized that in order to deliver a premium experience to customers and dealers, it must evolve. With a commitment to become a data-driven company, Purina resolved to make a meaningful investment in people, processes, and technology. To begin its digital transformation, Purina reached out to Magnet 360, a Mindtree company.

The first step in Purina's digital transformation was to implement a Salesforce solution for its sales team. After evaluating its needs and challenges, Magnet 360 collaborated with the team to decide on the right path for Purina's Salesforce journey.

By implementing Sales Cloud for the company's sales team, they were able to aggregate customer information and sales activity data in a single, centralized location that was accessible across the enterprise. Using analytics with a large, centralized pool of customer data, Purina was able to gain deeper insights into its audience and create more robust customer profiles.

By utilizing the value that Salesforce Sales Cloud added to its customer data, Purina was able to better formulate engagement strategies for its audience segments. Better engagement strategies allowed the sales team to identify more refined touch points along customers' journeys, which created a greater number of value-add opportunities.

### Building a unified, accessible marketing and sales data source

Working with Magnet 360, Purina brought its marketing functions in-house and took the next step toward digital transformation by unifying their sales and marketing processes. Purina desired a customer-centered solution that offered its team members enterprise-wide access to sales and marketing data and tools. Magnet 360 created an innovative and customized cross-cloud Salesforce solution, building off the existing Sales Cloud implementation. Using a suite of solutions centered around a core of customer data, Magnet 360 ushered in the digital empowerment of Purina's sales and marketing functions.

Service Cloud is the hub of the solution, where customer information is stored and can be accessed universally. Marketing Cloud and Pardot were integrated so that Purina's marketing teams could use the sales and service data gleaned by Service Cloud. Purina built robust customer profiles that enable marketing to drive powerful audience engagement over multiple channels. Sales, in turn, is able to work more effectively while customers and dealers receive a premium experience.

Leveraging information from the Service and Sales Cloud combination, Purina sees the most interested and relevant buyers while also offering world-class customer service. With Marketing Cloud, Purina can identify situations in which a

customer may have stopped engaging, why the customer left and implement a re-engagement strategy.

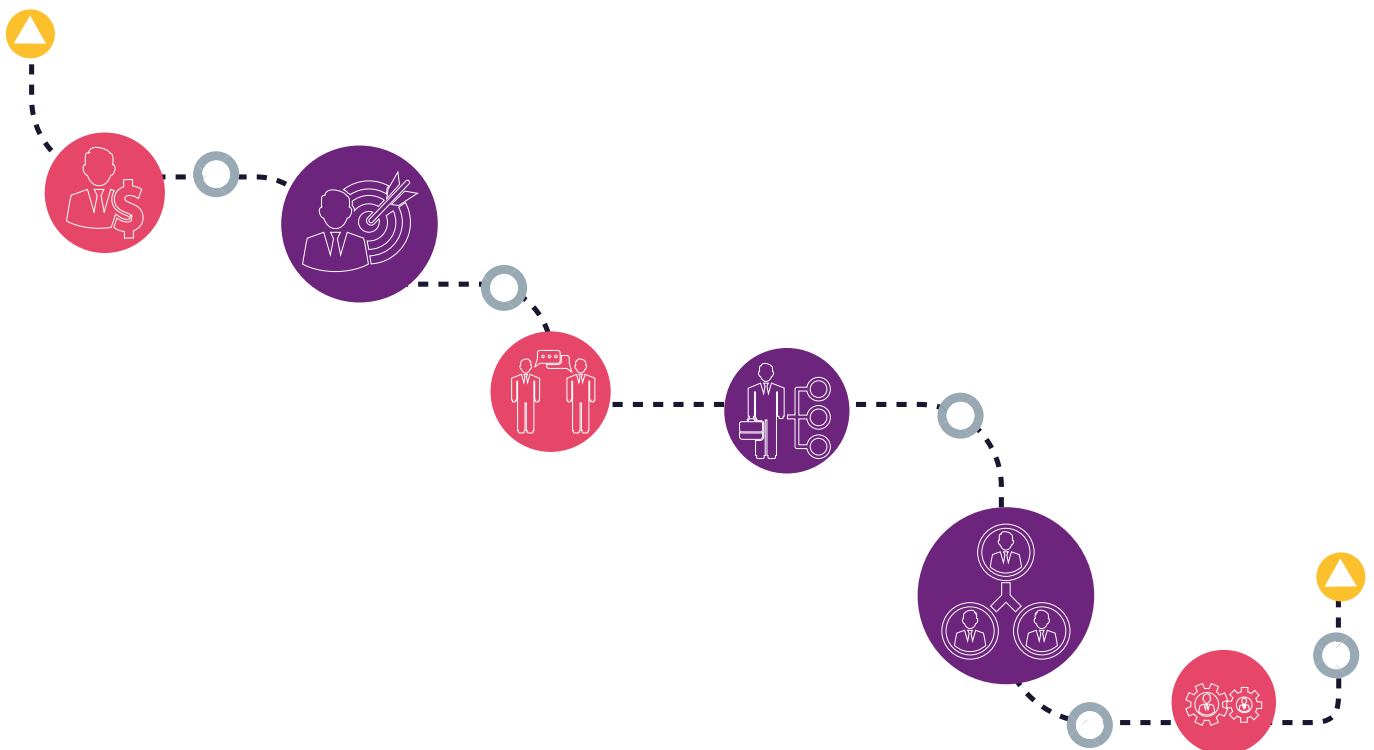
Service Cloud helps Purina streamline resolution processes by allowing anyone in the enterprise to access service data. Once a service request is created or resolved, Purina can automate a message to the dealer or customer. Marketing Cloud is the backbone of the brand's audience engagement strategy. Working in conjunction with Pardot to target and deliver messages through multiple channels and campaigns, Marketing Cloud drives Purina's customer experience.

With Pardot, Purina's marketing campaigns align and integrate with Salesforce campaigns. In Sales Cloud, the campaign has unified hierarchies, reporting and analytics. Marketing Cloud campaigns can be executed with Pardot, but Purina's sales team can collaborate and glean insights in real time via Salesforce. Both teams can then use Pardot and sales data in combination to influence campaigns and generate a greater number of powerful touch points along the customer's journey.

Pardot's enhanced reporting and analytics functions afford Purina's marketers insights into the effectiveness of a campaign, along with real-time alerts once the campaign has been launched.

The marketing team can seamlessly align Sales Cloud data and customize reports on the platform. With the combination of Pardot and Marketing Cloud, Purina can create native reports and dashboards, glean additional data from partner apps, and integrate engagement data from the platform. Its ability to harness internal information and layer on third-party data helps Pardot create a 360-degree picture of Purina's customers and optimize it for maximum engagement.

Integrating Service Cloud, Marketing Cloud, and Pardot means that Purina's marketing and sales teams are able to collaborate more closely than ever.



P&G  
transforms consumer  
engagement with  
a multi-channel  
digital marketing  
platform

Consider the massive digital consumer engagement footprint of P&G, the world's second largest CPG major: more than 65 unique brands across 80 different countries, with hundreds of brand variations, more than 800 online properties and a digital marketing budget surpassing \$1 billion. It's an enviable position to be in, but such great size and reach also brings great complexity, especially in digital marketing.

Think about the fact that each of these brands may use a multiple agencies across countries for digital marketing, not only for creative work but also for technical work. In the days of banner ads, basic HTML, and email blasts, such an approach may have been manageable. But as digital technology became more complex, a massive inefficiency was exposed with each agency deploying new technologies and writing its own technical playbook on how to implement new marketing tactics.

P&G recognized that this was very costly in multiple ways—duplicating work was a waste of money, but the process also took a toll on the value of its brands. Since so many different agencies were executing similar types of marketing initiatives without collaboration, the quality of the deliverables and service was highly variable. This presented an inconsistent view of the P&G's brands across its digital channels.



### Standardizing the digital marketing ecosystem

In 2009, P&G decided to pursue a digital decoupling model as the best way to reduce costs and improve efficiencies. Under this model, all of the creative agencies could focus solely on what they do best, while the technical work of producing, releasing and maintaining these properties would be owned by a primary vendor with expertise in the domain.

P&G asked Mindtree to propose a model for decoupling their digital marketing work. Mindtree defined the roles and processes so that the technical and creative agencies focused on their strengths to work as “One Team” to realize the brand’s vision more efficiently. We started by developing a unified service model for seamless service orchestration and cost optimization. We combined that with a unified governance structure to leverage best practices and learning across tracks.

Inheriting diverse technologies such as .NET, MS SharePoint Server, Java and PHP, Mindtree took over development and maintenance for web, mobile and social development, including localizations. We also enabled web analytics and content management systems. This significantly increased site traffic, provided better consumer understanding and actionable consumer insights.

### Developing a unified digital marketing platform

A couple of years into the partnership with Mindtree, P&G embarked on a larger, bolder step: building a new platform for all its brands that would eventually become the world’s largest digital marketing ecosystem for a single company. Such a platform would further streamline, simplify and standardize their digital marketing operations. It would also integrate best

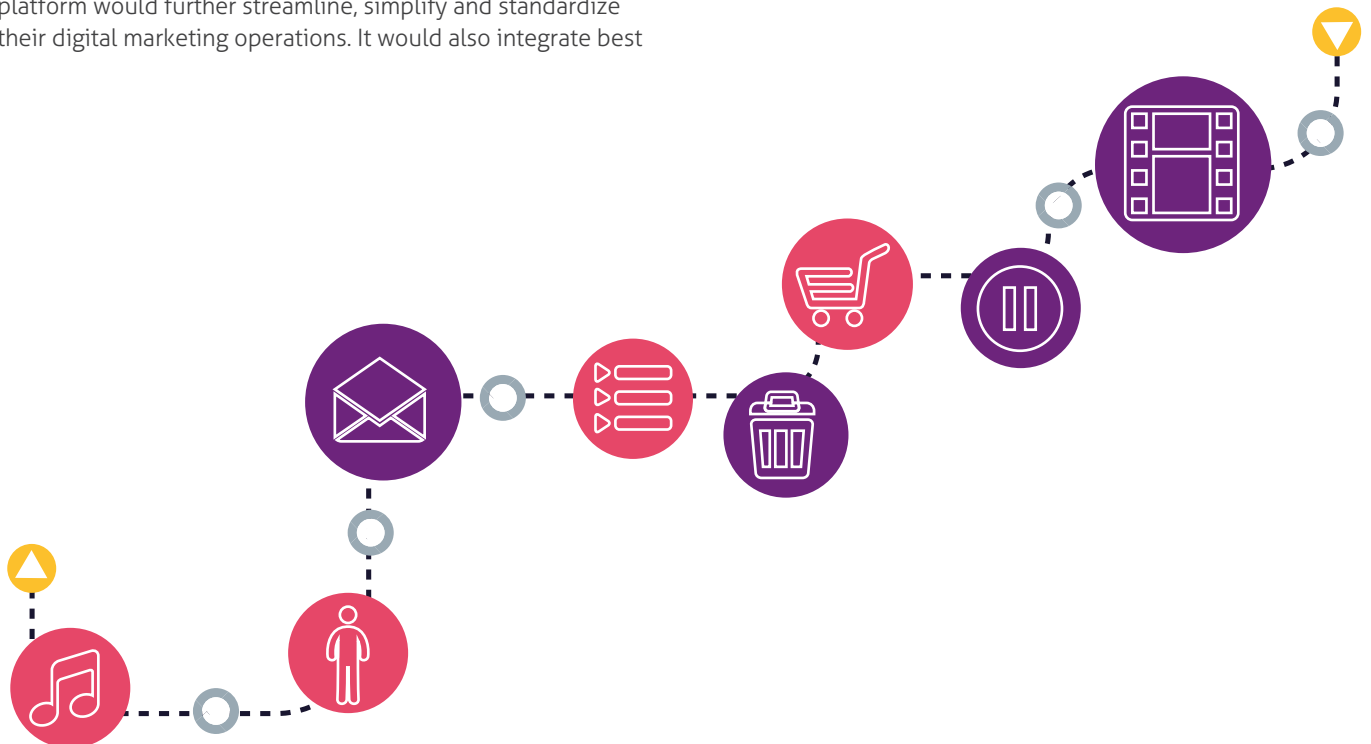
practices for existing services, such as hosting, search, analytics, consumer data, store locators, ratings and reviews, and more. This program would make P&G’s digital presence better, faster, cheaper and more secure.

Together we laid out a strategic road map for building the next generation multi-channel digital presence platform on Sitecore and defined the processes to onboard P&G’s brands on the platform. Mindtree also orchestrated the digital ecosystem collaborating with various P&G marketing teams, creative agencies and third party vendors.

### Engaging faster and better with consumers across digital channels

This amounted to much more than just spring cleaning. The platform supports multi-channel digital marketing and provides consistent consumer engagement for its 400+ digital properties—an integration that has reduced time-to-market and cost by 33%. The platform has driven 100% adoption by brands. It also achieved 100% compliance to privacy, security and legal standards.

This ongoing relationship of more than seven years with over 450 digital consultants of Mindtree is strong, focused and collaborative. The 2016 External Business Partner Excellence Award by P&G is a testimony to our consistent performance and partnership spirit. With clearly defined roles fulfilled in perfect rhythm between P&G as the central leader and Mindtree as the digital anchor partner—we continue delivering best-in-class digital experiences to consumers.









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Message  
from  
Chairman  
and  
CEO



Dear Fellow Shareholders,

We founded Mindtree in 1999 to focus on delivering business benefits with technology and to become trusted partners to our clients. Enterprises of tomorrow are sharply focused on using Digital technologies to serve their customers better and to be more agile and efficient in their operations. Our heritage of being 'Born Digital', being consulting-led, and successfully building long-term relationships with our clients positions us well for the next phase of disruption and growth in our industry. Beyond customers, we have embedded partnerships as a way of running our business and today we have several partners whose capabilities we leverage to serve our customers better.

### Digital Leadership

Our clients see their customers demanding more from them and their markets are being disrupted faster than ever. Digital Transformation is a strategic imperative for CxOs, many of whom are driving this as a personal priority. They want partners like Mindtree to help uncover new sources of business value and to drive growth and operational agility. Our focus on Digital and our record of delivering business outcomes is earning us a leadership position in these engagements. Some of the largest global enterprises see us as their 'Digital Anchor Partner', helping them get to a clear vision and roadmap for the business while delivering results in a complex multi-technology, multi-product environment.

We are making strategic investments in capabilities and partnerships that are critical for leadership in this space. You know of Magnet 360, our US-based subsidiary and a Salesforce Platinum Partner, who have industry-leading skills and a deep, collaborative relationship with Salesforce. This year, we used their expertise in engagements across all our verticals. We have also launched a Salesforce Center of Excellence at our European Hub in Munich to address the rapidly growing demand in the European market. Our European Hub is also home to consultants from Bluefin Solutions, our UK based subsidiary whose deep expertise in SAP HANA gives us strength in Big Data & Analytics, as well as the next generation of SAP's products.

These, along with the offerings of our Relational Solutions Inc. subsidiary and our other digital frameworks and solutions, enable us to offer our clients best-in-class solutions for customer engagement and commerce, and employee and partner collaboration.

### Automation everywhere

Doing more with less is an urgent need for our clients and hence for us. We have consistently driven greater automation and efficiency across our engagements, from our MWatch Platform to the Robotic Process Automation driven brand marketing platform for one of the largest global consumer brand companies, to CAPE, our Integrated Services Platform which was launched this year and which is already being adopted by our clients. We're also seeing greater adoption of chatbots to drive customer and employee interaction and service, where our partnerships with Microsoft and Conversable are helping us deliver solutions with business impact. As the next wave of automation driven by Artificial Intelligence technologies enters the enterprise, our early successes as well as our specialist teams in these areas will help maintain our position as Digital partner of choice for our clients. We do not see Automation as eliminating jobs done by humans. Automation helps reduce costs as well improve quality and reliability for our clients, and allows our people to focus on more value-added activities because machines now do the mundane tasks. Thus, we are making both sides win. We see Automation creating many more jobs, which are more value added and enriching.

### Great Place to Work

We have always strived to make Mindtree a great place to work. A collaborative and stimulating environment where all of us draw energy, inspiration and joy from each other enables us to deliver excellence to our clients.

Increasing diversity and inclusivity at Mindtree has been a key focus for us. We are happy to share that 49% of our graduates

at our Global Learning Center this year were women, the highest percentage yet. This year also saw us launch policies such as enhanced maternity leave and an app to enable Mindtree Minds on maternity leave to stay connected to Mindtree and facilitate their return to work. While there is a lot more to do, our recognitions show we are moving in the right direction – we were cited in the inaugural **'Working Mother and AVTAR 2016 Top 10 Best Companies for Women in India'** list, included in NASSCOM's **'Top 20 IT-BPM Employers in India in 2016'** and were finalists at the 'Women in IT' awards in the UK. Diversity also means diversity of cultures and viewpoints and the Mindtree Minds now hailing from more than 40 nationalities all help make us a stronger organization.

### Making our societies flourish

At Mindtree, we have always been mindful of our mission to make our societies flourish, and the spread of digital technologies is helping us do much more to serve the disadvantaged in society. Mindtree Foundation's work has gone from strength to strength, as has our 'I Got Garbage' initiative, which is making a measurable impact in areas as diverse as recycling, supporting projects to raise rural incomes and improving school infrastructure. The number of Mindtree Minds who contribute their personal time and skills to the activities of Mindtree Foundation is a healthy sign, as Mindtree Foundation does more and more. This year, we made an impact in the lives of 58,930 individuals, a substantial increase over the 2015-16 figure of 34,908, across our focus areas of promoting education, benefiting persons with disabilities and creating sustainable livelihoods.

### Partnering for Success

Key to our success is our ecosystem of partners and the trusted relationships with industry leaders as well as smaller innovators. Our partnerships with Microsoft (particularly Azure), SAP and Salesforce are deep and focused on delivering the cloud and digital solutions that clients are looking for. We are also collaborating with startups and new players such as Conversable, Datastax and ThingWorx, helping our clients make sense of the dizzying array of technologies and solutions out there. You can read more about our partnerships and our focus on these in the Spotlight section of this annual report.

### Financial Performance

In financial year 2016-17, we achieved revenues of \$780 million, with revenue growth of 9.4% over FY 2015-16, among the leaders in our industry. The year also saw other notable landmarks - the largest single win in Mindtree's history with a client in the BFSI sector, our largest independent software testing deal with a leading airline and crosse \$100mn in annual revenues with our largest client. In addition, our Customer Experience Survey for this year saw the highest scores since 2013, with higher than industry average ratings on both satisfaction and value for money. All of these metrics tell us that we continue to deliver demonstrable value to our clients.

### Mindtree 3.0

As technological change is disrupting industries across the board, it is also disrupting technology providers. Clients are adopting new technologies and solutions faster than in any previous wave of change, with significantly higher impact to their businesses, at lower costs than before. This wave of disruption is a significant opportunity for a younger, more agile player in the industry such as Mindtree. Our expertise in Digital technologies and Agile methodologies, and our focus on automation-driven managed services models puts us in the ideal position for where the market is moving; that we are seeing Mindtree compete successfully and credibly in large opportunities is validation of our strategy.

Mindtree 1.0 was about creating the foundation with a focus on business outcomes, on people and on a winning culture, culminating in our successful IPO in 2007. Mindtree 2.0 has seen us grow rapidly and establish ourselves as a global leader. Mindtree 3.0 is our next phase of evolution, as we differentiate ourselves with our leadership in Digital, with Automation, Agile and newer technologies driving this change. We are more excited than ever to work every single day with our 17,000 Mindtree Minds as we passionately believe that the best of Mindtree is yet to come!

We would like to end this by thanking the ~17,000 Mindtree Minds across the globe for their collaborative spirit, unrelenting dedication and expert thinking. We are also deeply grateful to the families of Mindtree Minds, because our achievements would not have been possible without the sacrifices and immense support we get from our families.

We also want to thank you, all our shareholders, for your continuing support, your confidence and above all your trust. Please be rest assured that we are fully committed to creating value for all our stakeholders and upholding the highest standards of governance.

### Welcome to possible

With warm regards,

Rostow Ravanan  
CEO, Managing Director

Krishnakumar Natarajan  
Executive Chairman

Message  
from  
CFO



Dear Shareholders,

**Highlights of FY 2016–2017**

I am very happy to share that we have achieved a revenue growth of 11.2% in constant currency for FY 17. Our growth was higher than the average for our industry in spite of the headwinds from global economic uncertainties. The fundamentals of Mindtree continue to remain strong and we are well positioned to seize opportunities that will help us to achieve industry-leading growth. I would like to share few financial highlights of FY 17 with you:

- Our revenue grew 9.4% in FY 17 in dollar terms and 12.1% in INR terms. Our revenue has grown at a CAGR of 14.1% over the last five years against the industry average CAGR of 11.2%, a testimonial to our industry-leading growth.
- Our EBITDA for FY 17 was INR 7,181 million and has grown at a CAGR of 11.7% over the last five years.
- Our net profits for FY 17 was INR 4,186 million. Our earnings per share (EPS) was INR 24.89 in FY 17 and has grown at a CAGR of 13.6% over the last five years.
- Our return on capital employed (ROCE) remained strong at 23%.
- Our cash flow conversion (EBITDA to operating cash flow conversion) for FY 17 was very strong at 91%. The Days Sales Outstanding (DSO) has improved from 74 days in FY 16 to 65 days in FY 17.

The new age emerging technologies like Artificial Intelligence (AI), Blockchain, Cognitive Computing and Internet of Things (IoT) are disrupting several industries and will have an outsized impact on the IT industry. Mindtree is making significant investments in these technologies to seize the opportunities and attempting to lead the industry in these technologies.

Our recent acquisitions in the digital space has enabled to expand our service offerings across verticals which include SAP HANA practice, comprehensive suite of trade promotion analytics and supply chain optimization solutions and one-stop-shop Salesforce solution offerings. Mindtree is looking at seamless integration of the acquired subsidiaries to leverage the benefits of combined Go-To-Market strategy, niche service offerings and operational efficiencies.

Our focus of engaging deeply with our customers has helped us to continuously outpace the industry. Our renewed rigour on focusing on our Top 30 customers and our record of delivering business outcomes in digital technologies will help us to sustain the momentum and expand our service offerings.

Partnerships and alliances are another important way in which we retain our technology advantage. We believe that expanding our partner ecosystem will be a key driver in Mindtree's future growth. Strategic partnerships give us a flexible approach to business opportunities and quickly fill in experience and knowledge gaps to meet client commitments and deliver proven solutions.

In the current times, there is a compelling need to constantly reskill people where technology is disrupting the way companies are doing business. At Kalinga, our Global Learning Center has been grooming engineers of tomorrow on advanced technology, at the same time making them business savvy and sensitive to the social impact. Yorbit, our home-grown cloud-based virtual learning platform makes continuous learning accessible to Mindtree Minds across the organization at all Levels, Skills and Geographies at their own pace, space and time.

Finally, there is focus on enhancing value to the shareholders by improving profitability through lean management and operational excellence. There is a drive to optimize our delivery cost and take our EBITDA towards our historical high levels by improving various levers such as competency-mix, utilization and offshore-onsite revenue-mix.

## Outlook and Priorities for FY 2017-18

We continue to maintain industry leading growth rates, even in challenging times. We had a revenue growth-rate of 9.4% in FY 17. There is continued focus to accelerate this run rate and achieve low double digit growth in FY 18. Our focus is to deepen our relationship with our clients, exceed customer expectations in delivery and make stronger inroads in emerging technologies. Our strategic priorities namely Sales Transformation, Delivery Transformation, Next Gen Automation and Agile Organization will enable us to achieve the above goals.

## Corporate Governance

We strongly believe in integrity and transparency in our operations and stakeholders' communication. Few of the recognitions, a testimonial to our efforts are summarized below:

- We have received the SAFA best presented Annual Report Award for 2015 for the communication and information technology sector for transparency, accountability and governance in our Annual Report by South Asian Federation of Accountants.
- Recognized as one of the top five best governed companies by the Institute of Company Secretaries of India (ICSI) for adopting exemplary Corporate Governance practices.
- Awarded the winner of the Silver Shield for the Annual Report including the financial statements for the year ended 31st March 2016 by the Institute of Chartered Accountants of India (ICAI).
- We have followed the highest standards of disclosure and compliance by publishing audited full-fledged financial statements under Ind AS right from Q1 of FY 17.

We take pride in our standards of corporate governance and look upon it as a key driver of sustainable corporate growth and long term stakeholder value creation.

I would like to personally thank our outstanding Finance, Procurement, Secretarial, People Shared Services, Travel and Immigration teams, which I am proud to lead. Their dedication and mantra of continuous improvement delivers consistently outstanding results for Mindtree and our stakeholders.

I am grateful to all our investors for your trust. Your support helps Mindtree become a stronger company everyday.

## Welcome to possible

With warm regards,

**Jagannathan Chakravarthi Narasimhan**

*Chief Financial Officer*



## Statement of profit and loss

₹ in million, except per share data

Particulars	FY17**	FY16**	FY15	FY14	FY13
Revenue	52,364	46,730	35,619	30,316	23,618
EBITDA	7,181	8,210	7,092	6,100	4,864
Depreciation and amortisation	1,858	1,658	1,018	809	624
Other income (net of foreign exchange loss)	417	839	835	496	10
Profit before interest and tax	5,740	7,391	6,909	5,787	4,250
Finance cost	191	160	1	4	10
Profit before tax	5,549	7,231	6,908	5,783	4,240
Tax	1,363	1,706	1,545	1,275	847
Profit after tax	4,186	5,525	5,363	4,508	3,393

## Per share data\*

Particulars	FY17**	FY16**	FY15	FY14	FY13
Earnings per share – basic	24.93	32.95	32.07	27.10	20.70
Earnings per share – diluted	24.89	32.87	31.94	26.94	20.47
Dividend per share	10.0	12.5	8.5	6.3	3.0

## Balance sheet

Particulars	FY17**	FY16**	FY15	FY14	FY13
Tangible and Intangible assets	10,412	11,852	5,909	3,932	3,160
Investments	5,927	2,328	5,351	5,335	4,257
Net deferred tax	624	409	449	402	360
Net assets (current and non-current)	8,821	9,578	8,446	6,768	5,614
	25,784	24,167	20,155	16,437	13,391
Share capital	1,680	1,678	837	417	415
Share application money	-	-	4	-	-
Reserves and surplus	24,091	22,471	19,287	15,988	12,722
Loan funds	13	18	27	32	254
	25,784	24,167	20,155	16,437	13,391

## Key ratios

Particulars	FY17**	FY16**	FY15	FY14	FY13
Revenue growth (YoY) in USD terms	9.4%	22.1%	16.4%	15.1%	8.2%
EBITDA as a % of Revenue	13.7%	17.6%	19.9%	20.1%	20.6%
PAT / Revenue	8.0%	11.8%	15.1%	14.9%	14.4%
Return on capital employed	23.0%	33.4%	37.8%	38.8%	36.3%
Return on equity	16.8%	25.0%	29.4%	30.5%	29.8%

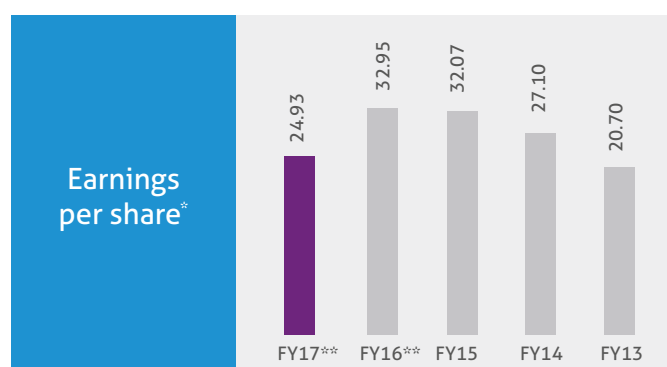
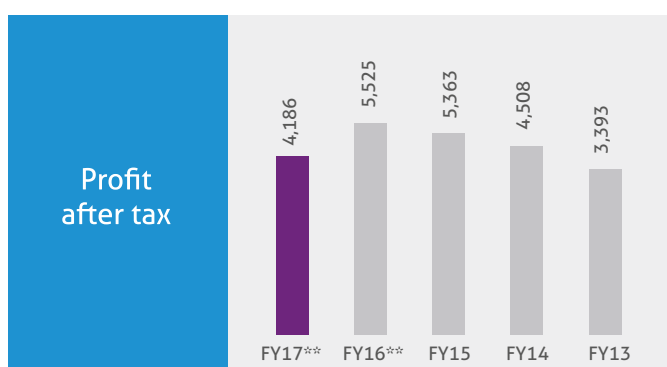
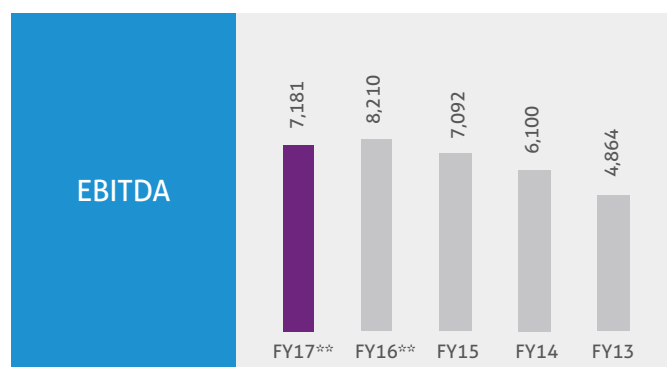
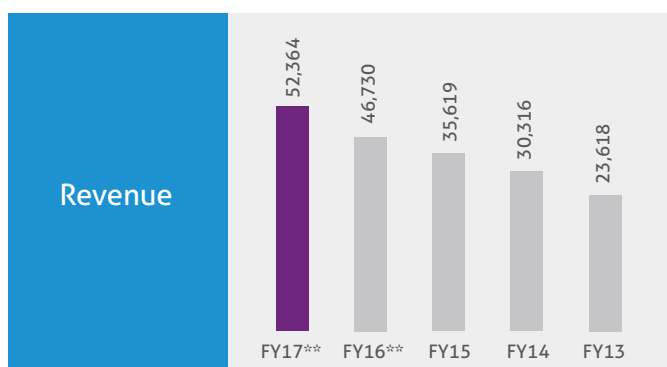
\*Adjusted for bonus issue

\*\*FY 17 & FY 16 numbers are based on Ind AS

Financial trends and value creation

Mindtree has created significant wealth for its shareholders as the company continues to maintain its growth momentum to become a global information technology solutions organisation. Given below is the data on the Company's performance for the last five years.

₹ in million, except per share data



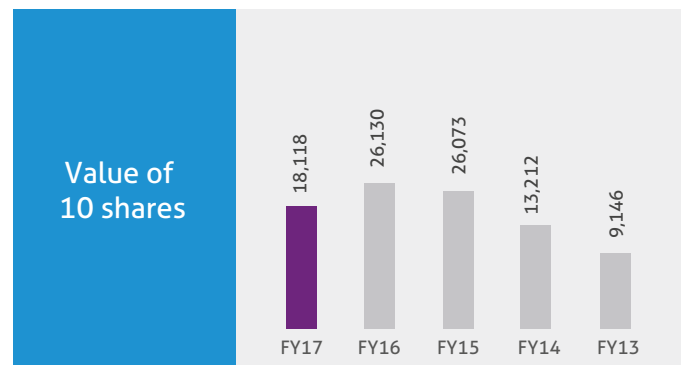
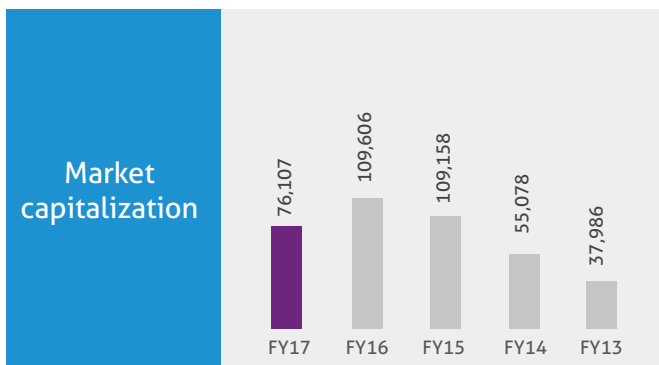
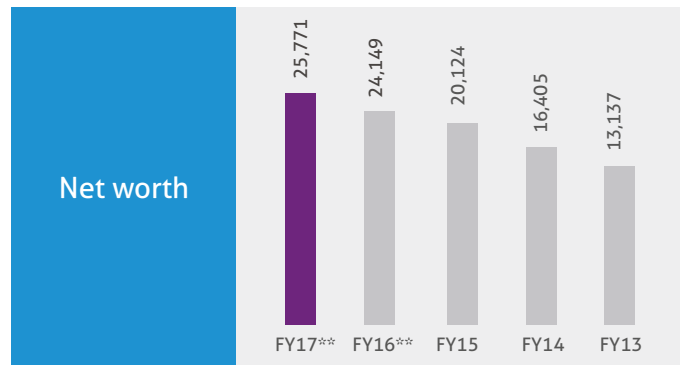
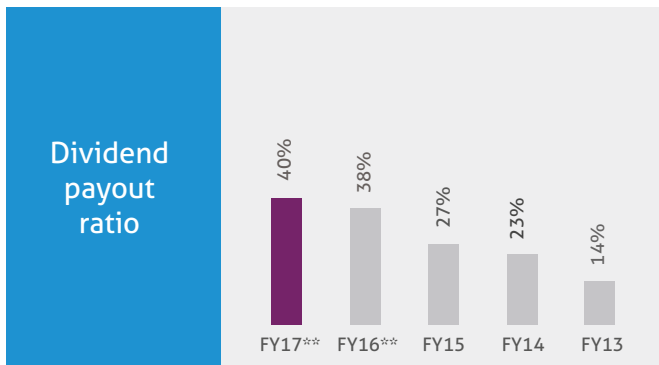
\*Adjusted for bonus issue

\*\*FY 17 & FY 16 numbers are based on Ind AS

Financial trends and value creation

*continued*

₹ in million, except per share data



\*Adjusted for bonus issue

\*\*FY 17 & FY 16 numbers are based on Ind AS



Year in review: 2016-17

April

Mindtree achieves industry leading revenue growth of 22.5% in FY16; Recommends final dividend

May

Positioned as a leader for digital services in "Zinnov's  Zone for Digital Services"

Magnet 360, a Mindtree company, wins the Salesforce Marketing Cloud Innovation Award for 2016

Mindtree inaugurates new branch office in Dubai

June

Sales associates play pivotal role in the shopper purchase journey – New Mindtree study



July

- Mindtree reports revenue growth of 2% Q-o-Q/ 29% Y-o-Y in dollar terms
- Mindtree Vice President Joelle Smith receives "2016 Women Worth Watching" award
- Mindtree simplifies and accelerates data analytics with launch of Decision Moments platform
- Mindtree recognized as a leader in Nelson Hall's Software Testing Services NEAT Report 2016
- Listed in Forbes India's Super 50 2016 list for the second consecutive year based on consistent shareholder returns, sales growth and return on equity



August

- Ranked in NASSCOM's Top 20 IT-BPM Employers in India in 2016
- Rated #1 by American Express, one of our largest clients, in their customer satisfaction survey among seven other vendors



September

- Mindtree partners with Conversable to transform customer conversations
- Mindtree releases next generation of ATLAS Managed Services platform
- CAPE, a unique solution to manage end-to-end IT services in a modular approach, launched by the newly formed Integrated Services Group
- Mindtree wins largest independent testing deal from Southwest Airlines; chosen as strategic quality engineering and assurances partner



**CONVERSABLE**

Year in review:  
2016-17

*continued*

## October

- Mindtree named as 2016 Azure Innovation Partner of the Year by Microsoft
- Won the 2016 External Business Partner Excellence Award from Procter and Gamble (P&G), our premier CPG client, for consistent high performance and taking collaboration to the next orbit
- Swacch Global Village Abhiyaan: A cleanliness drive launched to keep the surrounding areas of Mindtree Global Village clean
- Awarded the 'Porter Prize for Enabling Smart Connected Products' by the Institute for Competitiveness. We were recognized for reshaping industry boundaries, higher product utilization, transcending traditional product boundaries, building capabilities within enterprises, and rethinking and retooling internal processes



## November

- Mindtree 4.2 Bluetooth Smart IP powers NXP Kinetis KW41Z Wireless MCU
- ISG names Mindtree among top 15 Sourcing Service Provider
- Mindtree expands European presence with new Salesforce center of excellence in Germany
- Listed in the inaugural "Working Mother and AVTAR 2016 Top 10 Best Companies for Women in India" list.



## December

- Mindtree named as a leader for Application Outsourcing Capabilities among midsize offshore vendors by independent research firm
- Mindtree positioned as an expansive and established player in product engineering and embedded systems in Zinnov Zones 2016 product engineering services report
- Ranked 243<sup>rd</sup> in Fortune India 500 list. Named 7<sup>th</sup> largest IT company



## January

- Mindtree reports constant currency revenue growth of 0.4% Q-o-Q in dollar terms
- Earns first USD100 million client

## March

Mindtree (Relational Solutions) has been included in the market guide for trade promotion management and optimizer for consumer goods industry by Gartner



## Board Committees

### AUDIT COMMITTEE

Mr. Milind Sarwate .....	Chairperson
Dr. Albert Hieronimus .....	Member
Ms. Apurva Purohit .....	Member
Mr. Akshaya Bhargava .....	Member
Mr. V.G. Siddhartha .....	Member

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Dr. Albert Hieronimus .....	Chairperson
Mr. Rostow Ramanan .....	Member

### NOMINATION AND REMUNERATION COMMITTEE

Ms. Apurva Purohit .....	Chairperson
Dr. Albert Hieronimus .....	Member
Prof. Pankaj Chandra .....	Member
Mr. Subroto Bagchi .....	Member
Mr. Krishnakumar N .....	Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Krishnakumar Natarajan .....	Chairperson
Mr. Subroto Bagchi .....	Member
Prof. Pankaj Chandra .....	Member
Mr. Rostow Ramanan .....	Member
Mr. N S Parthasarathy .....	Member

### RISK MANAGEMENT COMMITTEE

Mr. Krishnakumar Natarajan .....	Chairperson
Mr. Rostow Ramanan .....	Member
Mr. N S Parthasarathy .....	Member
Mr. Akshaya Bhargava .....	Member

### ADMINISTRATIVE COMMITTEE

Mr. Krishnakumar Natarajan .....	Chairperson
Mr. Rostow Ramanan .....	Member
Mr. N S Parthasarathy .....	Member

*Clockwise from right to left:*

**Akshaya Bhargava**

*Independent Director*

**Dr. Albert Hieronimus**

*Vice Chairman & Independent Director*

**Apurva Purohit**

*Independent Director*

**Krishnakumar Natarajan**

*Executive Chairman*

**Manisha Girotra**

*Independent Director*



## Board of Directors



Anti-clockwise from left to right:



**Milind Sarwate**

*Independent Director*

**Prof. Pankaj Chandra**

*Independent Director*

**N. S. Parthasarathy**

*Executive Vice Chairman, President & COO*

**Rostow Ravanan**

*CEO & Managing Director*

**Subroto Bagchi**

*Non-Executive Director*

**V. G. Siddhartha**

*Non-Executive Director*



**Board of Directors**



## Business Responsibility Report

Mindtree was founded as an IT solutions company, with a mission to make businesses and societies flourish. Social wellbeing is an innate part of our vision, and apparent in our business and social impacts. We endorse universally declared principles and guidelines in responsible business, and share our emissions performance through CDP report annually and our sustainability performance through GRI-based sustainability reports every year. We are a UNGC signatory, and our sustainability report maps to UNGC and NVG principles.

Our sustainability framework focuses on governance and advocacy, workplace sustainability and ecological sustainability, while our CSR board level committee and our CSR Charter guide our nonstrategic social contributions routed through our Mindtree Foundation and our technology-enabled social transformation platforms.

Our governance and advocacy is based on a set of key policies that set the tone for the ethics and values we pursue, and we take leadership positions in public forums to advocate responsible business practices. Our approach and mechanisms in this area are well detailed in the 'Governance report' section of this annual report.

Workplace sustainability is of high significance to our knowledge-driven sector. A set of relevant policies that drive best practices and our diversity charter (EDGES: Ethnicity, Disability, Gender, Sexual orientation), coupled with best-in-class management systems (OHSAS) and our home-grown systems and engagement platforms keep our workplace thriving. Cutting-edge learning environment right from the entry level (Mindtree Kalinga), state-of the art learning platforms (newly launched Yorbit, with its 1,013 online courses being used by 76.44% of Mindtree Minds), and constantly evolving leadership development programs keep Mindtree Minds focused on expertise-led work in a collaborative environment dedicated to excellence.

Two of our board members are women. Our entry level enrollment of women touched 49% in the year 2016-17. We launched an exclusive leadership development program for mid-rung women talent last year. Our diversity focus is going to get deeper and more nuanced in the years to come. (For a detailed account of our approach and accomplishments, please refer to our sustainability report published on our website.)

Also, 51.2% of beneficiaries of Mindtree Foundations' CSR programs in India are women. Ecological sustainability is crucial for us as resource conservation is a precautionary principle we endorse, and also because it makes smart business sense.

The various systems and mechanisms we have set in place for energy efficiency, emission reduction, water efficiency and waste management enable us to achieve our internal targets for resource conservation. Clean energy is a commitment for us, and we are taking steps to ensure that renewable energy forms at least 20% of our energy composition in the medium term. (For a detailed account of our ecological performance, please refer to Annexure 7 of the Directors' report in this Annual report and our sustainability report available on our website.)

Social inclusion is a theme central to Mindtree's vision, and Mindtree Foundation continues its deep and integrated work in the areas we have chosen to focus on. With the support of our NGO partners, the Mindtree Foundation's leadership team engages directly at the grass-root level, assessing need gaps, designing integrated solutions, and monitoring to render them sustainable. (The project details are available in Annexure of our Directors' report in this annual report and the detailed approach in our sustainability report.). Impacts achieved by our 'I Got' suite of technology platforms (as described in Annexure 7 of the Directors' report) validate our conviction in leveraging technology to increase the reach of our sustainability solutions for the larger good, which goes beyond the boundaries of our business.

The following sections pertain to information as per the template suggested by SEBI.

### SECTION A: General Information About The Company

1. Corporate Identity Number (CIN) of the Company: L72200KA1999PLC025564
2. Name of the Company: Mindtree Limited
3. Registered address: Global Village, RVCE Post, Mysore Road, Bengaluru-560 059, Karnataka, India
4. Website: [www.mindtree.com](http://www.mindtree.com)
5. E-mail id: [investors@mindtree.com](mailto:investors@mindtree.com)
6. Financial Year reported: 01 April, 2016 -31 March, 2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Information Technology Sector
8. List three key products/services that the Company manufactures/provides (as in balance sheet) Digital: Cloud, Data Analytics. The other services include Application Development & Maintenance, Infrastructure Management, EAI, R&D, Testing, Consulting, Salesforce and SAP.
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations: 17 (Details in "Global Presence" section in this report.)
  - (b) Number of National Locations: 5
10. Markets served by the Company – Local/State/National/International: America, Asia Pacific, Europe, India (Refer to "Global Presence" section in this report.)

**SECTION B: Financial Details Of The Company**

1. Paid up Capital (₹): 1,680,255,460
2. Total Turnover (₹): 48,159 Mn.
3. Total profit after taxes (₹): 4,891 Mn.
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):  
As disclosed in the Directors' report- Annexure 7.
5. List of activities in which expenditure in 4 above has been incurred:  
As disclosed in the Directors' report- Annexure 7- detailed table.

**SECTION C: Other Details**

1. Does the Company have any Subsidiary Company/ Companies?  
The company has 5 subsidiaries as shared in the "Global Presence" section of this report.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  
The subsidiaries are subject to our principles and policies in ethics and responsibility and share several features of our best practices in workplace sustainability. Our CSR and environmental investments are, however, focused in our India operations.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Our suppliers and distributors are yet to participate in our BR activities.

**SECTION D: Br Information**

1. Details of Director/Directors responsible for BR
  - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
    1. DIN Number: 00146954
    2. Name: N.S. Parthasarathy
    3. Designation : Executive Vice Chairman, President and COO

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00146954
2	Name	N. S. Parthasarathy
3	Designation	Executive Vice Chairman, President and COO
4	Telephone number	080-67064000
5	e-mail id	Parthasarathy.NS@mindtree.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y		Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) *	Y	Y	Y	Y	Y	Y		Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y		Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y		Y	Y
6	Indicate the link for the policy to be viewed online?	Links are provided below this table								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y		Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y		Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y		Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y		N	Y

\* Our Sustainability Policy is inspired by GRI framework and our EHS policy by management systems and standards such as ISO 14001 and OHSAS). Our Whistleblower policy and CSR policy conform to Companies Act 2013, and Anti-slavery & anti human trafficking policy conforms to UK norms. Policies such as Equal opportunity, Reasonable accommodation and Code of conduct are internally originated policies guided by ILO principles/framework.

**Website links to our policies:**

- P1: <http://www.mindtree.com/sites/default/files/mindtree-whistle-blower-policy-1st-april-2016.pdf>  
<http://www.mindtree.com/sites/default/files/mindtree-anti-slavery-and-anti-human-trafficking-policy.pdf>  
Integrity Policy (<http://www.mindtree.com/code-conduct>)
- P2: <http://www.mindtree.com/sites/default/files/mindtree-sustainability-policy.pdf>  
Also <http://www.mindtree.com/sites/default/files/mindtree-environment-health-and-safety-policy.pdf>
- P3: <http://www.mindtree.com/sites/default/files/mindtree-equal-opportunity-policy.pdf>
- P4: <http://www.mindtree.com/sites/default/files/mindtree-equal-opportunity-policy.pdf>  
Also, Reasonable Accommodation policy (internally published)
- P5: Equal Opportunity policy (<http://www.mindtree.com/sites/default/files/mindtree-equal-opportunity-policy.pdf>)
- P6: <http://www.mindtree.com/sites/default/files/mindtree-environment-health-and-safety-policy.pdf>
- P7: There is no distinct policy on public advocacy. Please refer to the details given under Principle 7 of this Annual Report for details of our advocacy and outreach engagements.
- P8: <http://www.mindtree.com/corporate-social-responsibility-policy>
- P9: <http://www.mindtree.com/code-conduct>

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8
1	The company has not understood the Principles								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles								
3	The company does not have financial or manpower resources available for the task								
4	It is planned to be done within next 6 months								
5	It is planned to be done within the next 1 year								
6	Any other reason (please specify)								✓

✓ *There is no distinct policy on public advocacy. However, please refer to the details given under Annexure 7 of this Annual Report for details of our advocacy and outreach engagements*

**3. Governance related to BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

We have a Board Committee on CSR. The CSR Committee generally meets on a quarterly basis. Further, the frequency of meetings is determined by the Chairman on need-basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

BRR is published as a part of our annual report every year.

<http://www.mindtree.com/sites/default/files/mindtree-business-responsibility-report-2015-2016.pdf>

Sustainability report is published every year too.

(<http://www.mindtree.com/sites/default/files/mindtree-sustainability-report-2015-2016.pdf>)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The policy related to ethics and integrity covers all the units of the company. Contractors are also trained to adhere to our integrity policy, and our suppliers are oriented to our ethical values and policies. Our suppliers are subject to our code of conduct. Our NGO partners are familiarized with our values, principles and policies.



- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Our grievance redressal mechanisms are open to complaints of a wide nature. The complaints data is given below:

Pending at the beginning of the FY 2016-17	Received during the FY 2016-17 *	Resolved during the FY 2016-17	Pending at the end of the FY 2016-17
1	324	324	1

\* 39 complaints from employees and the rest from shareholders

#### Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.  
Our business services are software-based and do not possess ESG risks in their design or delivery. The clean and green processes we deploy in our operations are detailed out in our sustainability reports each year. We report our carbon emissions to CDP every year. Our annual report contains details of our energy conservation measures and are also shared in our Directors Report-Annexure 7. Our CSR endeavors which deploy technology to address social and environmental issues of a larger nature are detailed out in our Directors' Report-Annexure 7.
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):  
(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?  
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?  
Not applicable.
- Does the company have procedures in place for sustainable sourcing (including transportation)?  
(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.  
We approach our sourcing with sustainability in mind. It applies to sourcing of materials as well as talent. We invariably source from local suppliers at all our locations, thus reducing transportation costs and footprint. A majority of our procurement gets sourced in this fashion. Local hiring of talent at all levels is also a matter of principle for us. It includes senior levels as well. This is followed by our talent acquisition function, barring a few exceptions.
- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?  
(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?  
As mentioned in the above point, local sourcing is a norm for us. Since we also have a focus on minorities and the disadvantaged members of the society, this translates into a natural preference for minority-based, women-led, diverse set of suppliers in our supply chain. We do not have any specific initiatives to enhance their capabilities at present.
- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.  
Mindtree is committed to an efficient waste management system. To reduce landfills, we undertake food waste composting on our premises, responsible disposal of hazardous waste, as well as a considerable amount of recycling of dry waste. Our recycling stands at 89.28% for 2016-17.

#### Principle 3: Businesses should promote the well-being of all employees

- Please indicate the Total number of employees: 16,470
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: 1,131
- Please indicate the Number of permanent women employees: 4,668
- Please indicate the Number of permanent employees with disabilities: 46
- Do you have an employee association that is recognized by management? No.
- What percentage of your permanent employees is members of this recognized employee association? NA
- Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labor/forced labor/involuntary labor	0	0
2	Sexual harassment	2	0
3	Discriminatory employment	0	0

- What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?  
(a) Permanent Employees: 96.75%

- (b) Permanent Women Employees: 91.09%
- (c) Casual/Temporary/Contractual Employees: 18.92%
- (d) Employees with Disabilities: 69.57%

**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders?  
Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Mindtree undertakes a formal listing of internal and external stakeholders, which includes marginalized, disadvantaged and vulnerable segments of the society. The disadvantaged sections of the society is our key beneficiary segment for all of our CSR endeavors. Our CSR Charter mentions these segments as our beneficiaries and directs our focus and action towards these segments. Differently-abled, under privileged people from the rural hinterlands of the country, especially children, youth and women from these backgrounds are at the very centre of our attention and action under the wings of our CSR programs.

**Principle 5 : Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
Respect for human rights is innate to our culture, and encompasses all our operations, functions, levels, extending beyond the boundaries of our formal organization, touching our contractual hires, suppliers, partners and others.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
Refer to point 7 under principle 3 above.

**Principle 6 : Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.  
Our EHS policy covers all our locations, and permanent and contractual employees.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.  
The company endorses the precautionary principle and commits to conserve resources through multiple strategies. Ecological sustainability is a key pillar of our sustainability framework. Details of our endeavors can be found on <http://www.mindtree.com/about-us/sustainability>, under ecological sustainability.
3. Does the company identify and assess potential environmental risks? Y/N  
No, environmental risks are covered and owned by respective function heads, and do not get exclusively covered for formal risk evaluation in our ERM framework on a regular basis. We respond to risks of natural disaster with alacrity, and do consider broad global risks in the ERM framework; we do not have formal/exclusive focus on potential environmental risks under our formal framework.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
No. Not applicable.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.  
Yes, we are committed to clean technology initiatives. Please refer to our Directors' Report-Annexure 6 in this report and also the section on Conserving Resources in our Sustainability Report. Also, please check <http://www.mindtree.com/about-us/sustainability>.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Yes, our emissions and waste generation lie within the permissible limits.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
Nil

**Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - (a) CII
  - (b) NASSCOM

(c) FICCI

(d) ASSOCHAM

(e) BCIC

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Our leadership has actively participated in industry association platforms and advocated issues and actions for inclusive development policies, sustainable business principles, in addition to a range of policy advocacy and practice-sharing across themes such as workplace engagement, diversity, women-friendly practices, anti-sexual harassment mechanisms and so on.

**Principle 8 : Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  
Mindtree has a specific CSR policy to ensure inclusion. Details of our inclusive projects are shared in the Directors' Report-Annexure 7.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?  
Our inclusion programs are run by Mindtree Foundation, in partnership with several NGOs who take our plans forward at the grass-root level. The Foundation is actively involved at the grass-root level too, ensuring clarity in need gaps and exact match of solutions. The technology-leveraged initiatives are also taken to the field through a network of external partners who extend the reach of the impacts.
3. Have you done any impact assessment of your initiative?  
Our direct involvement at the field-level of social change enables us to constantly assess, monitor and improve our performance. We deploy an effectiveness index to measure the effectiveness of our Foundation's interventions. We do not carry out third party impact assessments of our CSR work.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?  
Please refer to Annexure 7, Directors' Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All our project designs include successful adoption by beneficiaries as a critical component. Our projects are never considered complete without ensuring high adoption. Our direct involvement makes such a completion both possible and feasible. This is a unique way in which we choose to serve our communities. It helps us to define grass-root level problems in a holistic way and design integrated solutions. Our constant commitment to our on-going projects, not subject to fluctuations in our fortune, if any, goes a long way in ensuring that the communities adopt the services for a longer time frame.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.  
Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)  
Not applicable, since ours is a software solutions Company
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.  
Nil
4. Did your company carry out any consumer survey/ consumer satisfaction trends?  
We carry out an annual customer experience survey to get customer feedback on our performance. We solicit feedback on four key measures—satisfaction, loyalty, advocacy and value for money. Trends show us receiving high scores across all measures. (Graph displayed in Management Discussion and Analysis of this report.)

## Directors' Report

### Dear Shareholders,

On behalf of the Board of Directors ("Board") of Mindtree Limited ("Mindtree" or "Company"), We are happy to present the Eighteenth Board's Report of your Company along with the audited financial statements on consolidated and standalone basis for the year ended March 31, 2017.

₹ in million

Financial Particulars	For the year ended March 31			
	2017	2016	2017	2016
	Consolidated		Standalone	
Revenue from operations	52,364	46,730	47,526	43,398
Other income	553	839	633	973
<b>Total revenues</b>	<b>52,917</b>	<b>47,569</b>	<b>48,159</b>	<b>44,371</b>
Employee benefits expense	34,125	27,991	30,215	25,732
Finance costs	191	160	190	159
Depreciation and amortization expense	1,858	1,658	1,331	1,318
Other expenses	11,194	10,529	10,106	9,653
<b>Total expenses</b>	<b>47,368</b>	<b>40,338</b>	<b>41,842</b>	<b>36,862</b>
Profit before tax	5,549	7,231	6,317	7,509
Tax expense	1,363	1,706	1,426	1,699
<b>Profit for the year</b>	<b>4,186</b>	<b>5,525</b>	<b>4,891</b>	<b>5,810</b>
Other comprehensive income	(621)	(242)	(11)	(27)
<b>Total comprehensive income</b>	<b>3,565</b>	<b>5,283</b>	<b>4,880</b>	<b>5,783</b>

Your Company's financial statements for the year ended March 31, 2017 are the first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, numbers for all the comparative periods have been restated.

### Company Performance

On consolidated basis, revenue for the year was ₹ 52,364 million signifying a growth of 12.1% in Rupee terms. Your Company had 328 active customers as on March 31, 2017 of which 111 customers had revenues in excess of US\$ 1 million, 30 customers had revenues in excess of US\$ 5 million, 16 customers had revenues in excess of US\$ 10 million, 4 customers had revenues in excess of US\$ 25 million, 1 customer had revenues in excess of US\$ 50 million and 1 customer had revenues in excess of US\$ 100 million.

EBITDA margins have dropped from 17.6% in the previous year to 13.7% in the current year mainly due to:

- Increase in onsite revenue by 23% which has lower margins as compared to offshore margins.
- Increase in employee benefits expenses by 22%.
- Lower margin profile of acquired entities.

Our effective tax rate was about 24.6% as compared to about 23.6% in the previous year. PAT has decreased by 24% to ₹ 4,186 million as compared to ₹ 5,525 million in the previous year on account of drop in EBITDA margins and also due to foreign exchange loss in FY 16-17 compared to a gain in FY 15-16, due to the sharp drop in exchange rates in the last quarter of FY 16-17.

On standalone basis, revenue for the year was Rs 47,526 million signifying a growth of 9.5% in Rupee terms. EBITDA margins have dropped from 18.5% in the previous year to 15.5% in the current year mainly due to:

- Increase in onsite revenue by 3% which has lower margins as compared to offshore margins.
- Increase in employee costs by 17% and increased investments in selling, general and administrative expenses.

Our effective tax rate for the current year remained at 22.6% as last year. PAT has decreased by 15.8% to ₹ 4,891 million as compared to ₹ 5,810 million in the previous year on account of drop in EBITDA margins and also due to foreign exchange loss in FY 16-17 as compared to a gain in FY 15-16 due to the sharp drop in exchange rates in the last quarter of FY 16-17.

### Share Capital

Your Company allotted 239,370 equity shares of ₹ 10/- each, to various employees ("Mindtree Minds") and to Directors on exercise of stock options under various Employee Stock Option Plans (ESOPs)/ Mindtree Employee Restricted Stock Purchase Plan 2012 (ESPS/ERSP 2012) during 2016-17. Consequently, the paid-up equity share capital has increased from ₹ 1,677,861,760 as on March 31, 2016 to ₹ 1,680,255,460 as on March 31, 2017.

### Dividend

Your Directors have declared three interim dividends during the year (i) The Board on October 21, 2016, declared an interim dividend of ₹ 3/- per equity share of face value of ₹ 10/- each, to the Shareholders, who were holding shares on the record date i.e., November 01, 2016 (ii) The Board on January 19, 2017, declared an interim dividend of ₹ 2/- per equity share of face value of ₹ 10/- each, to the Shareholders, who were holding shares on the record date i.e., January 28, 2017 (iii) The Board on March 27, 2017, declared an interim dividend of ₹ 2/- per equity share of face value of ₹ 10/- each, to the Shareholders, who were holding shares on the record date i.e., April 10, 2017.

Further, Your Directors have also recommended, a final dividend of ₹ 3/- per equity share of face value of ₹ 10/- each, for the Financial Year ended March 31, 2017 which is payable on obtaining the Shareholders' approval at the Eighteenth Annual General Meeting.

The dividend pay-out amount for the current year, inclusive of tax on dividend will be ₹ 2,005 million as compared to ₹ 2,489 million in the previous year.

#### Dividend Policy

Your Company intends to maintain similar or better levels of dividend payout over the next few years. However, the actual dividend payout in each year will be subject to the investment requirements of the annual operating plan for the year and any other strategic priorities identified by the Company. The Company has formulated a Dividend Policy in accordance with SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015 (hereinafter "LODR Regulations") and the same is available on your Company's website: <https://www.mindtree.com/dividend-policy>.

#### Mergers and Amalgamations

Your Company had filed a petition with the Hon'ble High Court of Karnataka [which was transferred to National Company Law Tribunal (NCLT)] for the merger of Discoverture Solutions, LLC and Relational Solutions Inc., the wholly owned subsidiaries with your Company. The Company has obtained all necessary approvals and complied with all the procedures. The final Order for the merger is awaited.

#### Adoption of new Articles of Association

During the year, your Company has amended its Articles of Association in accordance with the provisions of Companies Act, 2013 (hereinafter "the Act"). The approval of the Shareholders for the above amendment was obtained at the Seventeenth Annual General Meeting of the Company. The amended Articles are available on the website of the Company at <https://www.mindtree.com/sites/default/files/amended-articles-of-association.pdf>.

#### Subsidiary Companies

Your Company has 5 direct subsidiaries and 7 step down subsidiaries as on March 31, 2017. During the year, the dormant step down subsidiary, Discoverture Solutions Europe Limited was liquidated. The details of the subsidiaries as at the year ended March 31, 2017 are as follows:

Sl. No	Name of Subsidiary	Date of Incorporation/ Acquisition	Country	Business
1	Mindtree Software (Shanghai) Company Limited	January 29, 2013	China	Information Technology Services
2	Discoverture Solutions, LLC	February 13, 2015*	USA	Information Technology Services
3	Relational Solutions Inc.	July 16, 2015*	USA	Information Technology Services
4	Bluefin Solutions Limited	July 16, 2015*	UK	Information Technology Services
5	Magnet 360, LLC	January 19, 2016*	USA	Information Technology Services
<b>Step Down (Subsidiaries of Bluefin Solutions limited)</b>				
1	Bluefin Solutions Pte. Limited	July 16, 2015*	Singapore	Information Technology Services
2	Bluefin Solutions Inc.	July 16, 2015*	USA	Information Technology Services
3	Bluefin Solutions Sdn Bhd	July 16, 2015*	Malaysia	Information Technology Services
4	Blouvin (Pty) Limited	July 16, 2015*	South Africa	Information Technology Services
<b>Step Down (Subsidiaries of Magnet 360, LLC)</b>				
1	Reside, LLC	January 19, 2016*	USA	Information Technology Services
2	Numerical Truth, LLC	January 19, 2016*	USA	Information Technology Services
3	M360 Investments, LLC	January 19, 2016*	USA	Information Technology Services

#### \*Date of acquisition

In accordance with Section 129 (3) of the Act, the statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 is given in Annexure 1.

In accordance with Section 136 (1) of the Act, the annual report of your Company containing inter alia, financial statements including consolidated financial statements, have been placed on our website: <https://www.mindtree.com/about-us/investors>. Further, the financial statements of the subsidiaries have also been placed on our website: <https://www.mindtree.com/about-us/investors>.

#### Awards and Recognitions

During the year under review, your Company received the following awards and recognitions:

- Ranked in the NASSCOM Top 20 IT-BPM Employers in India for 2016.
- Recognized in Forbes India's Super 50 2016 list for the second consecutive year based on consistent shareholder returns, sales growth and return on equity.
- Magnet 360, a Mindtree Company, awarded the Salesforce Marketing Cloud Innovation Award for 2016.
- Recognized as an overall leader in software testing services by NelsonHall, in its Vendor Evaluation and Assessment (NEAT) Report 2016.
- Awarded the 'Porter Prize for Enabling Smart Connected Products' by Institute for Competitiveness for reshaping industry boundaries, higher product utilization, transcending traditional product boundaries, building capabilities within enterprises, and rethinking & retooling internal processes.

- Ranked #3 under the categories 'Best CEO, IR Professional, IR program, Analyst Days, Website' in the IT sector and recognized as one of the 'Most Honoured Companies' in the All – Asia (ex-Japan) Executive Team rankings by Institutional Investor.
- Named as 2016 Azure Innovation Partner of the Year by Microsoft.
- Positioned as a leader for digital services in 'Zinnov's Zone for Digital Services'.
- Recognized by the Institute of Company Secretaries of India (ICSI) for excellence in Corporate Governance.
- Magnet 360, a Mindtree Company, included in Gartner's Market Guide for Salesforce Service Providers.
- Positioned in the leadership zone for product engineering and embedded systems by Zinnov in the Zinnov Zones 2016, Product Engineering Services report.
- Recognized as a Leader in IAOP's 2016 Global Outsourcing 100 for global excellence.
- Named as a leader for Application Outsourcing Capabilities among Midsize Offshore Vendors by Forrester Research.
- Mindtree's Relational Solutions has been included in the Market Guide for Trade Promotion, Management and Optimization for the Consumer Goods Industry by Gartner.
- SAFA best presented Annual Report Award for 2015 for the communication and Information Technology sector for transparency, accountability and governance in the Annual Report by South Asian Federation of Accountants.
- Awarded the winner of the Silver Shield for the Annual Report including the Financial Statements for the year ended March 31, 2016 by the Institute of Chartered Accountants of India (ICAI)

### People Function

#### Making Mindtree a Great Place to Work

The key differentiator at Mindtree is its unique culture and well thought out people practices which suits the ever changing needs and results in highly engaged Mindtree Minds - starting from pre-joining till exit engagement, the experience is worthwhile.

Orchard - a three month residential program at the Kalinga campus in Bhubaneswar is prudently planned for campus Mindtree Minds and the Arboretum helps in the suave assimilation of lateral Mindtree Minds joining from other organizations. The primary objective of both the assimilation programs is to provide a welcoming ground and support new talent to transition & adapt to the Mindtree way! Homecoming – a program conceptualized and executed to bring back Mindtree Minds who quit due to various reasons resulted in 70 Ex-Mindtree Minds proudly walking back to the place where they belong.

As we attract potential talent to join us, we also are equally focused on nurturing an inclusive talent pool. With a matrix structure the involvement of all Mindtree Minds in decision making and customer interaction is quite high. Their ideas and thoughts add significant value to the business and their energy & ability to question the status quo is the game changer. We have adequately lined up our practices, systems and processes to drive the spirit of inclusivity at Mindtree.

At Mindtree, we celebrate the fact that our workforce just don't include Millennials, but is dominated by them and hence managers are prepared to engage and retain them in every possible way. A lot of focus is given in grooming managers to be effective in their roles and managing millennials is a key theme in all leadership development programs - one of the program focusses on grooming enterprise leaders and has a module focused on inspiring "Digital Natives". As part of the module techniques like reverse mentoring is used where leaders worked with campus minds, our millennials as their mentors.

The Diversity story is another feather in the cap! The current workforce comprises of 51 nationalities and 29% of the Company are Lady Mindtree Minds. Learning courses on culture and inclusivity helps understand each other and the customer better. Flagship leadership programs like Enterprise Leadership and Exuberance – an exclusive program for the top 100 Lady Mindtree Minds results in key positions being successfully filled internally.

As we embark on Mindtree 3.0 the in-house talent is gearing up for the journey. 6,200 Mindtree Minds have reskilled themselves to suit the needs of the customer and continuously value add. Full stack engineers and specialists are being home grown and will be the key differentiator in being successful.

#### Headcount

The total number of Mindtree Minds including subsidiaries as on March 31, 2017 was 16,470 as against 16,623 as on March 31, 2016.

#### Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company believes in providing a healthy environment to all Mindtree Minds and does not tolerate any discrimination or harassment in any form. The Company has in place a gender neutral Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy is frequently communicated in assimilation programs and at regular intervals to all Mindtree Minds. Following are some of the awareness programs imparted to train Mindtree Minds and Internal complaints committee (ICC).

1. Every Mindtree Mind is supposed to undergo mandatory e-learning module on "Prevention of Sexual Harassment" at workplace on our learning platform called Yorbit.
2. It is mandatory for every new joiner to undergo a program on 'Prevention of Sexual Harassment' during induction program.
3. The Internal Complaints Committee is trained by external agency when the committee members are on-boarded to the committee.
4. Policy of 'Prevention of Sexual Harassment' at workplace is available on intranet for Mindtree Minds to access as and when required.

5. The 'Prevention of Sexual Harassment' policy is placed in conspicuous places for better visibility and communication of the policy across all the locations.

Mindtree has setup an Internal Complaints Committee (ICC) both at the Head office / Corporate office and at every location where it operates in India. ICC has equal representation of men and women. ICC is chaired by Senior lady mind and has an external women representation.

ICC investigates the case and provides its recommendations to the apex authority. The apex authority upon receiving the recommendations from ICC arrives at the conclusion and acts upon such recommendations.

Penal consequences of Sexual Harassment ("SH") and the constitution of the ICC is displayed at conspicuous places. The posters are also displayed in regional languages at all Mindtree offices.

The following are the summary of complaints received and resolved during the Financial Year 2016-17:

#### **In India**

- a) No. of SH complaints received: 2
- b) No. of SH complaints resolved: 2

#### **Rest of the World**

- a) No. of SH complaints received: 0
- b) No. of SH complaints resolved: 0

#### **Branding**

Your Company's brand and logo represent our values and beliefs as an organization. Your Company firmly believes that, it is our identity that gives shape to our vision and communicates to the world what Mindtree stands for. Your Company functions on the principles of Collaborative Spirit, Unrelenting Dedication and Expert Thinking. We have therefore consciously and deliberately incorporated these elements into our branding and logo. Your Company's brand voice is bright, confident and active. It reflects our forward thinking, confidence, strength and passion. Mindtree's unique approach balances human perspective with deep strategic thinking that enables to create opportunities to help our clients succeed.

Your Company has been successful in building its brand by wielding the right mix of Public Relations, Social Media, Advertisement and Digital Marketing. Additionally, your Company hosts multiple client round tables to collaborate closely with customers for solutions. Your Company's "Make Digital Real" campaign initiated last year has been pivotal in strengthening our position as a leader in the digital space.

#### **Infrastructure**

In the beginning of the year, your Company had 21,82,000 sq.ft of space consisting of 17,873 seats spread across various locations in India apart from Mindtree Kalinga – Training and residential facility for 500 campus minds measuring about 2,72,000 sq.ft. Following are the key changes made during the year:

Bhubaneswar: Your Company added about 263 seats after expansion of existing facility by about 30,000 sq.ft. In addition, your Company has taken up construction of Software Development Block Building measuring about 180,000 sq.ft. This is likely to be ready for occupation by March 31, 2018.

Your Company has sufficient capacity to meet its growth needs over short and medium terms. Your Company has prioritized adopting Sustainable best practices in accordance with LEED green building design for creating & maintaining workplace infrastructure projects.

#### **Deposits**

In terms of the provisions of Section 73 read with the relevant rules of the Act, the Company had no opening or closing balances and also has not accepted any fixed deposits during the year under review and as such, no amount of principal or interest was outstanding as on March 31, 2017.

#### **Board of Directors**

##### **Board Composition**

The Board of Directors comprised of three Executive Directors, two Non-Executive & Non- Independent Directors and six Independent Directors including two Women Directors as at the end of March 31, 2017.

##### **Declaration of Independence by Independent Directors**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Act and LODR Regulations, confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act and that of LODR Regulations.

##### **Policy relating to appointment of Directors**

The policy framed by the Nomination and Remuneration Committee (NRC) under the provisions of Section 178(3) & (4) of the Act, is as below:

- a. The person to be chosen as a Director shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of information technology, sales / marketing, finance, taxation, law, governance and general management.
- b. The NRC considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
  - (i) Qualification, expertise and experience of the Directors in their respective fields;
  - (ii) Personal, professional or business standing and
  - (iii) Diversity of the Board.

- c. In case of appointment of Independent Directors, the Committee satisfies itself with regard to the criteria for independence of the Directors in order to enable the Board to discharge its function and duties effectively.
- d. In case of reappointment of Non-Executive and Independent Directors, the Board takes into consideration the performance evaluation of the Director and his / her engagement level.

### Remuneration Policy

Your Company's remuneration policy framed by NRC, is focused on recruiting, retaining and motivating high talented individuals. It is driven by the success and performance of the individual employees and the Company. Through its compensation programme, your Company endeavors to attract, retain, develop and motivate a high performance workforce. Your Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Chairman, Managing Director and other Executive Directors. Annual increments are decided by the NRC within the salary scale approved by the Board and Shareholders.

### Directors and Key Managerial Personnel (KMP)

#### Appointment of Directors and KMP

The following appointment of Directors/KMP have taken place during the year:

1. Mr. Rostow Ramanan was appointed as CEO & Managing Director with effect from April 01, 2016 till March 31, 2021.
2. Mr. Krishnakumar Natarajan was appointed as Executive Chairman with effect from April 01, 2016 till June 30, 2017. Mr. Krishnakumar Natarajan has been reappointed by the Board of Directors as Executive Chairman for a further period of three years from July 01, 2017 to June 30, 2020 and the same is placed for the approval of the Shareholders at the ensuing Annual General Meeting.
3. Mr. Milind Sarwate was appointed as Independent Director for a period commencing from July 19, 2016 to July 18, 2021.
4. Mr. N S Parthasarathy was elevated as Executive Vice Chairman for a period commencing from October 21, 2016 to December 31, 2018.
5. Mr. Akshaya Bhargava was appointed as Independent Director for a period commencing from December 12, 2016 to September 30, 2021.

#### Reappointment of Director, retiring by Rotation

As per the Articles of Association of the Company, one third of the Directors are liable to retire by rotation at the Annual General Meeting of the Company, every year. Mr. Subroto Bagchi retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting.

#### Resignations, Cessations and Changes in Directors

1. Mr. Ramesh Ramanathan has resigned as a Board member with effect from October 21, 2016.
2. Dr. Albert Hieronimus has retired from the Board with effect from April 01, 2017.

There has been no change in the KMP other than mentioned above, during the year.

#### Details of remuneration to Directors

The information relating to remuneration of Directors as required under Section 197(12) of the Act, is given in Annexure 3.

#### Board Evaluation

Pursuant to the applicable provisions of the Act and LODR Regulations, the Board has carried out annual evaluation of performance of the following in detail:

- (i) Board as a whole;
- (ii) Functioning of various Committees;
- (iii) Individual Directors including that of Independent Directors;
- (iv) Chairman of the Board.

The evaluation was led by the Chairman of the Board. The Board evaluation was conducted through questionnaire having qualitative parameters. The questionnaires were framed in line with the guidance note issued by SEBI on January 05, 2017.

The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as Board composition, focus on strategy, organizational matters, effectiveness of Board process, timelines of information, functioning, etc.

The performance of the Committees were evaluated after seeking inputs from the Committee members on the criteria such as Committee composition, frequency of meeting, effectiveness, independence, contributions to Board decisions etc.

The performance of the individual Directors was evaluated after seeking inputs from all the Directors other than the one who is being evaluated. The evaluation was based on the criteria such as commitment, attendance, preparedness, participation, expression of opinions, etc.

The performance of the Board Chairman was evaluated after seeking inputs from all the Directors on the basis of the criteria such as leadership, preparedness, commitment, delegation of responsibilities, protection of shareholders' interest, etc.

The outcome of the Board evaluation of the individual Directors was discussed individually with the Board members in detail.

The outcome of the evaluation of the Board, Committee and that of Chairman were discussed at NRC and at the Board meeting in detail. The



feedback from the evaluation was that many process followed by Mindtree met best practice benchmarks as well as areas where we need to focus on strengthening few processes. The action plans were put in place for incorporating the findings of the evaluation.

### Board Meetings

The Board of Directors of the Company met six times during the Financial Year 2016-17. The details of Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is within the stipulated time frame prescribed in the Act and LODR Regulations.

### Board Committees

The following are the details of the Board Committees during the year 2016-17:

- 1 Audit Committee;
- 2 Nomination and Remuneration Committee;
- 3 Stakeholders' Relationship Committee;
- 4 Administrative Committee;
- 5 Corporate Social Responsibility Committee and
- 6 Risk Management Committee

The composition of each of the above Committees, their respective roles and responsibilities are provided in detail in the Corporate Governance Report.

### Vigil Mechanism / Whistle Blower Policy

The Company has established a Whistle Blower Policy for Directors and employees to report their genuine concern. The details of the same is explained in the Corporate Governance Report.

### Related Party Transactions

All Related Party Transactions that were entered into during the Financial Year were at arm's length basis and in the ordinary course of business. There were no materially significant related party transactions entered into by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. All related party transactions were entered into with prior approval of the Audit Committee. There were no related party transactions that required approval of the Shareholders. The details of Related Party transactions entered into during the quarter were placed before the Audit Committee and the Board.

The policy for determining material related party transactions as approved by the Board is uploaded on the Company's website and can be accessed at <https://www.mindtree.com/policy-for-determining-material-related-party-transactions>

The details of the related party transactions, referred to in Section 188(1) of the Act, as required under Section 134 (3)(h) read with, Rule 8 of the Companies (Accounts) Rules, 2014, is attached in Form AOC-2 as Annexure 5.

### Employee Stock Option Plans and Employee Stock Purchase Scheme

Your Company believes in the policy of absorbing and retaining the best talents by allowing them to participate in the ownership of the Company and share its wealth creation, as they are responsible for the management, growth and financial success of your Company.

Your Company has granted various options under the following Employee Stock Option Plans, viz., ESOP 1999, ESOP 2001, ESOP 2006 (a), ESOP 2006 (b), ESOP 2008 (A), DSOP 2006, ESOP 2010 (A), a Employee Stock Purchase Scheme namely, Mindtree Employee Restricted Stock Purchase Plan 2012 (ESPS or ERSP 2012).

The Employee Stock Option Plans (ESOPs) and ESPS or ERSP 2012 are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 ("Employee Benefit Regulations") and there has been no material changes to these plans during the Financial Year. The summary information of various ESOPs and ESPS or ERSP 2012 of the Company is provided under Notes to Accounts under Standalone Financial Statements of this Annual Report. The Company has recorded compensation cost for all grants using the fair value- based method of accounting, in line with prescribed SEBI guidelines. Refer to Notes to accounts under Standalone Financial Statements of this Annual Report for details on accounting policy.

Disclosure on various plans, details of options granted, shares allotted on exercise, etc. as required under Employee Benefits Regulations read with SEBI circular no. CIR/CFD/POLICYCELL/2/2015 dated June 16, 2015 are available on the Company's website: <https://www.mindtree.com/sites/default/files/details-under-sebi-regulations-2014.pdf>. No employee was granted options / shares (under ESOPs or ESPS/ERSP 2012) during the year, equal to or exceeding 1% of the issued capital.

A Reconciliation Statement of the Equity Shares is attached as Part B – Annexure 2.

### Details of unclaimed shares

The details of unclaimed shares as required under LODR Regulations is provided in Part A – Annexure 2.

### Liquidity

Your Company maintains sufficient cash to meet its operations and strategic objectives. Our cash and investments (net of short term borrowings) have increased from ₹ 3,790 million as on March 31, 2016 to ₹ 7,177 million as on March 31, 2017. The balance funds have been invested in deposits with banks, highly rated financial institutions and debt schemes of mutual funds.

**Litigation**

No material litigation was outstanding as on March 31, 2017. Details of litigation on tax matters are disclosed in the financial statements.

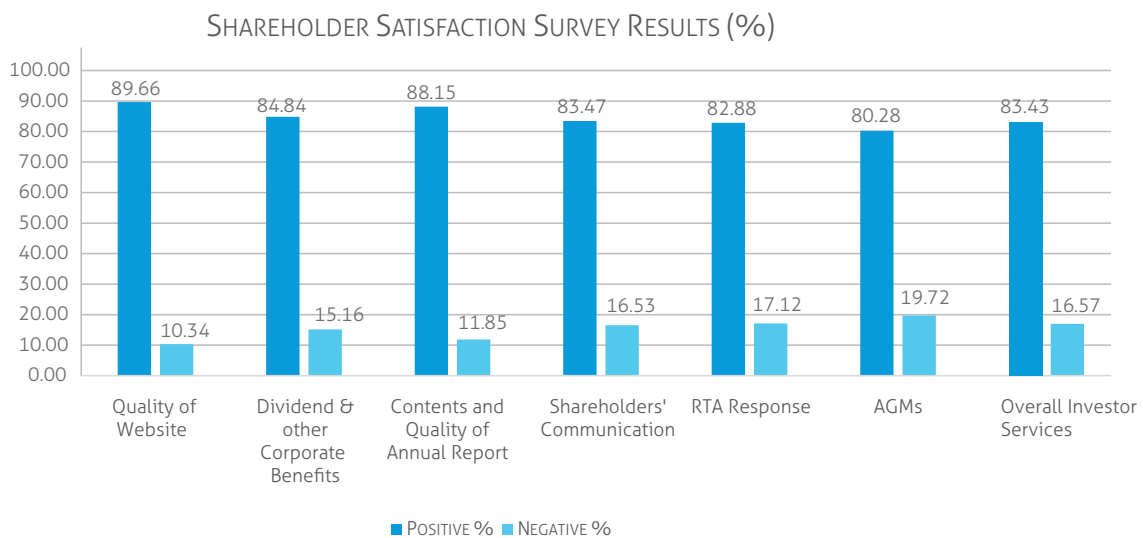
**Corporate Governance**

Your Company has been practicing the principles of good Corporate Governance. A detailed Report on Corporate Governance is available as a separate section in this Annual Report. Auditor's Certificate on Corporate Governance obtained from Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) for compliance with LODR Regulations, is provided in Annexure 9 and is a part of this Report.

**Shareholder Satisfaction Survey**

During the last quarter of FY 2017, Your Company conducted Shareholder Satisfaction Survey to engage more with the Shareholders and to seek your valuable feedback on improving our services. The questionnaire was sent to those Shareholders who have registered their e-mail IDs' with the Company / Registrar and Share Transfer Agent. The survey was also published on social media and Company's website. The feedback was largely positive, which reflects that the investors / Shareholders services provided by your Company are satisfactory.

The Summary of responses received as below:



**Transfer to Investor Education and Protection Fund (IEPF)**

Pursuant to Section 124(5) and other applicable provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, Dividends that are unpaid/ unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government. Once unpaid/ unclaimed dividend/ application money for allotment of any securities and due for refund, is transferred to IEPF, no claim shall lie in respect thereof against the Company. To ensure maximum disbursement of unpaid/ unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF.

The Company had transferred unpaid dividend amounts within the statutory period to the IEPF. During the Financial Year 2016-17, unpaid or unclaimed dividend of ₹ 476,758/- was transferred to the IEPF.

Attention is drawn that the unclaimed/ unpaid dividend for the Financial Years 2009-10 and 2010-11 is due for transfer to IEPF during September 2017 and December 2017. In view of this, the Members of the Company, who have not yet encashed their dividend warrant(s) or those who have not claimed their dividend amounts, may write to the Company/ Company's Registrar and Share Transfer Agent, Link Intime India Private Limited.

The details of the consolidated unclaimed/unpaid dividend details as required by the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, for all the unclaimed/ unpaid dividend accounts outstanding (drawn up to the date of Seventeenth Annual General Meeting on July 19, 2016) in terms of the Ministry of Corporate Affairs Notification No. G.S.R 352 (E) dated May 10, 2012 has been uploaded under the Company website: <https://www.mindtree.com/about-us/investors/unpaid-dividend-information>

Further, Pursuant to the provisions of Section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, as amended, stipulates that shares on which dividend has not been paid or claimed for seven consecutive years, then such shares are to be transferred in favor of Investor Education and Protection Fund (IEPF).

Accordingly, the Company through individual notices as on March 31, 2017 and a newspaper notice as on April 4, 2017 in Business Standard and Kannada Prabha requested concerned Shareholders to encash their unclaimed dividend warrants on or before May 25, 2017 in order to circumvent their shares being transferred in favor of IEPF Suspense account.

Post the above due date the Company would go ahead and transfer the shares in favor of IEPF Suspense Account on the date and the manner referred in the said rules, without any further notice. Further, no claim shall lie against the Company in respect of unclaimed dividend amount or shares once the same are transferred in favor of IEPF Authority.

## Auditors

### a) Statutory Auditors:

The Audit Committee and the Board have recommended the proposal to ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 0080725), Statutory Auditors of the Company up to the conclusion of the Nineteenth Annual General Meeting and to authorize the Board of Directors or Committee thereof to fix their remuneration. The Company has received a certificate from the Auditors to the effect that the ratification of appointment, if made, would be in accordance with limits specified by the Act and that, they meet the criteria of independence. The proposal of their ratification is included in the notice of ensuing Annual General Meeting.

### b) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been carried out by Mr. G Shanker Prasad, Practising Company Secretary.

## Auditor's Report and Secretarial Audit Report

The Auditor's report and Secretarial Audit Report do not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is annexed as Annexure 8 and is a part of this report.

## Particulars of Employees

Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in Annexure 3 to the Directors' Report. As per the proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of employees posted and working outside India not being Directors or their relatives, drawing the salary in excess of the prescribed limits under the above rules need not be included in the statement but, such particulars shall be furnished to the Registrar of Companies. Accordingly, the statement included in this report does not contain the particulars of employees who are posted and working outside India. If any Member is interested in obtaining a copy of the same, such Member may write to the Company in this regard.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow

The particulars as prescribed under Section 134(3) (m) of the Act, read with, Rule 8 of the Companies (Accounts) Rules, 2014, are set out in Annexure 6. The Company has taken several constructive steps to conserve energy through its sustainability initiatives as elaborately disclosed in Business Responsibility Report in this Annual Report.

## Directors' Responsibility Statement

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- I. The financial statements have been prepared in conformity with the applicable Accounting Standards and requirements of the Act to the extent applicable to Company; on the historical cost convention; as a going concern and on the accrual basis. There are no material departures in the adoption of the applicable Accounting Standards.
- II. The Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period.
- III. The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Board of Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- V. The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- VI. The financial statements have been audited by M/s. Deloitte Haskins & Sells, Chartered Accountants, the Company's Auditors.
- VII. The Audit Committee meets periodically with the Internal Auditors and the Statutory Auditors to review the manner in which the Auditors are discharging their responsibilities and to discuss audit, internal control and financial reporting issues.
- VIII. To ensure complete independence, the Statutory Auditors and the Internal Auditors have full and free access to the Members of the Audit Committee to discuss any matter of substance.

## Management Discussion and Analysis Report

Management Discussion and Analysis Report as required under LODR Regulations, is disclosed separately in this Annual Report.

## Corporate Social Responsibility Initiatives

As part of its Corporate Social Responsibility (CSR) initiatives, Your Company has undertaken several projects in accordance with Schedule VII of the Act. Mindtree implements its CSR initiatives via three channels:

- Directly by Mindtree;
- Through Mindtree Foundation;
- Through "Individual Social Responsibility" programs undertaken by Mindtree Minds and supported by Mindtree as appropriate.

Further, Mindtree's CSR primarily focuses on programs that:

- Benefit the differently abled;
- Promote education;
- Create sustainable livelihood opportunities.

The Annual Report on CSR activities, is annexed herewith as Annexure 7.

**Quality Initiatives and Certifications**

Your Company continues its journey of delivering value to its clients through investments in quality programs. Your Company has adopted several external benchmarks and certifications. Your Company is certified under various standards to meet clients' requirements and enhancing valuable delivery and following is the summary of certifications held by your Company.

Certificate Name	Issuing Authority	Certification Date	Certificate Expiry Date	Frequency of Surveillance Audits	Description
PCI-DSS V 3.1	Trustwave	March 01, 2017	February 28, 2018	Annual	The Payment Card Industry Data Security Standard (PCI DSS) is a proprietary information security standard for organizations that handle branded credit cards from the major card schemes including Visa, MasterCard, American Express, Discover, and JCB.
CMMI SVC L3 Ver 1.3	QAI	March 27, 2014	March 27, 2017 (renewal certificate awaited)	Once in 3 years	CMMI for services (CMMI-SVC) model, which is a comprehensive set of guidelines that helps organizations in the Services industry domain, to establish and improve processes for delivering services.
ISO/IEC 20000-1:2011	BSI	November 28, 2016	November 27, 2019	Once in 3 years	ISO/IEC 20000 is an international IT standard that allows companies to demonstrate excellence and prove best practice in IT management.
ISO 14001:2004	BSI	September 21, 2016	September 14, 2018	Once in 2 years	ISO 14001:2004 specifies requirements for an environmental management system to enable an organization to develop and implement a policy and objectives which take into account legal requirements and other requirements to which the organization subscribes, and information about significant environmental aspects.
BS OHSAS 18001:2007	BSI	September 21, 2016	September 24, 2019	Once in 3 years	BS OHSAS 18001 is a truly international standard which sets out the requirements for occupational health and safety management good practice for any size of organization.
Information Security Management System - ISO/IEC 27001:2013	BSI	May 18, 2015	May 09, 2018	Once in 3 years	ISO/IEC 27001 (ISO 27001:2013) is the international standard that describes best practice for an Information Security Management System (ISMS). Accredited certification to ISO 27001 demonstrates that an organization is following international information security best practices.
CMMI Dev L5 Ver 1.3	QAI	June 08, 2016	June 09, 2019	Once in 3 years	CMMI for development contains practices that cover project management, process management, systems engineering, hardware engineering, software engineering and other supporting processes used in development and maintenance.

### Business Responsibility Report

Your Company has prepared Business Responsibility Report in line with LODR Regulations, which is annexed to this Annual Report. The said report comprehensively covers your Company's philosophy on Corporate Social Responsibility, its sustainability activities pertaining to efforts on conservation of environment, conducting green awareness events, its commitment towards society, enhancing primary education, initiatives and activities taken up as part of this philosophy for the year 2016-17.

### Code of Conduct for Prevention of Insider Trading in Mindtree securities

Your Company has formulated Code of Conduct for Prevention of Insider Trading in Mindtree Securities ("Code") in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons and other Mindtree Minds. Mr. Jagannathan Chakravarthi, CFO, continues to act as Compliance Officer under the Code.

### Internal Control Systems and Adequacy of Internal Financial Controls

Your Company has a proper and adequate system of internal controls. Adequate internal controls ensures transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

An extensive programme of internal audits and management reviews supplements the process of internal financial control framework. Documented policies, guidelines and procedures are in place for effective management of internal financial controls. The internal financial control framework design ensures that the financial and other records are reliable for preparing financial and other statements. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal teams test identified key controls. The internal auditors also perform an independent check of effectiveness of key controls in identified areas of internal financial control reporting.

The Audit Committee, which comprises of professionally qualified Directors, interacts with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the internal auditor. To maintain its objectivity and independence, the internal auditor reports to the Chairman of the Audit Committee of the Board. The internal auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions proposed to fix the observations are presented to the Audit Committee of the Board.

### Any other material changes and commitments

Any material changes and commitments affecting the financial position of the Company, occurred between April 1, 2017 and the date of signing this Report has been reported in the financial statements.

### Audit Committee Recommendation

During the year, all recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

### Extract of Annual Return

The details forming part of extract of Annual Return in Form MGT-9 is annexed herewith, as Annexure 4.

### Significant & Material Orders passed by Regulators or Courts

There are no significant and material orders passed by Regulators or Courts, during the year under review.

### Particulars of Loans, Guarantees and Investments u/s 186

Pursuant to Section 186 of the Act and LODR Regulations, disclosure on particulars relating to loans, guarantees and investments are provided in the financial statements.

### Risk Management Policy

At Mindtree, Enterprise Risk Management (ERM) is an organization wide function looking into the risks which can have an adverse impact on Mindtree's business. ERM encompasses areas of organizational exposure to risk (financial, strategic, operational and compliance). ERM also provides a structured process for management of risks whether those risks are quantitative or qualitative in nature.

Our risk framework is based on standards such as COSO, ISO 31000:2009 and IRM Risk Management Standard which enable us to structure our systems and mechanisms of risk management effectively. ERM involves risk identification, assessment and risk mitigation planning for strategic, operational, compliance and financial related risks across business units, functions and geographies.

### Listing Fees

The Company affirms that the annual listing fees for the year 2017-18 to both National Stock Exchange of India Limited (NSE) and BSE Limited (Bombay Stock Exchange) has been paid.

### Acknowledgements

The Board places on record, their deep sense of appreciation to all the Mindtree Minds, support staff, for adopting to the values of the Company, viz., collaborative spirit, unrelenting dedication and expert thinking, for making Mindtree an expertise led organization and the Company's customers for letting us deliver the Company's Mission statement, to engineer meaningful technology solutions to help the businesses and societies flourish. The Board also immensely thank all the Departments of Government of India, Central Government, State Government, Tax Authorities, Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, Stock Exchanges and other governmental/ Semi-governmental bodies and look forward to their continued support in all future endeavors . The Board also would like to thank our Shareholders, investors, vendors, service providers, bankers and academic institutions and all other stakeholders for their continued and consistent support to the Company during the year.

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: April 20, 2017

**Krishnakumar Natarajan**  
Chairman

## Annexure 1

## Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with Rule 5 of Companies (Accounts) Rules, 2014]

## Financial Summary of the Subsidiary Companies

₹ in million

Name of Subsidiary	Mindtree Software (Shanghai) Co. Ltd		Discoverure Solutions LLC (consolidated)	
	As at March 31		As at March 31	
	2017	2016	2017	2016
Particulars				
Members' Funds	NA	NA	64	117
Share capital	14	14	NA	NA
Reserves and Surplus	(2)	(2)	NA	NA
Total Assets	13	13	279	331
Total Liabilities	1	1	215	214
Details of investments	-	-	-	-
Total income	14	19	776	967
<b>Profit /(Loss) before taxation</b>	-	<b>1</b>	<b>61</b>	<b>68</b>
Provision for taxation	-	-	33	55
Profit /(Loss) after taxation	-	1	28	13
Proposed dividend	-	-	-	68
% of shareholding	100%	100%	100%	100%
<b>Reporting Currency</b>	<b>RMB</b>	<b>RMB</b>	<b>USD</b>	<b>USD</b>
Exchange Rate to INR on March 31	9.4115	10.2754	64.8500	66.2550

Name of Subsidiary	Bluefin Solutions Limited (consolidated)		Relational Solutions Inc.	
	As at March 31		As at March 31	
	2017	2016	2017	2016
Particulars				
Members' Funds	-	-	-	-
Share capital	-	-	-	-
Reserves and Surplus	594	702	(13)	7
Total Assets	961	1,172	46	44
Total Liabilities	367	470	59	37
Details of investments	-	-	-	-
Total income	2,411	2,197	160	115
<b>Profit /(Loss) before taxation</b>	<b>(76)</b>	<b>157</b>	<b>(20)</b>	<b>7</b>
Provision for taxation	2	-	-	-
Profit /(Loss) after taxation	(78)	157	(20)	7
Proposed dividend	-	95	-	-
% of shareholding	100%	100%	100%	100%
<b>Reporting Currency</b>	<b>GBP</b>	<b>GBP</b>	<b>USD</b>	<b>USD</b>
Exchange Rate to INR on March 31	80.9025	95.4725	64.8500	66.2550

Name of Subsidiary	Magnet 360, LLC (Consolidated)	
	As at March 31	
Particulars	2017	2016
Share capital/Members' Funds	969	969
Reserves and Surplus	(495)	(327)
Total Assets	886	925
Total Liabilities	412	283
Details of investments	-	-
Total income	2,052	428
Profit /(Loss) before taxation	(161)	(16)
Provision for taxation	-	-
Profit /(Loss) after taxation	(161)	(16)
Proposed dividend	-	-
% of shareholding	100%	100%
Reporting Currency	USD	USD
Exchange Rate to INR on March 31	64.8500	66.2550

Note: The detailed financials of the Subsidiary Companies shall be made available to any Shareholder seeking such information.

For and on behalf of the Board of Directors

**N. Krishnakumar**  
Executive Chairman

**Rostow Ramanan**  
CEO & Managing Director

**Jagannathan Chakravarthi**  
Chief Financial Officer

**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017



## Annexure 2

## A. Details of unclaimed shares as per LODR Regulations

- (a) As required under the LODR Regulations, the Registrar and Share Transfer Agent of the Company has sent three reminders to the Shareholders whose shares were lying in the escrow account with the Company, unclaimed/undelivered. These unclaimed/undelivered shares amounting to 788 of 11 Shareholders have been transferred to a Demat Suspense Account opened by the Company as required under LODR Regulations, when no response was received from any Shareholders to the reminders.

The status of the aforesaid unclaimed shares, as on March 31, 2017 is given below:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding shares lying in the Demat Suspense Account as on April 1, 2016	11	788
Number of Shareholders/ legal heirs who approached the Company for transfer of shares from the Demat Suspense Account during FY 2016-17	-	-
Number of Shareholders / legal heirs to whom the shares were transferred from the Demat Suspense Account upon receipt and verification of necessary documents during FY 2016-17	-	-
Aggregate number of Shareholders and outstanding shares held in the Demat Suspense Account as on March 31, 2017	11	788

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

- (b) As required under LODR Regulations, the Registrar and Share Transfer Agent of the Company has sent three reminders to the Shareholders whose physical shares were unclaimed/undelivered. These unclaimed/undelivered shares have been transferred to Unclaimed Suspense Account opened by the Company as required under LODR Regulations, when no response was received from any Shareholders to the reminders.

The status of the aforesaid unclaimed shares, as on March 31, 2017 is given below:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2016	309	61,160
Number of Shareholders/ legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account during FY 2016-17	5	540
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents during FY 2016-17	5	540
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2017	304	60,620

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## B. Employee Stock Option Plans and Mindtree Employee Restricted Stock Purchase Plan 2012 (ESPS or ERSP 2012)

A Reconciliation Statement of the Equity Shares approved in-principle by Stock Exchanges, allotted and listed till March 31, 2017 is given below:

Particulars	ESOP 1999 (Program-1)	ESOP 2001 (Program-2)	ESOP 2006(a) (Program-3)	ESOP 2006(b) (Program-4)	DSOP 2006 (Program-6)	ESOP 2008 A (Program-5)	ESOP 2010 A (Program-7)	Mindtree Employee Restricted Stock Purchase Plan 2012 (ESPS or ERSP 2012) (Program-8)
In-principle approvals received from BSE and NSE (Pre and Post Bonus)	196,381	894,808	366,500	7,497,150	575,000	461,192	1,135,000	2,085,375
Less: No. of equity shares allotted & listed	188,004	791,552	239,557	1,988,076	260,000	176,219	-	322,887
Less: No. of options lapsed and not intending to be issued	8,377	101,576	126,943	5,509,074	315,000	139,517	1,135,000	-
<b>Balance number of equity shares</b>	<b>-</b>	<b>1,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145,456</b>	<b>-</b>	<b>1,762,488</b>

For and on behalf of the Board of Directors

**Krishnakumar Natarajan**  
Chairman

Place: Bengaluru  
Date: April 20, 2017

## Annexure 3

## Details of Ratio of Remuneration of Directors

[Section 197(12) of the Act, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year	Name of the Director	Ratio to the Median
	Krishnakumar Natarajan	40.04
	Rostow Ravanan	15.55
	N S Parthasarathy	18.52
	Subroto Bagchi	20.40 <sup>1</sup>
	Albert Hieronimus	9.11
	Ramesh Ramanathan <sup>2</sup>	1.30
	Pankaj Chandra	11.40 <sup>3</sup>
	Apurva Purohit	2.34
	Manisha Girotra	2.34
	Milind Sarwate <sup>4</sup>	1.64
	Akshaya Bhargava <sup>5</sup>	2.21
	<sup>1</sup> Includes remuneration for FY 15-16 paid in the current FY 16-17.	
	<sup>2</sup> Part of the year till October 21, 2016.	
	<sup>3</sup> Pursuant to exercise of DSOP.	
	<sup>4</sup> Part of the year effective July 19, 2016.	
	<sup>5</sup> Part of the year effective December 12, 2016.	
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	Name of the Director/ KMP	% change
	Krishnakumar Natarajan	-45.47 <sup>1</sup>
	N S Parthasarathy	-53.84 <sup>1</sup>
	Rostow Ravanan	-57.3 <sup>1</sup>
	Subroto Bagchi	Not comparable <sup>2</sup>
	Albert Hieronimus	-5 <sup>3</sup>
	Ramesh Ramanathan	-89 <sup>4</sup>
	Pankaj Chandra	387 <sup>5</sup>
	Apurva Purohit	-
	Manisha Girotra	-
	Milind Sarwate <sup>6</sup>	NA
	Akshaya Bhargava <sup>7</sup>	NA
	Jagannathan Chakravarthi	21.95
	Vedavalli S	3.44
	<sup>1</sup> Remuneration includes payment based on vesting of Phantom Stock which is linked to share price of the Company. Change in remuneration is negative as there was no Phantom Stock payout in the FY 16-17, due to reduction in the share price of the Company.	
	<sup>2</sup> Change in remuneration is not comparable as remuneration for FY 15-16 was in his capacity as Executive Chairman and remuneration for FY 16-17 was in his capacity as Non-Executive Director.	
	<sup>3</sup> Change in remuneration is negative due to exchange rate fluctuation.	
	<sup>4</sup> Change is negative pursuant to:	
	a. Remuneration being paid for part of the year till October 21, 2016.	
	b. Exercise of DSOP in FY 15-16.	
	<sup>5</sup> Pursuant to the exercise of DSOP in FY 16-17.	
	<sup>6</sup> Appointed as a Director with effect from July 19, 2016.	
	<sup>7</sup> Appointed as a Director with effect from December 12, 2016.	

<p>(iii) The percentage increase in the median remuneration of employees in the Financial Year</p>	<p>The percentage increase in the median remuneration of Mindtree Minds during FY 16-17 is 13%. This has been arrived at, by comparing the median remuneration of the cost-to-the company of all the Mindtree Minds globally as on March 31, 2017 and the median remuneration of the cost-to-the company of all the Mindtree Minds globally as on March 31, 2016. This also has the impact of change in exchange rate.</p>
<p>(iv) The number of permanent employees on the rolls of Company</p>	<p>The total number of Mindtree Minds excluding subsidiaries as on March 31, 2017 was 16,110 and as on March 31, 2016 was 16,223.</p>
<p>(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</p>	<p>The average % of increase was 13% for employees who were in the current compensation review cycle. For the leadership team, the average % of increase in remuneration was -44.94% as compared to previous year 15-16. The change in remuneration being negative, as there was no phantom stock payout in the year 16-17, due to reduction in the share price of the Company. The compensation decisions for each year are taken after considering the following parameters: comparison of Mindtree salaries at various levels with benchmark data and the approved compensation budget as per the financial plan for the Financial Year. In addition the compensation revision of the senior leadership team is approved by the Nomination and Remuneration Committee.</p>
<p>(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.</p>	<p>Yes, the remuneration is as per the remuneration policy of the Company.</p>

Information as required under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forming part of the Directors' Report for the Financial Year ended March 31, 2017

A. Top 10 Employees (in terms of remuneration)

Sl. No.	Employee Name	Designation in the Company	Qualification	Age (in years)	Previous Employer	Total Experience (in years)	Designation at Previous Employment	Date of Joining	Amount (in ₹)*	Country of Employment
1	Paul Gottsegen	Senior Vice President	MBA	54	Infosys Limited	28.50	VP, CMO	1-Oct-2013	41,711,962	US
2	Guita Blake	Senior Vice President	MS	54	Atos	25.00	Head of System Integration	1-Feb-2016	36,434,887	UK
3	Sunil Oberoi	Senior Vice President	MA	44	Symphony Teleca (now Harman India)	22.00	Sr. Vice president	12-May-2015	35,786,466	US
4	Krishnakumar Natarajan	Executive Chairman	PGDM	59	Wipro Technologies	36.00	Group President	5-Aug-1999	34,185,120	India
5	Scott D Staples	President	MBA	51	Cambridge Technology	25.90	Director	5-Aug-1999	33,217,283	US
6	Raamkumar Raamkumar	General Manager - Business Development	PGDBA	49	Tejas Networks Ltd	26.20	Director - Services Sales	2-Jan-2012	30,020,805	US
7	Ramachandran Ramakrishnan	Senior Vice President	MBA	48	Powertel Boca Ltd	29.00	Technical Support Manager	27-Mar-1997	23,344,016	US
8	Joelle Smith	Vice President	B.Sc.	41	Alliance Global Services	18.00	VP Sales	17-Jul-2012	23,164,040	US
9	Ralf Reich	Associate Vice President	Diploma in Financial Management	55	Wipro	29.00	Vice President	1-Apr-2014	22,910,023	Germany
10	Pankaj Choudhary	Vice President	MBA	46	Cognizant Technology Solutions	24.00	Sr. Account Executive	21-May-2009	21,451,274	US

\* For employees based Overseas, the exchange rates as on March 31, 2017 have been used for conversion to INR.

**B. Employees drawing remuneration of ₹ 1.02 crore or above per annum posted in India (other than Employees included in A above)**

Sl. No.	Employee Name	Designation in the Company	Qualification	Age (in years)	Previous Employer	Total Experience (in years)	Designation at Previous Employment	Date of Joining	Amount (in ₹)
1	Suresh H P	Senior Vice President	M.TECH	50	Abacus International	26	Staff Analyst	2-Nov-2000	10,283,071
2	Rostow Ravanan	CEO & Managing Director	CA, CS	46	Lucent Technologies	23	Business Value Manager	5-Aug-1999	13,274,905
3	Ramesh Gopalakrishnan	Executive Vice President	BE	49	Tata Infotech	26	Core Member E-Commerce Group	14-Aug-2000	13,608,502
4	Ram C Mohan	Executive Vice President	BE	54	Vinciti AQ	32	Chief Operations Officer	19-Jan-2006	15,967,891
5	N S Parthasarathy	Executive Vice Chairman, President & COO	M.TECH	56	Wipro Technologies	33	General Manager	14-Aug-1999	15,812,456
6	Madhusudhan K M	Chief Technology Officer	M.TECH	48	Misys International Financial Systems Pvt Ltd	25	Principal Architect	25-Oct-2006	11,272,328
7	Jagannathan Narasimhan Chakravarthi	Vice President & CFO	CA	44	Bharti Airtel Limited	20	Deputy General Manager - Finance	27-Apr-2009	10,407,120
8	Gaurav Johri	Senior Vice President	PGDM	46	On mobile Asia Pacific	20	Sub-Head, Corporates & M Commerce	25-Feb-2008	17,361,413
9	Erwan Carpentier	Senior Vice President	LLB	43	Wipro Limited	15	Legal Head of Europe	12-Jan-2015	15,153,362

**C. Employees employed for part of the year with an average salary of ₹ 8.5 Lakh per month posted in India**

Sl. No.	Employee Name	Designation in the Company	Qualification	Age (in years)	Previous Employer	Total Experience (in years)	Designation at Previous Employment	Date of Joining	Amount (in ₹)
1	Radha R	Executive Vice President	PGDM	50	IBM	26	Country Manager - Alliances	19-Jan-2001	16,807,689
2	Subroto Bagchi*	Director	BA	60	Lucent Technologies	42	Vice President	1-Sep-1999	15,418,480
3	Veeraraghavan R K	Executive Vice President	M.Sc	50	Wipro Technologies	29	Technical Manager	3-Nov-1999	16,440,929

\* Remuneration related to FY 15-16 (in his role as Executive Chairman) paid in the current FY 2016-17.

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: April 20, 2017

Krishnakumar Natarajan  
Chairman

## Annexure 4

## Form No. MGT-9

## Extract of Annual Return as on the Financial Year ended on March 31, 2017

[Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. Registration and Other Details:

Particulars	Details
CIN	L72200KA1999PLC025564
Registration Date	August 05, 1999
Name of the Company	Mindtree Limited
Category/Sub-Category of the Company	Public Company Company having share capital
Address of the Registered Office and contact details	Global Village, RVCE Post, Mysore Road, Bengaluru - 560 059, Karnataka. Telephone: +91 80 6706 4000 e-mail: <a href="mailto:investors@mindtree.com">investors@mindtree.com</a> Website: <a href="http://www.mindtree.com">www.mindtree.com</a>
Whether listed Company: Yes / No	Yes. Listed on BSE Limited (Bombay Stock Exchange) and National Stock Exchange of India Limited (NSE)
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai- 400 083, India. Tel: +91 22 4918 6000   Fax: +91 22 4918 6060 e-mail: <a href="mailto:mt.helpdesk@linkintime.co.in">mt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

## II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company is as below:

Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
Computer Programming, Consultancy and Related Activities	620	100

III. Particulars of Holding, Subsidiary and Associate Companies

Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares/ membership held	Applicable Section
Mindtree Software (Shanghai) Co. Ltd,	Room 541, Standard Chartered Tower, No. 201 Century Avenue, Pudong, Shanghai, China	(2013) 0229	Subsidiary	100	2(87)
Discoverure Solutions, LLC	16100 North 71st Street, Suite 250, Scottsdale, Arizona 85254, USA	File No.L-10475476-6	Subsidiary	100	2(87)
Relational Solutions Inc.	24601 Center Ridge Rd, Westlake, OH 44145, USA	930389	Subsidiary	100	2(87)
Bluefin Solutions Limited	Building 4, Chiswick Park ,566 Chiswick High Road ,London W4 5YE, United Kingdom	4479276	Subsidiary	100	2(87)
Bluefin Solutions Pre. Limited	38 South Beach Road ,# 29-11 South Beach Tower, Singapore 189767	201220020M	Step-Down Subsidiary	100	2(87)
Bluefin Solutions Inc.	200 S Wacker Drive Floor 31 Chicago, IL 60606, USA	4480544	Step-Down Subsidiary	100	2(87)
Bluefin Solutions Sdn. Bhd	Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar, Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia	829837 U	Step-Down Subsidiary	100	2(87)
Blouvin (Pty) Limited	1.1 Lansdown Road, Claremont, 7708, South Africa	2009/023202/07	Step-Down Subsidiary	100	2(87)
Magnet 360, LLC	5757 Wayzata Boulevard Minneapolis, MN 55416, USA	2778888-2	Subsidiary	100	2(87)
Numerical Truth, LLC	5757 Wayzata Boulevard Minneapolis, MN 55416, USA	3969262-2	Step-Down Subsidiary	100	2(87)
Reside, LLC	5757 Wayzata Boulevard Minneapolis, MN 55416, USA	41 1954427	Step-Down Subsidiary	100	2(87)
M360 Investments, LLC	5757 Wayzata Boulevard Minneapolis, MN 55416, USA	4102594-2	Step-Down Subsidiary	100	2(87)



#### IV. Shareholding Pattern (Equity Share capital break up as % to total Equity)

(i) Category wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>A. PROMOTERS</b>							
<b>1) Indian</b>							
a) Individual/ HUF	16,832,870	-	16,832,870	16,823,110	-	16,823,110	(0.0201)
b) Central Govt. or State Govt.	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-
e) Any other (Persons Acting in Concert (PAC))	3,680,872	-	3,680,872	3,695,372	-	3,695,372	0.0055
<b>SUB TOTAL (A) (1)</b>	<b>20,513,742</b>	<b>-</b>	<b>20,513,742</b>	<b>20,518,482</b>	<b>-</b>	<b>20,518,482</b>	<b>(0.0146)</b>
<b>2) Foreign</b>							
a) NRI-Individuals	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-
e) Any other-Foreign Promoter Company	2,571,984	-	2,571,984	2,446,984	-	2,446,984	(0.0766)
<b>SUB TOTAL (A) (2)</b>	<b>2,571,984</b>	<b>-</b>	<b>2,571,984</b>	<b>2,446,984</b>	<b>-</b>	<b>2,446,984</b>	<b>(0.0766)</b>
<b>Total Shareholding of Promoters (A)= (A)(1)+(A)(2)</b>	<b>23,085,726</b>	<b>-</b>	<b>23,085,726</b>	<b>22,965,466</b>	<b>-</b>	<b>22,965,466</b>	<b>(0.0912)</b>
<b>B. PUBLIC SHAREHOLDING</b>							
<b>1) Institutions</b>							
a) Mutual Funds	10,459,261	-	10,459,261	11,235,659	-	11,235,659	0.4532
b) Banks/ FI	82,232	-	82,232	688,793	-	688,793	0.3609
c) Central Govt.	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-
g) FIs (including Foreign Portfolio Investors)	70,108,810	-	70,108,810	65,845,349	-	65,845,349	(2.5969)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-
<b>SUB TOTAL (B) (1)</b>	<b>80,650,303</b>	<b>-</b>	<b>80,650,303</b>	<b>77,769,801</b>	<b>-</b>	<b>77,769,801</b>	<b>(1.7828)</b>

Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>B. PUBLIC SHAREHOLDING</b>							
<b>2) Non Institutions</b>							
a) Bodies corporates	34,894,018	200	34,894,218	32,612,656	-	32,612,656	19.4093 (1.3875)
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8,907,916	202,573	9,110,489	11,666,129	154,681	11,820,810	7.0551 1.6053
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	11,815,000	1,12,640	11,927,640	13,456,190	118,540	13,574,730	8.0790 0.9701
c) Others (specify)							
Clearing Member	590,987	-	590,987	1,178,662	-	1,178,662	0.7015 0.3493
Foreign Nationals	796,028	44,210	840,238	604,110	50,771	654,881	0.3898 (0.1110)
Hindu Undivided Family	437,482	-	437,482	403,039	-	403,039	0.2399 (0.0209)
Non Resident Indians (Repatriable)	697,828	57,706	755,534	886,097	59,678	945,775	0.5629 0.1126
Non Resident (Non Repatriable)	285,379	-	285,379	449,726	-	449,726	0.2677 0.0976
Directors (excluding Promoter Directors)	5,208,000	-	5,208,000	5,649,750	-	5,649,750	3.3624 0.2585
Trusts	180	-	180	250	-	250	0.00 0.00
<b>SUB TOTAL (B) (2)</b>	<b>63,632,818</b>	<b>417,329</b>	<b>64,050,147</b>	<b>66,906,609</b>	<b>383,670</b>	<b>67,290,279</b>	<b>40.0476 1.8740</b>
Total Public Shareholding (B) = (B) (1) + (B) (2)	144,283,121	417,329	144,700,450	144,676,410	383,670	145,060,080	86.3322 0.0912
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>							
	-	-	-	-	-	-	- -
<b>GRAND TOTAL (A+B+C)</b>	<b>167,368,847</b>	<b>417,329</b>	<b>167,786,176</b>	<b>167,641,876</b>	<b>383,670</b>	<b>168,025,546</b>	<b>100.00 100.00</b>

## (ii) Shareholding of Promoters and Persons Acting in Concert (PAC)

Sl. No	Name of the Promoters and Persons Acting in Concert	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Krishnakumar Natarajan	8,004,172	4.770	-	7,994,412	4.758	-	(0.012)
2.	Subroto Bagchi	5,255,700	3.133	-	5,255,700	3.128	-	(0.005)
3.	LSO Investment Private Limited	2,571,984	1.533	-	2,446,984	1.456	-	(0.077)
4.	N S Parthasarathy	2,404,562	1.433	-	2,404,562	1.431	-	(0.002)
5.	Rostow Ravanan	1,168,436	0.696	-	1,168,436	0.695	-	(0.001)
6.	Susmita Bagchi	2,769,300	1.650	-	2,769,300	1.648	-	(0.002)
7.	Akila Krishnakumar	840,000	0.501	-	840,000	0.500	-	(0.001)
8.	Sanjay Kumar Panda	60,000	0.036	-	60,000	0.036	-	-
9.	Seema Ravanan	11,572	0.007	-	16,072	0.010	-	0.003
10.	Siddarth Krishna Kumar	-	-	-	10,000	0.006	-	0.006
	<b>Total</b>	<b>23,085,726</b>	<b>13.759</b>		<b>22,965,466</b>	<b>13.668</b>		

Note:

- Promoters & Persons Acting in Concert (as defined under SEBI Regulations)- persons listed in Sl. No.1 to 5 are classified as Promoters and persons listed in Sl. No. 6 to 10 are classified as Persons Acting in Concert.
- Persons listed in Sl. No. 1, 2, 4 & 5 are also Directors of the Company.

## (iii) Change in Promoter's Shareholding including date wise increase / decrease in each of the Promoter's Shareholding during the year specifying the reasons for increase / decrease

	Krishnakumar Natarajan	Subroto Bagchi	LSO Investment Private Limited	N S Parthasarathy	Rostow Ravanan	Cumulative Shareholding (Total No. of shares)	Reason for Change
Shares as on April 1, 2016 (At the beginning of the year)	8,004,172	5,255,700	2,571,984	2,404,562	1,168,436	19,404,854	
% of total shares of the Company as on April 01, 2016 (At the beginning of the year)	4.770%	3.133%	1.533%	1.433%	0.696%	11.565%	
Date wise increase/ decrease during the year (Sale/ Purchase/ Allotment/ Transfer/ Bonus)							
May 17, 2016	-	-	(2,066)	-	-	19,402,788	Sale
May 23, 2016	-	-	(39,894)	-	-	19,362,894	Sale
May 24, 2016	-	-	(18,040)	-	-	19,344,854	Sale
November 17, 2016	(10,000)*	-	(40,000)**	-	-	19,294,854	*Transfer by way of gift ** Sale
February 23, 2017	-	-	(25,000)	-	-	19,269,854	Sale
March 01, 2017	240	-	-	-	-	19,270,094	Purchase
Shares as on March 31, 2017 (At the end of the year)	7,994,412	5,255,700	2,446,984	2,404,562	1,168,436	19,270,094	
% of total shares of the Company as on March 31, 2017 (At the end of the year)	4.758%	3.128%	1.456%	1.431%	0.695%	11.469%	

## (iv) Change in Shareholding of Persons Acting in Concert (PAC) including date wise increase / decrease in each of the PAC's Shareholding during the year specifying the reasons for increase / decrease

	Susmita Bagchi	Akila Krishnakumar	Sanjay Kumar Panda	Seema Ravanan	Siddarth Krishna Kumar	Cumulative Shareholding (Total No. of shares)	Reason for Change
Shares as on April 1, 2016 (At the beginning of the year)	2,769,300	840,000	60,000	11,572	-	3,680,872	
% of total shares of the Company as on April 01, 2016 (At the beginning of the year)	1.650%	0.501%	0.036%	0.007%	-	2.194%	
Date wise increase/ decrease during the year (Sale/ Purchase/ Allotment/ Transfer/ Bonus)							
May 03, 2016	-	-	-	4,500	-	3,685,372	Purchase
November 17, 2016	-	-	-	-	10,000	3,695,372	Receipt by way of gift
Shares as on March 31, 2017 (At the end of the year)	2,769,300	840,000	60,000	16,072	10,000	3,695,372	
% of total shares of the Company as on March 31, 2017 (At the end of the year)	1.648%	0.50%	0.036%	0.01%	0.006%	2.20%	

## (v) Shareholding of Directors (excluding Promoter Directors) and KMP

	Albert Hieronimus (Independent & Non-Executive Director)	Ramesh Ramanathan (Independent & Non-Executive Director)*	Pankaj Chandra (Independent & Non-Executive Director)	V G Siddhartha (Non-Executive Director)	Jagannathan Chakravarthi (Chief Financial Officer)	Cumulative Shareholding (Total No. of shares)	Reason for Change
Shares as on April 1, 2016 (At the beginning of the year)	140,000	40,000	-	5,028,000	3,650	5,211,650	
% of total shares of the Company as on April 01, 2016 (At the beginning of the year)	0.083%	0.024%	-	2.997%	0.002%	3.106%	
Date wise increase/ decrease during the year (Sale/ Purchase/ Allotment/ Transfer/ Bonus)							
April 29, 2016	-	-	40,000	-	-	5,251,650	Acquired shares by way of DSOP
August 23, 2016	-	-	-	-	4,340	5,255,990	Acquired shares by way of ESPS / ERSP 2012
September 15, 2016	-	-	-	200,000	-	5,455,990	Purchase
November 04, 2016	-	-	-	131,634	-	5,587,624	Purchase
November 07, 2016	-	-	-	75,366	-	5,662,990	Purchase
November 08, 2016	-	-	-	15,000	-	5,677,990	Purchase
November 11, 2016	-	-	-	9,250	-	5,687,240	Purchase

November 15, 2016	-	-	-	10,500	-	5,697,740	Purchase
February 08, 2017	-	-	-	-	(8)	5,697,732	Sale
Shares as on March 31, 2017 (At the end of the year)	140,000	40,000	40,000	5,469,750	7,982	5,697,732	
% of total shares of the Company as on March 31, 2017 (At the end of the year)	0.083%	0.024%	0.024%	3.255%	0.005%	3.391%	

\* Resigned on October 21, 2016.

**Note:**

1. Ms. Apurva Purohit, Ms. Manisha Girotra, Mr. Milind Sarwate and Mr. Akshaya Bhargava, Independent Directors did not hold any equity shares of the Company as on March 31, 2017.
2. Vedavalli S, Company Secretary did not hold any equity shares of the Company as on March 31, 2017.

## (vi) Shareholding Pattern of top ten Shareholders (other than Directors, KMP &amp; Promoters)

	Coffee Day Enterprises Limited	Nalanda India Fund Limited	Coffee Day Trading Limited	Amansa Holdings Private Limited	Matthews India Fund	Rekha N Shah	Franklin Templeton Mutual Fund A/c	S Janakiraman	Ontario Teachers' Pension Plan Board Managed by Arohi Asset Management Pte Ltd-NP9Q	Nalanda India Equity Fund Limited	Cumulative Shareholding (Total No. of Shares)	Reason for change
Shares as on April 1, 2016 (At the beginning of the year)	17,461,768	15,796,356	10,594,244	2,425,456	5,406,584	-	2,367,368	3,021,514	3,506,612	2,859,520	63,439,422	Opg. Bal
% of total shares of the Company as on April 01, 2016 (At the beginning of the year)	10.407%	9.415%	6.314%	1.446%	3.222%	-	1.411%	1.801%	2.090%	1.704%	37.810%	Opg. Bal
Date wise increase/decrease during the year (Sale/ Purchase/ Allotment/ Transfer/Bonus)												
June 10, 2016	-	-	-	-	100,000	-	-	(5,000)	-	-	63,534,422	Purchase / Sale
June 24, 2016	-	-	-	-	-	-	-	(5,027)	-	-	63,529,395	Sale
June 30, 2016	-	-	-	-	-	-	32,596	-	-	-	63,561,991	Purchase
July 08, 2016	-	-	-	-	-	-	-	(5,000)	-	-	63,556,991	Sale
August 05, 2016	-	-	-	-	81	-	-	(4,000)	-	-	63,553,072	Purchase / Sale
August 19, 2016	-	-	-	-	162,369	-	-	-	-	-	63,715,441	Purchase
August 26, 2016	-	-	-	-	67,631	-	-	-	-	-	63,783,072	Purchase
September 02, 2016	-	-	-	-	-	-	100,000	-	-	-	63,883,072	Purchase
September 09, 2016	-	-	-	-	-	-	100,000	-	-	-	63,983,072	Purchase
September 23, 2016	-	-	-	3,446,967	-	-	-	-	-	-	67,430,039	Purchase
October 07, 2016	-	-	-	33,225	-	-	-	-	-	-	67,463,264	Purchase
October 21, 2016	-	-	-	-	-	-	50,000	(10,000)	-	-	67,503,264	Purchase / Sale
October 28, 2016	-	-	-	950,000	-	-	200,000	-	(98,653)	-	68,554,611	Purchase / Sale
November 04, 2016	-	-	-	-	-	-	127,489	-	-	-	68,682,100	Purchase

	Coffee Day Enterprises Limited	Nalanda India Fund Limited	Coffee Day Trading Limited	Amansa Holdings Private Limited	Matthews India Fund	Rekha N Shah	Franklin Templeton Mutual Fund A/c	S Janakiraman	Ontario Teachers' Pension Plan Board Managed by Arohi Asset Management Pre Ltd-NP9Q	Nalanda India Equity Fund Limited	Cumulative Shareholding (Total No. of Shares)	Reason for change
November 11, 2016	-	-	-	223,805	-	3,650,000	200,000	-	-	-	72,755,905	Purchase
November 18, 2016	-	-	-	154,852	-	-	20,797	-	-	-	72,931,554	Purchase
November 25, 2016	-	-	-	-	-	-	162,038	-	-	-	73,093,592	Purchase
December 02, 2016	-	-	-	-	(50,000)	-	63,478	(10,000)	(59,000)	-	73,058,070	Purchase / Sale
December 09, 2016	-	-	-	-	(100,000)	-	-	-	(174,950)	-	72,783,120	Sale
December 16, 2016	-	-	-	-	-	-	-	(10,000)	-	-	72,773,120	Sale
December 23, 2016	-	-	-	-	-	-	-	-	(110,721)	-	72,662,399	Sale
December 30, 2016	-	-	-	-	-	-	-	(10,000)	-	-	72,652,399	Sale
December 31, 2016	-	-	-	-	-	-	-	(7,000)	-	-	72,645,399	Sale
January 06, 2017	-	-	-	-	-	-	-	(5,000)	-	-	72,640,399	Sale
January 13, 2017	-	-	-	-	(650,000)	-	-	-	-	-	71,990,399	Sale
February 03, 2017	-	-	-	95,000	-	-	-	-	-	-	72,085,399	Purchase
February 10, 2017	-	-	-	-	-	-	-	-	(151,000)	-	71,934,399	Sale
March 24, 2017	-	-	-	-	-	-	-	(10,000)	-	-	71,924,399	Sale
Shares as on March 31, 2017 (At the end of the year)	17,461,768	15,796,356	10,594,244	7,329,305	4,936,665	3,650,000	3,423,766	2,940,487	2,932,288	2,859,520	71,924,399	Clg. Bal
% of total shares as on March 31, 2017 (At the end of the year)	10.392%	9.401%	6.305%	4.362%	2.938%	2.172%	2.038%	1.750%	1.745%	1.702%	42.806%	Clg. Bal

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Unsecured Loans (Commercial Paper Liability)	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year					
(i) Principal Amount	400,000,000	22,904,500	-	-	422,904,500
(ii) Interest due but not paid	-	-	-	-	-
(iii) Interest accrued but not due	-	572,612	-	-	572,612
<b>Total (i+ii+iii)</b>	<b>400,000,000</b>	<b>23,477,112</b>	<b>-</b>	<b>-</b>	<b>423,477,112</b>
Change in Indebtedness during the Financial Year					
Addition	-	572,612	942,176,646	-	942,749,258
Reduction	(400,000,000)	(5,268,035)	-	-	(405,268,035)
<b>Net Change</b>	<b>(400,000,000)</b>	<b>(4,695,423)</b>	<b>942,176,646</b>	<b>-</b>	<b>537,481,223</b>
Indebtedness at the end of the Financial Year					
(i) Principal Amount	-	18,323,600	935,453,000	-	953,776,600
(ii) Interest due but not paid	-	-	-	-	-
(iii) Interest accrued but not due	-	458,089	6,723,646	-	7,181,735
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>18,781,689</b>	<b>942,176,646</b>	<b>-</b>	<b>960,958,335</b>

Amount in ₹



## VI. Remuneration of Directors and KMP

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Amount in ₹

Particulars of Remuneration	Krishnakumar Natarajan (Executive Chairman)	Rostow Ramanan (CEO & Managing Director)	N S Parthasarathy (Executive Vice Chairman, President and COO)	Subroto Bagchi (Non-Executive Director)*	Total
<b>Gross Salary</b>					
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	33,310,598	12,423,212	15,127,578	15,418,480**	76,279,868
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	60,276	50,860	56,125	-	167,261
(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
Stock Option	-	-	-	-	-
Sweat Equity	-	-	-	-	-
Commission-as % of Profit	-	-	-	-	-
Others – Specify	-	-	-	-	-
Others – Non- taxable reimbursements	814,247	800,833	628,753	-	2,243,833
<b>Total (A)</b>	<b>34,185,121</b>	<b>13,274,905</b>	<b>15,812,456</b>	<b>15,418,480</b>	<b>78,690,962</b>
<b>Overall Ceiling as per the Act</b>					<b>613,258,520</b>

\* Ceased to be Executive Chairman and continues as Non-Executive Director with effect from April 01, 2016.

\*\* Remuneration related to FY 15-16 (in Subroto Bagchi's role as Executive Chairman) paid in the current FY 16-17.

## B. Remuneration to other Directors:

Amount in ₹

Particulars of Remuneration	Name of the Director								Total
	Albert Hieronimus	Ramesh Ramanathan <sup>1</sup>	Pankaj Chandra <sup>2</sup>	Subroto Bagchi	Apurva Purohit	Manisha Girotra	Milind Sarwate <sup>3</sup>	Alshaya Bhargava <sup>4</sup>	
<b>Independent Directors</b>									
Fee for attending Board / Committee meetings	-	-	-	-	-	-	-	-	-
Commission	7,776,175	1,112,903	2,000,000	-	2,000,000	2,000,000	1,403,226	1,888,706	18,181,010
Others, (Perks Tax)	-	-	7,732,438	-	-	-	-	-	7,732,438
<b>Total (1)</b>	<b>7,776,175</b>	<b>1,112,903</b>	<b>9,732,438</b>	<b>-</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>1,403,226</b>	<b>1,888,706</b>	<b>25,913,448</b>
<b>Other Non-Executive Directors</b>									
Fee for attending Board / Committee meetings	-	-	-	-	-	-	-	-	-
Commission	-	-	-	2,000,000	-	-	-	-	2,000,000
Others, please specify	-	-	-	-	-	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>
<b>Total Managerial Remuneration (B)=(1+2)</b>	<b>7,776,175</b>	<b>1,112,903</b>	<b>9,732,438</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>1,403,226</b>	<b>1,888,706</b>	<b>27,913,448</b>
<b>Overall Ceiling as per the Act</b>									<b>61,325,852</b>

<sup>1</sup>Resigned as a Director with effect from October 21, 2016.<sup>2</sup>Includes remuneration arising out of options exercised during FY 16-17.<sup>3</sup>Appointed as Director with effect from July 19, 2016.<sup>4</sup>Appointed as Director with effect from December 12, 2016.

## C. Remuneration to KMP other than MD / Manager /Whole time Director:

Amount in ₹

Particulars of Remuneration	Vedavalli S (Company Secretary)	Jagannathan Chakravarthi (Chief Financial Officer)
<b>Gross Salary</b>		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,106,296	6,802,476
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	2,682,298
(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
<b>Stock Option</b>	-	-
<b>Sweat Equity</b>	-	-
<b>Commission-as % of Profit</b>	-	-
<b>Others – Specify</b>		
Others (Non-taxable reimbursements)	138,041	922,346
<b>Total (C)</b>	<b>3,244,337</b>	<b>10,407,120</b>
<b>Overall Ceiling as per the Act</b>	<b>Not Applicable</b>	

## VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties/punishment or compounding of offences during the year ended March 31, 2017.

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: April 20, 2017

Krishnakumar Natarajan  
Chairman

## Form AOC-2

## Details of Related Party Transactions

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis**

(a) Name(s) of the related party and nature of relationship	<p>Not Applicable. There were no transactions or arrangements which were not at arm's length and which were not in the ordinary course of business during FY 2016-17.</p>
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

**2. Details of material contracts or arrangement or transactions at arm's length basis**

(a) Name(s) of the related party and nature of relationship	<p>Not Applicable. There were no material contracts or arrangements with related parties during FY 2016-17.</p>
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date(s) of approval by the Board	
(f) Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: April 20, 2017

Krishnakumar Natarajan  
Chairman

## Annexure 6

## Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow

[Clause (m) of sub-section (3) of Section 134 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014]

### (A) Conservation of Energy:

Ecological sustainability is a material aspect for your Company. Your Company has taken several initiatives to conserve energy, water, waste minimization and leading to reduction in GHG emission & overall carbon footprint.

Key initiatives as part of the ecological sustainability program during the last Financial Year include replacement over 11,000 CFL fixtures to LED fixtures across Mindtree India offices and thus lowering our carbon emissions by 1,012 tons and energy cost savings of over INR 5 Million/annum. In addition to the lighting fixture change-over, your Company adopted several best practices and improved energy performance index to 1.23 compared 1.32 for the previous year.

Adopting renewable energy is a strategic program to achieve excellence in ecological sustainability. With this vision, your company adopted Solar Power at Mindtree Whitefield Campus. Over 80% of the power demand for this campus, which translates to over 3 Million unit/annum is met through solar power. Your Company reduced over 1,300 tons of carbon emissions by adopting solar power & continues to explore possibilities to adopt renewable energy solution in all its offices.

We achieved significant performance in emission reductions, energy efficiency, water and waste management.

### (B) Technology Absorption:

Your Company has more than 17 years of proven track record of its commitment and investments into technology and innovation as a key differentiator. In this Financial Year, your Company has further sharpened its focus on strategic & emerging technologies and innovation, leading to differentiated business engagement with its customers. Your Company has and is continuing to invest in technologies in alignment to (1) Emerging Technologies (2) Technologies and solutions aligned to your Company's service lines and verticals of focus (3) Platform solutions that are sold in a SaaS (Software as a Service) model.

#### 1 Emerging Technologies

Your Company has consistently invested in technology and innovation to prepare for the future. In this Financial Year, this has been further strengthened by our investments in Centers of Excellence (CoE) under Chief Technology Officer (CTO) organization, tasked with all round concerted thrust on emerging technologies and to understand their role in the context of business of customers.

In these CoEs, the following emerging technologies were explored in depth and several reusable assets were built to enable delivery.

##### Internet of Things

Your Company recognizes that Internet of Things (IoT) will be an area of focus for many of its customers. Your Company has therefore invested in building capabilities in device engineering, IoT specific protocols and application development. Your company has created horizontal solutions for 'Remote Monitoring of Assets' and 'Employee location sensing'. These solutions are targeted at factories and premises. Your Company has also invested in building hardware solutions to integrate with multiple wired and wireless systems, to sense location indoors and outdoors and to enable long-range communication. Your Company already has established credentials in the space of Short Range Wireless Communication and In-vehicle systems. These investments will enable your Company to build and position IoT solutions for its customers and prospects in all its verticals in the areas of Smart Factories, Smart Premises, Connected Travelers, and Connected Vehicles.

Your Company is involved in crucial solution integration and value added reselling partnerships with industry leading IoT PaaS platforms such as ThingWorx™, Microsoft Azure™, IBM Watson IoT, and AWS IoT.

##### Cognitive Computing and Deep Learning

Under the CTO organization, your Company is working on Deep Learning and Cognitive computing to extract information from unstructured text and address vision tasks.

In a world growing increasingly mobile and visual, your Company is working on "Visual Search" and on enabling discovery of items in images. Your Company is working on technologies that would help unlock the value of images by making items within an image as "clickable merchandise".

Your Company is focusing on Deep Learning and related technologies to better understand content, infer context and develop solutions that provide more relevant personalized experiences. These would be used as building blocks for next-generation retail and digital solutions.

Your Company is working on using Deep Learning and Cognitive Computing in various domains such as Travel, Retail, and Education, to predict behavior of consumers and to personalize solutions.

To enable faster machine learning, the CTO organization is making investments in state-of-the-art GPU based systems.

##### Automation

Your Company recognizes that Automation is a business imperative as it is becoming ever so critical to achieve enhanced efficiency, improved productivity and higher quality while realizing significant cost savings and automation will be a big disruptor in the IT

industry. Your Company is therefore working on building solutions for automating various aspects of IT such as build and deployments, cloud management, infrastructure monitoring and management, support and defect triage, problem resolution and Robotic Process Automation. Your Company is investing on building a strategic platform, CAPE (Composable Automated Platform for Enterprises) to rapidly bring together multiple automations at various stages of Enterprise IT lifecycle and integrate them. Your Company is also investing on integrating its work on autonomous computing and cognitive technologies such as Machine Learning and Deep Learning, to be able to achieve intelligent automation systems with capabilities like self-healing and inherently becomes adaptive.

#### **Blockchain**

Blockchain is a new technology that can change how multi-party transactions happen in Banking, Finance, Logistics, and Energy. Blockchain can significantly change how business partners interact with each other and can create new business models around disintermediated transactions. Your Company is investing in Blockchain technologies such as Ethereum and Eris and in building solutions utilizing these technologies in the areas of smart contracts. Your Company will therefore be well positioned to embrace this technology as it becomes mainstream

#### **Augmented Reality and Virtual Reality**

In the world where physical and virtual entities are integrated, Augmented Reality and Virtual Reality will become the next way of interacting with our surroundings and information systems. Augmented Reality provides a way to superimpose information on things as we look at them, and Virtual Reality is a way to interact with systems in 3D. Your Company is considering that this is the next wave of user interaction, and is therefore investing in building capability in these areas. Your Company is investing in building skills in technologies such as Google VR, and Microsoft HoloLens.

#### **Collaboration Solutions**

Your Company has invested in building solutions for collaboration and idea generation, as below:

- **Olympus:** This is a solution that is built to manage ideas and drive collaboration to implement these ideas, in an open-source culture.
- **Idea Generation:** This solution is built for digitizing idea generation techniques, using TRIZ-based techniques such as 9 Windows and Forced Association.
- **Future of Commerce:** This solution is built to demonstrate the future of commerce systems, using a combination of visual search, IoT-based ordering, conversational commerce and Customer 360.
- **Future of Collaboration:** This solution is built to create frictionless collaboration across teams and projects using multiple channels such as video, whiteboards, chats, discussion forums, blogs, and wikis in a contextual manner.

#### **Conversational Applications**

The way users interact with systems is evolving and now, interaction through conversation or chat, is becoming increasingly adopted. This way of interacting, called Conversational Applications, is an area that is expected to become more established, with companies such as Facebook, Google, and Microsoft providing platforms on which to build such applications. Your Company is investing in building frameworks and capability on conversational applications using platforms such as Microsoft Bot Framework, Microsoft LUIS, Facebook Messenger and Google's API.ai. Your Company is also investing in integrating these conversational capabilities with its other capabilities on Automation to be able to build automation solutions that use conversation as a way to interact with systems such as ticketing software.

#### **Resilience Engineering**

As software systems become increasingly complex, and as more and more mission critical tasks require such software systems, it is essential to build systems that are resilient to failure. Your Company recognizes that this requires both engineering discipline, and framework for building systems that are fault tolerant, and self-healing. Your Company is investing in building frameworks for Autonomic Computing, which will enable your Company to build robust, mission critical solutions for its customers.

#### **Emerging Architecture Patterns and Technologies**

Your Company has been building capabilities and reference implementations using Microservices architecture using actor based reactive programming model. Your company also invested in building new-age web applications using MEAN architecture. Your Company also invested in building capabilities & solutions using Client-side technologies like Angular.js, Polymer, ReactJS, Ionic and Cordova. Your Company also recognizes Big Data as being critical to new, data intensive applications, and recognizes that it is essential to architect systems that are able to deal with data at scale. Your Company invested in building capability in architecture patterns that deal with both big data in batch, and in real-time. Your Company has also invested in serverless-architecture.

#### **Future languages, Analytics & data stores**

Your Company invested in building capabilities and solutions using future functional languages like Scala, Clojure, and Erlang. Your Company invested in building capability on new types of data storage, termed NoSQL technologies such as MongoDB, Cassandra, Neo4J, Apache Hadoop, and Apache Giraph. Your Company has also invested in analytics software like Apache Spark, Spark Streaming and Spark SQL, and is investing in other software such as Apache Ignite.

#### **Future Microsoft technologies**

Your Company also invested in building capabilities and solutions using emerging Microsoft technologies like ASP.NET 5, .Net Core, SQL Server 2016, HDInsight, Azure ML, Service Fabric, Xamarin, Azure Functions and Containers.

### **2A. Solutions for Verticals and Service Lines: Insurance**

Your Company tracks trends in the Insurance Industry, and is focused on conceptualizing and evangelizing key solutions and accelerators

for better Time to Market for Products, moving from product centric to customer centric selling, and expansion with new partners, new geographies and adopting new technologies. Your Company's Insurance Industry Practice targets the "Insurer of the future" to be focused on Experience, Agility and Efficiency and is developing solutions, building proof of concepts, building digital innovation and building an incubation lab. These investments are starting to yield results and we are seeing traction with our clientele and analyst interactions. These solutions are listed here:

#### **Digital Engagement Platforms**

This digitally enabled solution is conceptualized for the Insurance Industry to have an intuitive and insight driven advice process for enabling quicker and more efficient buying and servicing decisions. This digital solution framework is built for assisted (intermediary facilitated) and non-assisted (customer direct) insurance selling and post-sale servicing process, thus addressing a wide spectrum of Insurers. This data-driven insight is provided to the insurance buyer at every stage of the buying process, including interactive advice through a proactive chat-bot which uses real time data analytics to suggest coverages to opt for, limits to apply and insights on what other customers bought for similar risks. The solution is focused to tap into the Small and Medium Business (SME) in Commercial Insurance, and is extendable to Personal Lines and Life Insurance business process in near future.

#### **Conversational Insurance Agent**

This digital solution is a contextual Customer engagement service available for Insurers through interactive Chat Bots which aid in replacing human intensive tasks of traditional support provided for Insurance customers through call centers / IVRs / CSRs. These automated bots handle varied insurance services in the areas of Customer non-financial Enquiries, Premium Payment / Renewal based financial transactions, Premium due / Renewal reminders / Cross sell based Proactive interactions and Product related / Coverage related Advice based processes. The solution accelerator is supported by Natural Language processing and Machine learning tools.

#### **Business Operations Optimization**

This solution is focused on Automation of simple to medium manual / human intensive / transactional processes in Insurance companies utilizing technologies like Robotic Process Automation and Natural Language Processing algorithms. The key benefit of this solution is to bring in efficiency and quality into repetitive back office processes, enable digital operational models by providing extended operating hours (24 x 7) and rapid scaling & handling of peaks and troughs.

### **2B. Solutions for Verticals and Service Lines: Banking and Financial Services (BFS)**

Under the BFS practice and packages organization, your Company is working on using innovative technologies to solve challenges in niche areas in the banking and capital markets value chain. In this Financial Year, your Company has focused on the developing solutions in disruptive technologies aimed at helping banks and financial institutions address regulatory obligations and other path breaking solutions in the banking, securities and payment industry. These investments are starting to yield results and we are seeing traction with our clientele and analyst interactions.

#### **Trade Reporting Control Framework**

Your Company has built a product which addresses reporting obligations to be made to the regulator for various regulations like Dodd Frank, EMIR and MiFID 2. The product provides multi regulation support, pre-submission validations and dashboard which interfaces with source systems in the upstream and trade repositories in the downstream. This product was built in association with a leader in the GRC space.

#### **Blockchain and Distributed Ledger**

Your Company recognizes that the industry is moving toward the use of Blockchain based distributed ledger for exchanging settlement information without any intermediary, which delivers a common solution for all participants in the ecosystem.

Your Company has built a Blockchain-based solution which enables a new, smarter approach to OTC contract management, facilitating Document Management, Fraud Prevention, and Dispute Management pertaining to Banking and Financial Service Sector. Using a distributed shared ledger based on Blockchain technology, banks can deploy a faster, more efficient and more secure solution for the trusted and transparent exchange of documentation related to an OTC transaction. This solution is built on ERIS (Monax) Blockchain platform, a MongoDB Cluster for storing the Application data, and an IPS Cluster for the Distributed ledger for storing files.

Your Company has built another solution on Blockchain in the Payments space, for Payments and Settlement transactions. This solution facilitates Fraud Prevention, Liquidity Management, and Effective transaction processing with a near to real time settlement of fund through automated reconciliation. This solution is built using the Hyperledger Blockchain platform and MongoDB Cluster.

### **2C. Solutions for Verticals and Service Lines: Infrastructure and Managed Services**

#### **MWatch**

Your Company has invested in MWatch, an integrated IT infrastructure management and service delivery platform that gives a consolidated end-to-end view of the customers IT infrastructure and applications for both on premise and public cloud deployment models. With its capability to optimize IT performance, it helps customers to not only reduce the operational cost but also reduce the downtime. Its integration bridge capability allows Mindtree to protect and leverage customer's existing tools and consolidate and store different IT datasets into a single IT Ops data repository.

#### **impulse**

Your Company recognizes that for managing IT operations, managers look at multitude of tools, across ticketing tools, textual data and log data across multiple products. To make available meaningful & actionable information in a timely manner, your Company has built impulse (Infrastructure Management Pulse), for IT managers to go from a macro view of operations to drill down to the last element of

delivery. impulse runs in key projects, collects inputs from various ticketing tools such as Service Now, Salesforce, MWatch, ITRP, SDE, etc., and provides timely, insightful operational metrics. impulse has been made available to customers as well.

## 2D. Solutions for Verticals and Service Lines: Digital

Your Company is continuing to invest in building Digital solutions across industries and business functions. Some of these solutions are listed here:

### Connected Traveler

Your Company clearly understands the travel and hospitality industry, understands that today's digital-savvy customer expects being served in a personalized manner at various touch points and that industries are finding it difficult to enable personalized service offering due to their lag in current technology landscape or their understanding about customer.

Your Company has built the Connected Traveler accelerator which bridge this gap by combining technology and data with pre-defined Machine Learning algorithms fine-tuned for travel and hospitality. This accelerator enables a connected experience throughout the journey, and also enables operational optimization and new revenue channels. This accelerator builds a Customer 360 persona view, based on the standard OTA data model, which is useful across business functions like CRM, Customer Service and Cabin Crew. This accelerator also includes pre-built algorithms such as propensity score, to achieve higher conversion rates thereby helping optimize marketing cost.

### Decision Moments

Your Company has built Decision Moments, an agile and customizable data intelligence platform that simplifies technological complexity by easily adapting to fit the requirements of organizations' existing data analytics investment. Decision Moments has features companies need to accelerate processes and deliver faster insights: it includes more than 20+ industry-specific machine-learning algorithms based on deep learning techniques, it allows customers to leverage 25+ business apps across retail, consumer goods, travel, banking and insurance industries, it offers access to a design store with 35+ prebuilt technology components for big data programs, and provides a modeling sandbox to perform rapid exploratory data analysis before investing at scale.

### Bulls Eye

Your Company has built Bulls Eye, a Machine Learning Based solution which aims to provide "prediction as a service" to our customers. Modern enterprises at various levels of their organization structure have to take prediction related decisions at regular intervals. These decisions which more often than not have financial implications are taken on the basis of pure intuition or at best using business rules which have been created manually. Bulls Eye aims to tackle this problem by automating prediction using machine learning algorithms. Prediction is provided as a service to customers with an aim to improve accuracy with each iteration, we believe that ultimately accuracy driven by algorithms can far surpass intuition based decision making.

### APEX (Assortment Planning Excellence)

Your Company has built APEX, a Predictive Analytics Service that enables CPG vendors to increase their sales by providing sales recommendations using Statistical & Machine Learning techniques to analyze sales transaction data along with external data sources to generate the recommendations. APEX recommendations are aimed at enhancing assortment and on-shelf availability of products at each store which results in the following ROI benefits:

- Increase in repeat purchase rate.
- Increase in average number of products sold per store.
- Increase in average per store revenue.
- Decrease in stock-outs.

APEX is a paradigm shift in assortment planning because it

- Leverages historical and latest sales and new, external data sources.
- Deploys proven, proprietary self-learning algorithms.
- Customizes recommendations for each store.
- Provides a structured approach to increase same-store sales.
- Implemented as an on-demand, platform based cloud service.

## 2E. Solutions for Verticals and Service Lines: Integrated Services

New inventions in the areas of Digital, Cloud, Data, Mobile and Social are compelling organizations to sprint towards digital transformation to grow their businesses. However, their digital strategies alone can only take them so far if their processes and systems are not streamlined, cost effective and primed to support grow-the-business initiatives.

As a partner of choice on their digital journey, your Company realizes their restraints of Time, Energy and Money, which are inhibiting them to ride in this disruptive wave of new opportunities and business demands. Our findings repeatedly converge on the fact that our customer's IT teams are fragmented across plan-to-run IT towers and are not geared to respond swiftly to the dynamic business needs. Differing levels of maturity within vendors of IT towers and a non-unified 'run-the-business' and 'change-the-business' approach has often led IT towers to be at loggerheads with each other. This traditional way of managing IT continues to hog majority of their resources, rendering IT to play a support role rather than leading change. To add to these challenges, the existing large IT vendors are reluctant to simplify this status-quo in the fear of cannibalizing their wallet share.

There is only one way forward - Optimizing and transforming the traditional way of managing IT to gain cost savings and efficiencies



(Time and Energy) that will allow IT teams to self-fund growth initiatives and innovation. In this context, Your Company has been working on creating a differentiated way of managing end-to-end IT services by integrating the various phases of the IT lifecycle seamlessly and tailoring a solution specific to client needs. These efforts are mainly focused on improving time-to-market and end user experience, the solution also targets to lower the cost of operations by up to 30%.

#### **Mindtree's Integrated Services**

Your Company's solution facilitates Continuous Integration, Continuous Automation and Continuous Delivery, across the full IT stack including – Development, Application Management, Infrastructure, Testing and Packages, thereby creating tighter alignment to the business to deliver the results of faster time to market, better quality releases and reduced TCO.

Your Company's Integrated Services approach uses the following key solution themes:

- Integrate the IT lifecycle phases through Mindtree's unique Integrated Service Delivery framework.
- Adopt an enterprise-wide unified DevOps approach (Agile and DevOps across the IT lifecycle).
- Drive LEAN and automation across and within the lifecycle phases of Build, Test, Maintain and Run.
- Enable a culture of integrated feature teams and move towards full stack (cross skilled) engineers.
- Provide real-time visibility of change and run pipeline through your Company's in-house developed meta-platform CAPE.

#### **Integrated Services powered by CAPE**

To make Integrated Services delivery a reality, Your Company has developed an Automated Platform – CAPE that incorporates tools and frameworks to support the entire IT – Development, Application Management, Infrastructure, Testing and Packages. Capabilities of Unified DevOps along with RPA, Machine Learning, and Test Automation are woven onto this platform. The core functionality of CAPE is Compose, Provision, Operate and Visualize.

#### **CAPE has been developed with the following abilities:**

- Composing capabilities required for an Enterprise with pre-built integrations with Industry-leading tools and a simplified 'drag-drop' interface.
- Enables provisioning capabilities with the corresponding software components from the chosen infrastructure (On premise and/or cloud).
- Brings in in-built Machine Learning, RPA and Test Automation capabilities to improve productivity.
- Can create enterprise-wide metrics with visualization.

CAPE enables integrated services to offers bespoke modular solutions tailored for our client needs, leveraging their existing tools. Embedded with APIs to plug capability via Open source, COTS software and Mindtree proprietary capabilities, CAPE aligns and integrates the enterprise-wide tool chains blurring the organizational silos. The client receives a customized solution with converged capabilities of DevOps, Agile and Automation to manage IT in an efficient and predictable way.

### **3. Platform and Domain Solutions**

Your Company's Platforms & Solutions Group (PSG) provides SaaS and mobile enabled intelligent platforms to help clients provide better experience to their customers and employees, and improve the operational efficiency. The current portfolio has mix of industry focused and cross industry platforms:

- IoT platforms suite: Your Company has adopted a multi-dimensional approach to IoT that involves monitoring and analytics across sensors and cameras. We have augmented your Company's Gladius Video Management platform to reposition it as an IoT platform that forms the foundation for 3 state of the art systems:
  - **Gladius Digital Surveillance:** Your Company's Gladius Video Management & Analytics platform is transforming security, safety and surveillance space with advanced analytics, and on-cloud storage and analytics. Its value proposition of creating a central intelligence backbone over existing cameras and other security infrastructure is resonating well in almost all industry segments. Its advanced analytics is also helping critical infrastructures provide enhanced safety of employees and visitors.
  - **Gladius IoT:** The Smart Facilities platform adopts the open and intelligent approach to optimize facility management costs in distributed commercial buildings with disparate legacy infrastructure. It connects with sensors and systems like building management, water management etc. to improve energy efficiency, reduce maintenance costs and provide enhanced safety and security.
  - **Flooresense In-store Analytics:** A store associate platform that increases in-store conversions, builds customer loyalty and helps in better shopper engagement. It does all these by leveraging the existing video cameras and IoT sensors at stores to provide real time recommendations about shoppers' needing assistance at the shop floor without identifying them. Flooresense also provides analytical insights on shopper's journey such as heat maps, dwell time reports and conversion ratios using the same infrastructure.
- **InspectMind** is mobile-first SaaS platform to automate asset/facility inspection processes across industries. It serves use cases like - environmental inspections, project audits, pre-underwriting and claims inspections, equipment maintenance inspections, quality checks etc. It provides facility to configure intelligent data capture forms, enables on the go data capture using mobile devices and distribution of inspection information. It also provides intelligent analytics on the survey data out of the box. InspectMind is ideal for entities which deal with frequent and/or variety of inspections.
- **ShotClasses** is a mobile based micro-learning platform that enables workforce and partners to stay up-to-date for enhanced productivity,

efficiency and better business outcomes. It delivers bite-sized content relevant to the learner's focus area, such as:

- Disseminating product knowledge to sales and customer service teams.
- Onboarding new joiners on standard operating procedures and internal processes.
- Periodic internal communications.

Your Company has spent ₹ 321.24 million on research and development during the year 2016-17.

**(C) Foreign exchange earnings and Outgo –**

<b>Foreign exchange earnings</b>	<b>₹ in million</b>
Income from software development	46,271
Dividend Income from subsidiaries	80
Other income	19
<hr/>	
<b>Foreign exchange outgo</b>	<b>₹ in million</b>
Branch office expenses	28,237
Travel expenses	246
Professional charges	42
Others	288

For and on behalf of the Board of Directors

Place: Bengaluru  
Date: April 20, 2017

**Krishnakumar Natarajan**  
Chairman

## Annexure 7

## Annual Report on CSR Activities

1. CSR Policy: Mindtree will focus on CSR initiatives that promote the areas identified in this policy. Mindtree implements the chosen programs via three channels:
  - a) Directly by Mindtree;
  - b) Through Mindtree Foundation;
  - c) Through "Individual Social Responsibility" programs undertaken by Mindtree Minds and supported by Mindtree as appropriate.Further, Mindtree's CSR will primarily focus on programs that:
  - a) Benefit the differently abled;
  - b) Promote education;
  - c) Create sustainable livelihood opportunities.The CSR policy of the Company is stated in <https://www.mindtree.com/corporate-social-responsibility-policy>
2. The composition of the CSR Committee:  
The current members of the CSR Committee of the Board are:
  - a) Mr. Krishnakumar Natarajan, Chairman
  - b) Mr. Subroto Bagchi, Member
  - c) Prof. Pankaj Chandra, Member
  - d) Mr. N S Parthasarathy, Member
  - e) Mr. Rostow Ramanan, Member
3. Average Net Profit of the company for last three Financial Years : ₹ 5,397,912,521
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 107,958,250
5. Details of the CSR spent during the Financial Year 2016-17:
  - a) Total amount to be spent for the Financial Year: ₹ 107,958,250
  - b) Total amount spent for the Financial Year : ₹ 109,065,812
  - c) Amount unspent if any: None
  - d) Manner in which the amount spent during the Financial Year is detailed below:

## Details of the CSR spent during the Financial Year:

Amount in ₹

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1)Local area or others (2)Specify the state and district where project or programs were undertaken	Amount of outlay budget - project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on project (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
I.	<b>I Got Garbage (IGG), I Got Crops (IGC), I Got Skills: (IGS)</b> IGG - Initiative in the area of poverty reduction for rag-pickers and waste reduction. It achieves the above by integrating rag-pickers into formal waste management eco-system. IGS – A digital platform to improve student learning and skill training. IGC- A digital platform to improve farmer's earning	Schedule 7(i), Eradicating poverty  Schedule 7(ii), Promoting education	(1) Bengaluru, Kalaburgi (2) Karnataka  (1)Hoshangabad, Sehore, Chhindwara (2) Madhya Pradesh  (1) Pudukottai and Arapukottai (2) Tamil Nadu  (1) Medak (2) Telengana  (1) Kanker (2) Chattisgarh  (1) Mayurbhanj (2) Orissa	50,818,204	Direct: 50,818,204	50,818,204	Direct: 50,818,204
II.	<b>Pinkathon:</b> Walkathon and marathon conducted for Breast cancer awareness. Mindtree played an active role in promoting the event and also made a donation to support the cause	Schedule 7(i), Promoting healthcare	(1)Bengaluru (2)Karnataka	1,850,498	Direct: 1,850,498	1,850,498	Direct: 1,850,498
III.	<b>RR Run:</b> Walkathon and marathon. Mindtree played an active role in promoting the event and also made a donation to support the cause	Schedule 7(i), Promoting healthcare	(1)Bengaluru (2)Karnataka	703,500	Direct: 703,500	703,500	Direct: 703,500
IV.	<b>Employee Cost :</b> Cost of the employees working on CSR	Administrative Expenses	-	5,193,610	Overhead: 5,193,610	5,193,610	Direct: 5,193,610
V.	<b>Donation to Janagraha Center for Citizenship</b> (a registered Trust)	Schedule 7 (ii), Promoting education	(1)Bengaluru (2)Karnataka	2,500,000	Direct: 2,500,000	2,500,000	Direct: 2,500,000
VI.	<b>Donation to Mindtree Foundation:</b> Donation has been made to Mindtree Foundation during the year	Details as provided below:	Details as provided below:	48,000,000 Details of the Projects are given below:	48,000,000 Details of the Projects are given below:	48,000,000 Details of the Projects are given below:	48,000,000 Through Mindtree Foundation
	<b>Total CSR Expenditure made by Mindtree (I+II+III+IV+V+VI)</b>			<b>109,065,812</b>	<b>109,065,812</b>	<b>109,065,812</b>	<b>109,065,812</b>

## Details of CSR spent by Mindtree Foundation on various projects:

Amount in ₹

CSR Project or activity identified	Project Objective	Sector in which the Project is covered	Projects or Programs (1) Local area or others (2) Specify the state and district where project or programs was undertaken	Amount outlay budget - project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on project (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Employability Training Services	To promote the livelihood of unemployed rural youth with disabilities through: Job-training in cognitive and practical abilities, Develop social and behavioral traits for specific industries	Schedule 7(ii), Promoting vocational skills	(1) Bhubaneswar (2) Odisha				
Yuva Jyoti	To create sustainable livelihood opportunities for rural youths	Schedule 7 (ii), Promoting vocational skills	(1) Bychapura (2) Koratakagere Taluk, Tumkur District, Karnataka				
Sanchalana	To improve physical well-being of rural children with disabilities through corrective surgeries, physiotherapies, mobility aids, and access to Education	Schedule 7 (ii), Promoting education	(1) Vijayapura Taluk (2) Vijayapura District, Karnataka				
Learning Enhancement	To improve learning levels of students in Govt. higher primary schools from entire Kanakapura taluk	Schedule 7 (ii), Promoting education	(1) Kanakapura Taluk (2) Ramanagara District, Karnataka				
Lab-On-Bike	To stimulate creative thinking, and the curiosity of seeking solutions among school children and teachers	Schedule 7 (ii), Promoting education	(1) Pune, Maharashtra (2) Kanakapura, Karnataka				
Community Based Rehabilitation – Disability Inclusive Development (CBR-DID)	To improve physical well-being of children with disabilities through early detection, early intervention, and post-corrective therapies, to promote education through school readiness interventions, to promote livelihood opportunities for people with disabilities	Schedule 7(i), Promoting education Schedule 7 (iii), Providing measures for reducing inequalities faced by socially and economically backward groups	(1) Redhills, Padiyanallur, Perambakkam, Minjur, Avadi, Thiruvallur, Ellapuram (2) Tiruvallur District, Tamil Nadu				
Learn and Earn Centres	Train intellectually youngsters over 16 years of age, in computer data entry such that they earn their livelihood with dignity	Schedule 7(ii), Promoting Education and vocational skills	(1) Rangareddy, Medhak, Ongole, Kakinada, West Godavari & Srikakulam district (2) Telanagana				
Urban Micro Business Centre (UMBC)	To bring positive social and economic impacts in the lives of urban poor youths and adult women	Schedule 7(ii), Promoting Education and vocational skills	(1) Bhubaneswar (2) Odisha				
Bal Sevika	To bring positive social and economic impacts in the lives of underprivileged young women	Schedule 7(ii), Livelihood Enhancement to the rural youth.	(1) Bengaluru (2) Karnataka				

As per details provided in Sl. No. VI

CSR Project or activity identified	Project Objective	Sector in which the Project is covered	Projects or Programs (1) Local area or others (2) Specify the state and district where project or programs was undertaken	Amount outlay budget - project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on project (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Educate Zilla	Improve quality of education and the ability to pursue higher education to every child studying in Govt. Primary Schools	Schedule 7(ii), Livelihood Enhancement to the rural youth.	(1) Kanakapura Taluk (2) Ramanagara District, Karnataka				
MILC (Mindtree Innovation Learning Center)	To bridge the skill-gap for Engineering graduates from rural Engineering College by offering transformational job-ready skills in IT industry	Schedule 7(ii), Promoting education	(1) Jayam College of Engineering and Technology (2) Nallanur, Dharmapuri District, Tamilnadu				
Bal Roshini	To promote education and create positive changes in the lives of underprivileged children with disabilities.	Schedule 7(ii), Promoting Education and Livelihood Enhancement to the differently abled	(1) Bengaluru (2) Karnataka				
Literacy Enhancement	<ol style="list-style-type: none"> <li>Strengthen the educational approaches and enhancing learning in children from 6 to 15 ages with learning difficulties from 12 Govt. schools from Harohalli</li> <li>To minimize school Dropouts and enhance the literacy levels and ability to think and solve problems in higher grades.</li> <li>To promote the value of literacy in rural areas.</li> <li>To provide additional support by training the local community based workers and establish Three Reading rooms for children in main stream schools</li> </ol>	Schedule 7(ii), Promoting education	(1) Kanakapura Taluk (2) Ramanagara District, Karnataka				
Udaan	To inspire, mentor and coach the young bright minds from the rural corners of India to become Doctors. Prepare the children to get through Medical Entrance exams and create doctors for the rural India.	Schedule 7(ii), Promoting education	(1) Kanakapura Taluk (2) Ramanagara District, Karnataka				

As per details provided in SL No. VI

CSR Project or activity identified	Project Objective	Sector in which the Project is covered	Projects or Programs (1) Local area or others (2) Specify the state and district where project or programs was undertaken	Amount outlay budget - project or program wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on project (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Coaching Program - Education	To provide special coaching in Maths, Science, English, Social, and in Kannada subjects to 7th to 10th standard children from 5 Govt schools from 10 villages around Bychapura	Schedule 7(ii), Promoting education	(1) Bychapura (2) Koratakagere Taluk, Tumkur District, Karnataka			As per details provided in Sl. No. VI	
Akshaya Patra	To serve 20,64,800 mid-day meals to 84 rural Government schools children.	Schedule 7(ii), Promoting education	(1) Khandapada Taluk (2) Nayagarh District, Odisha				
VACHANA	Sparsh in collaboration with APD conducts screening camps in rural areas and identify 200 children with disabilities from families with poor economic background and do complex surgeries, post-surgical physiotherapies, provide mobility-aids and will do follow-ups	Schedule 7 (iii), Providing measures for reducing inequalities faced by socially and economically backward groups	(1) Vijayapura (2) Karnataka				
Students Support	Through this project, we provide the fees for boarding, food, uniforms, study materials, and mobility aids for 68 youths with disabilities from a government I.T.I in Bhubaneswar of Odisha.	Schedule 7(ii), Promoting education	(1) Khudupur, Jatni (2) Odisha				

6. Reasons for not spending the prescribed CSR expenditure: Not applicable.

7. The CSR Committee, hereby confirms that the implementation and monitoring of CSR Policy are in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

**Rostow Ravanan**  
CEO & Managing Director

**Krishnakumar Natarajan**  
Chairman of CSR Committee

Place: Bengaluru  
Date: April 20, 2017

**G.SHANKER PRASAD ACS, ACMA**

**PRACTISING COMPANY SECRETARY**

#10, AG's Colony, Anandnagar, Bangalore – 560 024. Tel: 080 42146796

email : gsp@grapilind.com

## **SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017*

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,  
MINDTREE LIMITED,  
Bengaluru

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mindtree Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder; which have been notified and the Companies Act, 1956 which were still in force.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The other laws as applicable to the company, as per Para I of Annexure hereto.

I have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent and Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at the Board and Committee meetings were taken unanimously and the related discussions were duly recorded in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**G. Shanker Prasad**  
ACS No.: 6357  
CP No: 6450

Place: Bengaluru  
Date: 20.04.2017

This report is to be read with my letter of even date (Para II) of the Annexure and forms an integral part of the report.



## Annexure

I. (The other laws as may be applicable to the Company referred to in Para (vi) of the report including corresponding State Laws, wherever applicable, and the relevant regulations thereunder.)

- A. Environmental Laws
  - a) Air (Prevention & Control of Pollution) Act, 1981
  - b) Environment (Protection) Act, 1986
  - c) Prohibition of Smoking and Protection of Non-smokers Health Ordinance 2002
  - d) Water (Prevention and Control of Pollution) Act, 1974
  - e) Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003
  - f) Electricity Act, 2003
- B. Employment Laws
  - a) Labour Welfare Fund Acts and the Rules made thereunder
  - b) Apprenticeship Act 1961 and the Rules made thereunder
  - c) Factories and Establishments (National, Festival and Other Holidays) Act, 1974
  - d) Maternity Benefit Act, 1961
  - e) Minimum Wages Act, 1948
  - f) Payment of Bonus Act, 1965 and the Rules made thereunder
  - g) Payment of Gratuity Act, 1972 and the Rules made thereunder
  - h) Payment of Wages Act, 1936
  - i) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - j) The Child Labour (Prohibition and Regulation) Act, 1986
  - k) The Contract Labour (Regulation and Abolition) Act, 1970
  - l) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  - m) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Rules made thereunder
  - n) The Employee's Compensation Act, 1923
  - o) The Equal Remuneration Act, 1976 and the Rules made thereunder
  - p) The Employee State Insurance Act, 1948 and the rules and regulations thereunder
  - q) The Industrial Employment (Standing Orders) Act, 1946 and rules thereunder
  - r) The Shops and Establishments Acts
  - s) Workmen Compensation Act, 1923
  - t) Professional Tax Acts
  - u) Industrial Disputes Act, 1947
- C. Establishment Laws
  - a) Lift Acts
  - b) Fire Acts
  - c) Town Panchayats, Municipalities and Municipal Corporations (Collection of Tax On Professions, Trades, Callings And Employments) Rules, 1999
  - d) Municipal Laws
  - e) Food Safety and Standards Act, 2006
  - f) Petroleum Act, 1934 and the Rules made thereunder
  - g) Explosives Act 1884
- D. Fiscal Laws
  - a) Value Added Tax Acts
  - b) Central Excise Act, 1944 and the rules made thereunder
  - c) The Finance Act, 1994 (Chapter V and Section 94) and the regulations made thereunder
  - d) Income-Tax Act, 1961 and the Rules made thereunder
  - e) Entry of Goods Acts
  - f) Foreign Exchange Management Act, 1999 and the Rules made thereunder
- E. Sectoral Laws
  - a) Information Technology Act, 2000 and the applicable rules thereunder
  - b) Special Economic Zones Act, 2005 and the Rules made thereunder
  - c) National Telecom Policy, 1999
- F. Other Laws
  - a) Micro, Small and Medium Enterprises Development Act, 2006
  - b) Motor Vehicles Act, 1988

**II. (Letter referred above)**

To,  
The Members,  
MINDTREE LIMITED,  
Bengaluru

My report of even date is to be read along with this letter.

1. The maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**G. Shanker Prasad**  
ACS No.: 6357  
CP No: 6450

Place: Bengaluru  
Date: 20.04.2017

### Independent Auditor's Certificate on Corporate Governance

#### To the Members of Mindtree Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated July 29, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Mindtree Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELLOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 0080725)

V. Balaji

Partner  
Membership No.203685

BENGALURU, April 20, 2017

# Corporate Governance Report

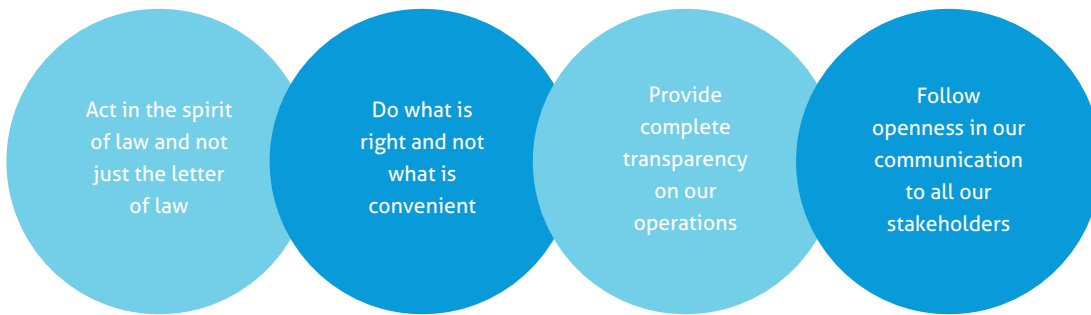
## Company's Philosophy on Corporate Governance

Mindtree Limited (hereinafter referred to as "Mindtree" or "Company"), is committed to adopting the best governance practices. Mindtree believes that good Corporate Governance practices will help in sustainable growth and long-term stakeholder value creation. Mindtree practices highest standard of Corporate Governance at all levels of the organization.

Your Company strongly believes that good Corporate Governance emerges from adopting the best management practices and the compliance of laws in the spirit and not just the letter. Your Company follows the best practices with highest integrity, transparency and accountability.

Your Company was awarded with 'Certificate of Recognition' at the Institute of Company Secretaries of India National Awards as one of the top five companies for Excellence in Corporate Governance for the year 2016, which is a token of its identification for adopting exemplary Corporate Governance practices.

### Salient features of your Company's Corporate Governance Philosophy



### The three tier Corporate Governance Structure of Mindtree includes:



The above principles have been the guiding force for whatever your Company does and shall continue to be so in the years to come. Your Company is committed to adopting best global practices in Corporate Governance and Disclosure.

### Mindtree's Values

Your Company strongly believes in integrity and transparency in its operations and stakeholders' communication. All employees ("Mindtree Minds") are expected to adhere to the highest standards of integrity. Mindtree and Mindtree Minds are guided by the values of collaborative spirit, unrelenting dedication and expert thinking. These values are core to all our operations.

### Mindtree's Mission

*We engineer meaningful technology solutions to help businesses and societies flourish.*

Your Company believes in the power of people and the impact people can have on technology. Your Company's roots grew from this belief that people with diverse points of view could come together to build a different kind of technology Company. This belief drives its vision for tomorrow to build technology experts who are focused on one goal, helping its clients succeed.

Today, a wealth of information is opening up a world of possibilities. Realizing those possibilities takes more than numbers. It takes more than technology. It takes people. People who can turn the potential of information into meaningful solutions. Solutions that simplify businesses, improve governments and propel societies forward.

#### **I. The Board of Directors (The Board)**

The Board comprises of majority of Non-Executive Directors. Your Company has a diversified Board with a finest blend of professionals from various backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights.

The composition of the Board is in compliance with Regulation 17 (1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Board composition as at March 31, 2017 was as follows:

##### **(a) Composition of the Board**

At this year ended March 31, 2017, the Board composition consisted of eleven Directors comprising three Executive Directors, two Non-Executive & Non-Independent Directors, six Non-Executive and Independent Directors, including two Women Directors.

##### **(b) Details of the Board**

The details of each Member of the Board along with number of Directorship(s)/Chairmanship and Membership/Chairmanship of Board Committees held by Directors in other Companies and their shareholding details in the Company are provided below as on March 31, 2017:

Name of the Director	Age	Designation/Position	Date of Original Appointment	Director Identification Number (DIN)	Directorship in other Indian Companies	Position held in Committees of the Board of other Public Companies	Shareholding in Mindtree as on March 31, 2017
<b>Executive and Promoter Directors</b>							
Mr. Krishnakumar Natarajan <sup>1</sup>	60	Executive Chairman	Aug 9, 1999	00147772	As Director 1	As Chairperson -	7,994,412
Mr. N.S. Parthasarathy <sup>2</sup>	56	Executive Vice Chairman, President & COO	Jan 01, 2014	00146954	As Director 1	As Chairperson -	2,404,562
Mr. Rostow Ravanan <sup>3</sup>	46	CEO & Managing Director	May 20, 2014	00144557	As Director 1	As Chairperson -	1,168,436
<b>Non-Executive and Promoter Director</b>							
Mr. Subroto Bagchi <sup>4</sup>	60	Non-Executive & Non-Independent Director	Aug 5, 1999	00145678	As Director 3	As Chairperson -	5,255,700
<b>Non-Executive and/or Independent Directors</b>							
Mr. V.G. Siddhartha	57	Non-Executive and Non-Independent Director	Jan 20, 2000	00063987	As Director 5	As Chairperson -	5,469,750
Dr. Albert Hieronimus <sup>5</sup>	70	Non-Executive and Independent Director	Oct 24, 2006	00063759	As Director 1	As Chairperson -	140,000
Prof. Pankaj Chandra	58	Non-Executive and Independent Director	Mar 19, 2012	00988867	As Director 1	As Chairperson -	40,000
Ms. Apurva Purohit	50	Non-Executive and Independent Director	Jan 01, 2014	00190097	As Director 3	As Chairperson 1	-
Ms. Mamisha Girotra	47	Non-Executive and Independent Director	May 20, 2014	00774574	As Director 3	As Chairperson -	-
Mr. Milind Sarwate <sup>6</sup>	57	Non-Executive and Independent Director	July 19, 2016	00109854	As Director 7	As Chairperson 4	-
Mr. Akshaya Bhargava <sup>7</sup>	60	Non-Executive and Independent Director	Dec 12, 2016	01874792	As Director -	As Chairperson -	-

<sup>1</sup> Appointed as Executive Chairman with effect from April 01, 2016.

<sup>2</sup> Elevated as Executive Vice Chairman with effect from October 21, 2016.

<sup>3</sup> Appointed as CEO & Managing Director with effect from April 01, 2016.

<sup>4</sup> Ceased to be Executive Chairman and continues as Non-Executive and Non-Independent Director with effect from April 01, 2016.

<sup>5</sup> Retired as Independent Director with effect from April 01, 2017.

<sup>6</sup> Appointed as Independent Director with effect from July 19, 2016.

<sup>7</sup> Appointed as Independent Director with effect from December 12, 2016.

**Notes:**

- 1 None of the Directors are related to each other.
- 2 Number of Directorship held in other Companies includes all Companies, whether listed or unlisted and excludes Foreign Companies, other Bodies Corporate and Professional Bodies. Number of Directorship of Independent Directors and Executive Directors are within the permissible limits.
- 3 The necessary disclosures regarding change in Committee positions, if any, have been made by all the Directors, during the year under review. The position held in Committees of the Board includes only Public Companies. The Committees includes only Audit Committee and Stakeholders' Relationship Committee. None of the Directors is a Member of more than 10 Committees or Chairperson of more than 5 Committees across all Public Companies.
- 4 Mr. Ramesh Ramanathan resigned as Independent Director with effect from October 21, 2016.

**(c) Selection of new Board members**

The Nomination and Remuneration Committee identifies the right candidate by working with the Board to determine the right characteristics, skills and experience required for an individual member to possess and the Board as a whole. The Nomination and Remuneration Committee considers qualification, expertise and experience of the Directors in their respective fields i.e., personal, professional or business standing and the diversity of the Board while selecting the candidate as a Board member.

In addition to the above, in case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independence of the Directors so as to enable the Board to discharge its function and duties effectively.

**(d) Remuneration Policy**

Your Company's remuneration policy framed by Nomination and Remuneration Committee, is focused on recruiting, retaining and motivating high talented individuals. It is driven by the success and performance of the individual employees and the Company. Through its compensation programme, Mindtree endeavors to attract, retain, develop and motivate a high performance workforce. Mindtree follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Chairman, Managing Director and other Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the Board and Shareholders.

**1. Executive Directors****(i) Details of Remuneration paid to Executive Directors during the Financial Year 2016-17**

These details are provided in Annexure 4, extract of Annual Return, annexed to the Directors' Report in Form MGT-9, as required under the provisions of Section 92 of the Companies Act, 2013.

**(ii) Stock Options to Executive Directors**

No stock options have been granted to any Executive Directors during the Financial Year 2016-17.

**2. Non-Executive and/or Independent Directors**

Independent Director means a Non-Executive Director, who fulfils the criteria as laid down under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 including any amendments thereto.

The Company has issued formal letter of appointment to its Independent Directors. The terms and conditions of draft appointment letter is published on the website of the Company in the following link: <https://www.mindtree.com/sites/default/files/letter-of-appointment-for-independent-director.pdf>. The tenure of Independent Directors is in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Lead Independent Director**

Ms. Apurva Purohit has been appointed as Lead Independent Director with effect from April 01, 2017, due to the retirement of Dr. Albert Hieronimus.

**(i) Training of Independent Directors**

Your Company has a well laid down onboarding programme for the Independent Directors. The Business Heads, CFO and Executive Directors, make presentations on business model of the Company, the nature of industry and its dynamism, the roles, responsibilities and liabilities of Independent Directors etc. Further, business updates, legal updates and industry updates are made available to the Independent Directors, especially to the Audit Committee members on an ongoing basis, by internal teams, external consultants, law firms, statutory and internal auditors, on a quarterly basis. See more at <https://www.mindtree.com/sites/default/files/independent-directors-familiarisation-program.pdf>

**(ii) Meeting of Independent Directors**

The Independent Directors of the Company met among themselves after every quarterly Board Meeting, without the presence of the Executive Directors and members of the Management of the Company. These meetings were held on the same day as that of the Board Meetings, i.e. on April 18, 2016, July 18, 2016, October 21, 2016 and January 19, 2017 and the practice has been in vogue since 2007. In the said meetings the Independent Directors reviewed the matters as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that of Companies Act, 2013. Action items, if any, were communicated to the Board and tracked to closure to the satisfaction of Independent Directors. The purpose of these meetings is to promote open and candid discussion among the Independent Directors.

**(iii) Tenure of Independent Directors**

Name of the Director	Period of office	
	From	To
Dr. Albert Hieronimus	October 24, 2006	March 31, 2017
Ms. Apurva Purohit	January 1, 2014	December 31, 2018
Ms. Manisha Girotra	May 20, 2014	May 19, 2019
Prof. Pankaj Chandra	March 19, 2012	March 31, 2018
Mr. Milind Sarwate	July 19, 2016	July 18, 2021
Mr. Akshaya Bhargava	December 12, 2016	September 30, 2021

**(iv) Criteria for making payment to Non-Executive and/or Independent Directors**

Members of the Company at the 15th Annual General Meeting of the Company held on July 18, 2014, have approved payment of remuneration by way of commission to Non-Executive and/or Independent Directors, a sum not exceeding 1% per annum of the net profits of the Company in aggregate for one financial year.

Commission, if any paid to Independent Directors and Non-Executive Directors, is fixed by the Board based on (i) the contribution they make to the decision making at the Board level and (ii) Industry standards/practice.

No sitting fees was paid to them for attending any meeting of the Board and or its Committees.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive and/or Independent Directors apart from remuneration and exercise of stock options which were granted prior to April 1, 2014.

**(v) Details of Remuneration paid to Non-Executive and/or Independent Directors during the Financial Year 2016-17**

The details of remuneration paid to Non-Executive and/or Independent Directors for the Financial Year 2016-17 are provided in Annexure 4, the extract of Annual Return, annexed to the Directors' Report in Form MGT-9 as required under the provisions of Section 92 of the Companies Act, 2013.

No remuneration was paid to Mr. V. G. Siddhartha, Non-Executive Director on the Board.

**(vi) Stock Options to Non-Executive and/or Independent Directors**

No stock options have been granted to any of the Non- Executive and/or Independent Directors during the Financial Year 2016-17. Prof. Pankaj Chandra exercised 40,000 options during the year which was granted to him prior to April 01, 2014. No options were outstanding to Non- Executive and/or Independent Directors as on March 31, 2017.

**3. Appointment, Resignations, Retirement, Service Contracts, Notice Period and Severance Fees of Directors****(i) Chairman, Managing Director and Executive Directors**

Mr. Krishnakumar Natarajan was appointed as Executive Chairman from April 1, 2016 to June 30, 2017 and his notice period for resignation is twelve months. Further, Mr. Krishnakumar Natarajan was reappointed as Executive Chairman by the Board for a further period commencing from July 01, 2017 to June 30, 2020, subject to approval of Shareholders at the ensuing Eighteenth Annual General Meeting. The brief resume of the Director is furnished in the notice of the Eighteenth Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standards.

Mr. N.S. Parthasarathy was elevated from Executive Director to Executive Vice Chairman for a period commencing from October 21, 2016 to December 31, 2018 and his notice period for resignation is three months.

Mr. Rostow Ramanan was appointed as CEO & Managing Director from April 1, 2016 to March 31, 2021 and his notice period for resignation is twelve months.

Further, the appointment of the Managing Director and Executive Director/Whole-time Director(s) is governed by the Articles of Association of the Company, resolutions passed by the Board of Directors/ Committees and the Members of the Company along with Service/Employment Contracts.

**(ii) Non-Executive and/or Independent Directors**

Mr. Milind Sarwate was appointed as Independent Director for a period commencing from July 19, 2016 to July 18, 2021.

Mr. Akshaya Bhargava was appointed as Independent Director for a period commencing from December 12, 2016 to September 30, 2021.

Mr. Ramesh Ramanathan resigned as Independent Director on October 21, 2016.

Dr. Albert Hieronimus completed his tenure as Independent Director and retired from the Board on April 01, 2017.

Mr. Subroto Bagchi ceased to be Executive Chairman and continues as Non-Executive and Non-Independent Director with effect from April 01, 2016.

Further, Mr. Subroto Bagchi will be retiring by rotation and being eligible, offers himself for reappointment and the matter is being placed before the Shareholders at the ensuing Eighteenth Annual General Meeting for approval. The brief resume of the Director is furnished in the notice of the Eighteenth Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standards.

The service contracts, notice period and severance fees are not applicable to Non-Executive and/or Independent Directors.



#### 4. Board Evaluation

The Nomination and Remuneration Committee and the Board have performed a detailed evaluation of the Board as a whole, its Directors including Independent Directors, Committees and the Chairman of the Board, for the year 2016-17. The details of the Board evaluation are provided in detail in the Directors' Report.

## II. Board Meetings

### 1. Board Procedure

#### (a) Calendar of Board Meetings

The calendar of Board Meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all Directors two years in advance. Generally, the Board Meetings are held at Bengaluru where the Registered Office of the Company is situated.

#### (b) Agenda and detailed notes of Board Meetings

The Agenda of Board Meetings cover a detailed update on Business and Finance highlights for the quarter, business presentations, presentation on key issues, key risks and the steps to overcome those risks. Business presentations are focused on lightening talks than a detailed presentation. The Board agenda covers all the Strategic matters. The management uploads the agenda, detailed notes and the business presentations in an online portal.

The agenda for the Board Meetings includes all the matters as required to be placed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that of Companies Act, 2013. The agenda is generally circulated seven clear days prior to the date of the meeting and includes detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions.

During the year, the Board also reviewed the compliance reports pertaining to all laws applicable to the Company and took necessary steps to rectify the instances of non-compliances, if any. The Board agenda has a special focus on Statutory and Governance related matters such as:

- All matters as stated in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Annual operating plans and budgets and any updates;
- Capital Budgets and any updates;
- Quarterly and/or Annual results for the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other Committees of the Board;
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Significant labor problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.;
- Sale of investments, subsidiaries, assets, which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

In case of a special and urgent business needs, the Board's approval is obtained by way of circular resolutions in accordance with the Companies Act, 2013.

During the year, members of the Board and key Executives disclosed to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company. The Board and key Executives made necessary disclosures so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

The Board also noted that orderly succession plans are in place for appointments to the Board and senior management.

### 2. Schedule of Board Meetings

Your Board met six times during the Financial Year 2016-17 on April 18, 2016, May 26, 2016, July 18, 2016, October 21, 2016, January 19, 2017 and March 27, 2017. The Board has passed one Circular Resolution during the Financial Year 2016-17.

The necessary quorum was present for all the Board Meetings and the Seventeenth Annual General Meeting. The maximum interval between any two Board Meetings was well within the maximum allowed gap of one hundred and twenty days. After each Board Meeting, your Company has a well-articulated system of follow up, review and reporting on actions taken by the Management on the decisions of the Board and Committees of the Board.

### 3. Attendance of Board Meetings and Seventeenth AGM

The Attendance Record of the Directors at the Board Meetings and the Seventeenth AGM for the Financial Year 2016-17 are as follows:

Name of the Director	Number of Board Meetings		Attendance at the Seventeenth AGM held on July 19, 2016 (Yes/No/NA)
	Held	Attended by the Director*	
Mr. Krishnakumar Natarajan	6	6	Yes
Mr. N.S. Parthasarathy	6	6	Yes
Mr. Rostow Ramanan	6	6	Yes
Mr. Subroto Bagchi	6	6	Yes
Mr. V.G. Siddhartha	6	6	No
Dr. Albert Hieronimus	6	6	Yes
Prof. Pankaj Chandra	6	5	Yes
Mr. Ramesh Ramanathan**	3	2	No
Ms. Apurva Purohit	6	5	Yes
Ms. Manisha Girotra	6	6	No
Mr. Milind Sarwate***	3	3	NA
Mr. Akshaya Bhargava****	2	1	NA

\* Meetings attended includes attendance through audio visual means/video conferencing.

\*\* Resigned as Independent Director with effect from October 21, 2016.

\*\*\* Appointed as Independent Director with effect from July 19, 2016.

\*\*\*\* Appointed as Independent Director with effect from December 12, 2016.

### III. Governance by the Committees of the Board

Your Board has constituted the following Committees and each Committee has their terms of reference as a Charter. The Chairperson of each Committee along with the other Members of the Committee and if required other Members of the Board, decide the agenda, frequency and the duration of each meeting of that Committee. The Committees Chairperson provide a brief committee update during the Board meetings. The Board had the following Committees during the year 2016-17:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Administrative Committee;
5. Corporate Social Responsibility Committee and
6. Risk Management Committee

#### 1. Audit Committee

The Audit Committee was constituted in accordance with the requirement of statutes.

The Audit Committee reports to the Board and the roles, responsibilities and the terms of reference of the same are as follows:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report, if any;
  - h. Modified opinion(s) in the draft audit report, if any.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Management discussion and analysis of financial condition and results of operations;
22. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
23. Management letters / letters of internal control weaknesses issued by the statutory auditors;
24. Internal audit reports relating to internal control weaknesses;
25. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
26. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
27. Annual Statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
28. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary Companies.

During the year end, the Audit Committee had five members, as per the details given below. All Members are financially literate and have the required accounting and financial management expertise.

The Chairperson of the Audit Committee was present at the Seventeenth Annual General Meeting to answer the Shareholders' queries.

The Audit Committee invited finance and such other executives, and representatives of the statutory auditor/internal auditor as it considered appropriate to be present at the meetings of the Committee.

The Audit Committee had powers of investigation, within the terms of reference, wherever necessary during the year.

The Audit Committee met five times during the Financial Year 2016-17 on April 18, 2016, July 18, 2016, October 20, 2016, October 21, 2016 and January 18, 2017 and not more than one hundred and twenty days had elapsed between two Audit Committee Meetings. The necessary quorum was present for all the said Audit Committee Meetings. The details of composition, meetings and attendance of the same is as below:

#### Details of Composition and Attendance of the Audit Committee Meetings

Name of the Director	Category	Position	Number of Audit Committee Meetings	
			Held	Attended by the Director
Mr. Milind Sarwate <sup>1</sup>	Independent Director	Chairperson	1	1
Dr. Albert Hieronimus <sup>2</sup>	Independent Director	Member	5	5
Mr. V. G. Siddhartha	Non-Executive Director	Member	5	4
Ms. Apurva Purohit	Independent Director	Member	5	4
Mr. Akshaya Bhargava <sup>3</sup>	Independent Director	Member	-	-

Note: Mr. Ramesh Ramanathan resigned from Chairmanship and Membership with effect from July 19, 2016. Two meetings were held during his tenure and he was present for both the meetings.

<sup>1</sup>Appointed as a Chairperson with effect from October 21, 2016.

<sup>2</sup>Appointed as Chairperson on July 19, 2016 and resigned as Chairperson on October 21, 2016 and continued as a member thereafter.

<sup>3</sup>Appointed as a member with effect from January 19, 2017.

Ms. Vedavalli S, Company Secretary and Compliance officer, acted as the Secretary to the Audit Committee.

## 2. Nomination and Remuneration Committee

Nomination and Remuneration Committee was constituted in accordance with the requirement of statutes.

The roles, responsibilities and terms of reference of Nomination and Remuneration Committee are as follows:

1. Identify potential candidates to become Board Members;
2. Recommending nominees to various Committees of the Board;
3. Recommending remuneration for Non-Executive/Independent Directors;
4. Ensuring that appropriate procedures are in place to assess Board's effectiveness;
5. Developing an annual evaluation process of the Board and its Committees;
6. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the appointment and remuneration of the Directors, Key Managerial Personnel and other senior management employees.;
7. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
8. Formulation of criteria for evaluation of performance of Independent Directors and the Board. Extending or continuing the term of appointment of the Independent Director on the basis of the report of performance evaluation of the Independent Directors;
9. Devising a policy on Board diversity;
10. Assist the Board in ensuring that affordable, fair and effective compensation philosophy and policies are implemented;
11. Approve and make recommendations to the Board in respect of salary structure and actual compensation (inclusive of performance based incentives and benefits) of the Executive Directors, including the Chief Executive Officer;
12. Review and approve the compensation and ESOP/ESPS/RSU's and Phantom Stock grant to Senior Executives;
13. Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees;
14. Review and approve the change in terms and conditions of the ESOP/ESPS /RSU's and Phantom Stock;
15. Review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or Directors' compensation;
16. The remuneration policy and the evaluation criteria is as disclosed in the Directors' Report and
17. Any other matter referred to the Nomination and Remuneration Committee by the Board of Directors of the Company.

The Nomination and Remuneration Committee is responsible for reviewing the overall goals and objectives of compensation programs, as well as our compensation plans and making changes to such goals, objectives and plans. The Nomination and Remuneration Committee is also responsible for the performance evaluation of Directors including Independent Directors. The criteria for evaluation includes Director's attendance and contribution at Board and Committee Meetings, preparedness for the meetings, expression of opinions and suggestions, commitment, domain knowledge to evaluate current business and strategic options.

The Chairperson of the Nomination and Remuneration Committee was present at the Seventeenth Annual General Meeting to answer the Shareholders' queries.

The Nomination and Remuneration Committee met six times during the Financial Year 2016-17 on April 18, 2016, May 26, 2016, July 18, 2016, July 19, 2016, October 21, 2016 and January 19, 2017. The details of composition, meetings and attendance of the same is as below:

### Details of Composition and Attendance of the Nomination and Remuneration Committee Meetings

Name of the Director	Category	Position	Number of Nomination and Remuneration Committee Meetings	
			Held	Attended by the Director*
Ms. Apurva Purohit	Independent Director	Chairperson	6	5
Dr. Albert Hieronimus	Independent Director	Member	6	6
Prof. Pankaj Chandra	Independent Director	Member	6	5
Mr. Subroto Bagchi	Non-Executive & Non-Independent Director	Member	6	6
Mr. Krishnakumar Natarajan**	Executive Chairman	Member	4	4

\* Meetings attended includes attendance through audio visual means / video conferencing.

\*\*Appointed as a member with effect from May 26, 2016.

The frequency, agenda, duration, etc., are as set by the Chairperson of the Committee.

Mr. N.S. Parthasarathy, Executive Vice Chairman, President & COO acted as the Secretary to the Nomination and Remuneration Committee.

### 3. Stakeholders' Relationship Committee

Dr. Albert Hieronimus, Independent and Non-executive Director was the Chairperson of Stakeholders' Relationship Committee as on March 31, 2017.

The roles and responsibilities of Stakeholders' Relationship Committee are as follows:

- Redressal of Shareholders' grievances in general and relating to non-receipt of declared dividends, interest, non-receipt of Annual Reports, complaints related to share transfers, transmissions and transpositions, etc.;
- Specifically look into the redressal of grievances of shareholders, debenture holders and other security holders and
- Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

The Chairperson of the Stakeholders' Relationship Committee was present at the Seventeenth Annual General Meeting to answer the Shareholders' queries.

The Stakeholders' Relationship Committee met thrice during the Financial Year 2016-17 on April 18, 2016, October 21, 2016 and January 19, 2017. The details of composition, meetings and attendance of the same is as below:

#### Details of Composition and Attendance of the Stakeholders' Relationship Committee Meetings

Name of the Director	Category	Position	Number of Stakeholders' Relationship Committee Meetings	
			Held	Attended by the Director
Dr. Albert Hieronimus	Independent Director	Chairperson	3	3
Mr. Rostow Ravanan	CEO & Managing Director	Member	3	3

Ms. Vedavalli S, Company Secretary and Compliance officer, acted as the Secretary to the Stakeholders' Relationship Committee.

Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrar and Share Transfer Agent in due course after verification. The following are the various compliances pertaining to share transfers, grievances, etc.:

- (1) Pursuant to Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certificates are filed with the stock exchanges on half yearly basis by the Compliance Officer and representative of the Registrar and Share Transfer Agent for maintenance of an appropriate share transfer facility.
- (2) Pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a statement of investor complaints is filed with the stock exchanges and the same is placed before the Board of Directors on a quarterly basis as required under Regulation 13(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (3) Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate from the Company Secretary-in- Practice is filed with the stock exchanges within one month from the end of each half of the financial year, certifying that all the share certificates have been issued within thirty days from the respective date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies.

Your Company has a designated e-mail ID, [investors@mindtree.com](mailto:investors@mindtree.com) for the redressal of any Stakeholders' related grievances exclusively for the purpose of registering complaints by Members/stakeholders. Your Company has also displayed the said email ID under the investors section at its website, [www.mindtree.com](http://www.mindtree.com) and other relevant details prominently for creating investor/stakeholder awareness.

Your Company maintains a functional website containing necessary information about the Company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of agreements entered into with the media companies and/or their associates, if any, at <https://www.mindtree.com/about-us/investors> and the contents of the said website are updated at any given point of time as per the requirements of Companies Act, 2013 and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

#### Details of complaints/requests etc., received and resolved during the Financial Year 2016-17 are as below:

Nature of Complaints/Correspondence/Requests	Opening Balance	Received	Resolved	Outstanding as on March 31, 2017
Non-receipt of Annual Report/ Dividend related	1	285	285	1

The pending complaint as on March 31, 2017 was resolved subsequent to the quarter end.

#### Shareholder Satisfaction Survey

During the last quarter of FY 2017, your Company conducted Shareholder Satisfaction Survey to engage more with the Shareholders and to get their feedback on improving our services. The details of the survey are provided in Directors' Report in detail.

### 4. Administrative Committee

The Board has constituted Administrative Committee for managing day to day business transactions.

The roles, responsibilities and terms of reference of Administrative Committee are as follows:

1. Allotment under DSOP/ ESOP & ESPS Schemes;
2. Rematerialisation/Dematerialisation of shares, issue of Duplicate Share Certificates, transfer and transmission of shares;
3. Authorisation with regard to operation of Bank Account including opening, closing, change in signatories, entering into Foreign Exchange Derivative Contracts, other working capital facilities and other short term credit facilities;
4. Authorising the officers of the Company to enter into various agreements, including registration of lease, commercial vendor contracts etc;
5. Fixing record dates for corporate actions/benefits;
6. Activation & Closure of Dividend accounts;
7. Authorizing officers to sign various documents, represent themselves on behalf of the Company with Statutory and Government Authorities;
8. To grant General/Special Power of Attorneys;
9. Authorizing officers to sign documents with AMEX for corporate credit card account and
10. Any other duties as may be delegated by the Board from time to time, but not limited to the above.

The Administrative Committee met twenty times during the Financial Year 2016-17. The details of composition, meetings and attendance of the same is as below:

#### Details of Composition and Attendance of the Administrative Committee Meetings

Name of the Director	Category	Position	Number of Administrative Committee Meetings	
			Held	Attended by the Director
Mr. Krishnakumar Natarajan	Executive Chairman	Chairperson	20	18
Mr. N.S. Parthasarathy	Executive Vice Chairman, President & COO	Member	20	19
Mr. Rostow Ravanan	CEO & Managing Director	Member	20	17

Mr. Subroto Bagchi resigned as a member from Administrative Committee with effect from April 01, 2016.

This Committee meets as and when there is a need to carry out any urgent business transactions.

Ms. Vedavalli S, Company Secretary and Compliance officer, acted as the Secretary to the Administrative Committee.

#### 5. Corporate Social Responsibility Committee (CSR Committee)

The Board has constituted the CSR Committee as per the requirements of the Companies Act, 2013 along with applicable rules. The Company has framed a CSR policy which is available on the following link: <https://www.mindtree.com/corporate-social-responsibility-policy>

The CSR Committee met thrice during the Financial Year 2016-17 on July 18, 2016, October 21, 2016 and January 19, 2017. The details of composition, meetings and attendance of the same is as below:

#### Details of Composition and Attendance of the CSR Committee Meetings

Name of the Director	Category	Position	Number of CSR Committee Meetings	
			Held	Attended by the Director
Mr. Krishnakumar Natarajan <sup>1</sup>	Executive Chairman	Chairperson	3	3
Mr. Subroto Bagchi <sup>2</sup>	Non-Executive & Non-Independent Director	Member	3	3
Mr. N.S. Parthasarathy	Executive Vice Chairman, President & COO	Member	3	3
Prof. Pankaj Chandra	Independent Director	Member	3	3
Mr. Rostow Ravanan	CEO & Managing Director	Member	3	3

<sup>1</sup> Appointed as a member with effect from May 26, 2016 & elevated as Chairperson with effect from January 19, 2017.

<sup>2</sup> Ceased to be Chairperson with effect from January 19, 2017 and continued as a member thereafter.

The frequency, agenda, duration, etc., are as set by the Chairperson of the Committee.

Ms. Vedavalli. S, Company Secretary and Compliance Officer acted as Secretary to the CSR Committee.

#### 6. Risk Management Committee

The Board, on its own, has constituted the Risk Management Committee in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The roles, responsibilities and terms of reference of Risk Management Committee are as follows:

1. Framing, implementation, monitoring and review of the Mindtree risk management policy/ plan;
2. Evaluation of Mindtree risk management procedures including risk recognition, assessment, minimization and definition of risk appetite;
3. Reviewing and discussing adoption of the Risk Management Policy and management's recommended risk management framework;
4. Ensuring the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new activities;

5. Reviewing management's prioritization of risks as set out in the framework and recommend significantly high risks to the Board for review;
6. Reviewing and discussing management's annual risk management program to ensure risks are managed in a systematic and prioritized manner and assessed regularly;
7. Conducting an annual review with the owner of the process by which Mindtree manages its enterprise risks;
8. Reviewing risk issues identified by audits and the resolution of such issues by management;
9. Ensuring key risks identified are audited if required;
10. Reviewing quarterly risk reports provided by the Chief Risk Officer;
11. Providing executive sponsorship for significantly high enterprise-level risks;
12. Taking decisions on organization-level risk treatment options;
13. Resolving conflicts of interests (in the context of risk management) and
14. Any other matter referred to the Risk Management Committee (RMC) by the Mindtree Board of Directors.

The Risk Management Committee met four times during the Financial Year 2016-17 on April 12, 2016, July 04, 2016, October 03, 2016 and January 02, 2017. The details of composition, meetings and attendance of the same is as below:

#### Details of Composition and Attendance of Risk Management Committee Meetings

Name of the Director	Category	Position	Number of Risk Management Committee Meetings	
			Held	Attended by the Director*
Mr. Krishnakumar Natarajan	Executive Chairman	Chairperson	4	4
Mr. Rostow Ravanan	CEO & Managing Director	Member	4	4
Mr. N.S. Parthasarathy	Executive Vice Chairman, President & COO	Member	4	3
Mr. Akshaya Bhargava**	Independent Director	Member	-	-

\*Meetings attended includes attendance through audio visual means / video conferencing.

\*\*Appointed as a member with effect from January 19, 2017.

The frequency, agenda, duration, etc., are as set by the Chairperson of the Committee.

Mr. Vijay Y H, Chief Risk Officer, acted as Secretary to the Risk Management Committee.

#### Board Disclosures - Risk Management

Enterprise Risk Management (ERM) is an organization wide function looking into the risks which can have an adverse impact on Mindtree's business. ERM encompasses areas of organizational exposure to risk (financial, strategic, operational and compliance). ERM also provides a structured process for management of risks whether those risks are quantitative or qualitative in nature.

Our risk framework is based on standards such as COSO, ISO 31000:2009 and IRM Risk Management Standard which enable us to structure our systems and mechanisms of risk management effectively. ERM involves risk identification, assessment and risk mitigation planning for strategic, operational, compliance and financial related risks across business units, functions and geographies.

#### IV. Governance to Shareholders

##### 1. General Meetings, Postal Ballot and Court Convened Meetings

##### Annual General Meetings of the earlier three years:

Financial Year	Details of day, date, time and venue where the AGM was held	Summary of Special Resolution(s) passed
2013-14	15th AGM was conducted on Friday, July 18, 2014 at 10.30 AM at 'The Chancery Hall', Hotel Atria, #1, Palace Road, Bengaluru 560 001, Karnataka, India	No Special Resolutions were passed
2014-15	16th AGM was conducted on Monday, June 22, 2015 at 10.30 AM at 'The Chancery Hall', Hotel Atria, #1, Palace Road, Bengaluru 560 001, Karnataka, India	1.To maintain the Register of Members at Mumbai 2.To amend the Mindtree Restricted Employee Stock Purchase Plan, 2012
2015-16	17th AGM was conducted on Tuesday, July 19, 2016 at 10.30 AM at 'The Capitol Hotel', No.3, Raj Bhavan Road, Opp. General Post Office, Bengaluru 560 001, Karnataka, India	To consider adoption of newly substituted Articles of Association of the Company containing clauses in line with the Companies Act, 2013

**Extra-Ordinary General Meetings (EGM) of the earlier three years:**

Financial Year	Details of date, day, time and venue where the EGM was held	Summary of Special Resolution(s) passed
2013-14	No EGM was conducted	None
2014-15	No EGM was conducted	None
2015-16	No EGM was conducted	None

**Postal Ballot**

A Postal Ballot was conducted during the Financial Year 2016-17. The details are given below:

**The details regarding the businesses transacted by way of Postal Ballot and the voting results thereof:**

At the Board meeting held on October 21, 2016, notice of Postal Ballot was approved.

Pursuant to Section 110 of the Companies Act, 2013 read with, Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to other applicable laws and regulations, the approval of the Members was sought for:

- 1) Appointment of Mr. Akshaya Bhargava (DIN 01874792) as Independent Director;
- 2) Appointment of Mr. Namakal Srinivasan Parthasarathy (Mr. N.S. Parthasarathy) (DIN 00146954) as Executive Vice Chairman.

The Board of Directors of Company in their meeting held on October 21, 2016 appointed Mr. Nagendra D Rao, Practicing Company Secretary as the scrutinizer for the process of Postal Ballot to be conducted as per the provisions of Section 110 of Companies Act, 2013. The procedure for the Postal ballot was stated in the notice of Postal Ballot. Please refer the Notice of Postal Ballot under <https://www.mindtree.com/postal-ballot-notice>.

The results of the Postal Ballot, including the E-Voting are as follows:

Particulars of the Resolution	For		Against		Percentage (%)	
	Voter Count (No. of Shareholders)	Vote Count (No. of Shares)	Voter Count (No. of Shareholders)	Vote Count (No. of Shares)	For	Against
Resolution No.1 Appointment of Mr. Akshaya Bhargava (DIN 01874792) as Independent Director – Ordinary Resolution	1,128	102,797,512	49	6,659	99.99	0.01
Resolution No.2 Appointment of Mr. Namakal Srinivasan Parthasarathy (Mr. N.S. Parthasarathy) (DIN 00146954) as Executive Vice Chairman – Ordinary Resolution	1,129	100,394,261	45	4,406	99.99	0.01

The above Resolutions were approved with requisite majority, the results were displayed on the website of the Company and necessary disclosures were made to the Stock Exchanges.

**Court Convened Meetings**

Pursuant to the Order of the Hon'ble High Court of Karnataka dated April 21, 2016, in the Company application number 173 of 2016, Your Company had conducted Court Convened Meeting of Unsecured Creditors and Shareholders on Tuesday, June 14, 2016 at 10.00 AM and 12.00 PM respectively, at 'The Capitol Hotel', No.3, Raj Bhavan Road, Opp. General Post Office, Bengaluru - 560 001, Karnataka, India, for the purpose of seeking the approval of the Unsecured Creditors and Shareholders for the Composite Scheme of Amalgamation of Discoverture Solutions L.L.C ("the Transferor Company 1") and Relational Solutions Inc. ("the Transferor Company 2") with Mindtree Limited ("Transferee Company")

The Company had appointed Mr. Nagendra D Rao, Practicing Company Secretary as the scrutinizer to conduct and scrutinize the voting in fair and transparent manner.

The resolutions were approved by Unsecured Creditors unanimously and Shareholders with requisite majority, as prescribed under applicable laws and as per the Order of the Hon'ble High Court of Karnataka. The results were displayed on the website of the Company and necessary disclosures were made to the Stock Exchanges. Please refer the results under: <https://www.mindtree.com/sites/default/files/outcome-of-court-convened-meeting.pdf>.

**2. Disclosures****(i) Disclosure of Related Party Transactions**

Your Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions and it is available on the website in the following link: <https://www.mindtree.com/policy-for-determining-material-related-party-transactions>.

During the year 2016-17, no materially significant related party transactions have been entered into by the Company with the Promoters,



Directors or Management or their relatives that may have a potential conflict with the interest of the Company. None of the Non-Executive Directors/Independent Directors have any material pecuniary relationship or transactions with the Company for the year ended March 31, 2017 and have provided declarations to that effect. Details of all related party transactions are disclosed in the Notes to the Accounts in this Annual Report as required under Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India. The transactions with the companies, where the Directors of the Company were interested, were in the ordinary course of business, at arm's length and such transactions did not have any potential conflict with the interests of the Company.

All related party transactions were entered into with the prior approval of the Audit Committee. There were no related party transactions that required approval of the Shareholders.

All Related Party transactions entered into during the quarter were placed before the Audit Committee and the Board.

Registers under Section 189 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable. The details of such transactions are provided to the Board and Audit Committee. The interested Directors do not participate in the discussions and vote on such matters, when they come up for approval.

**(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

No penalty or stricture was imposed by the Stock Exchanges or SEBI or any other authority, during the last 3 (three) years, since all applicable requirements were fully complied with.

**(iii) Accounting treatment in preparation of Financial Statements**

The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013, have been followed in preparation of the financial statements of the Company.

**(iv) Whistle Blower Policy**

Your Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- For employees to report concerns about unethical behavior;
- To establish a mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the integrity policy and
- To ensure that adequate safeguards shall be provided to the whistle blowers against any victimization or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be made to any person for a genuinely raised concern.

No personnel has been denied access to the Audit Committee.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and Board. The Audit Committee on a quarterly basis looks into matters reported and track matters to closure as per law.

**(v) Code of Conduct**

Your Company has laid down a Code of Conduct ("Code") for all the Board Members, (which includes the duties of Independent Directors as laid down under the Companies Act, 2013) and Senior Management Personnel of the Company. The Code is available on the website of the Company i.e., <https://www.mindtree.com/code-conduct>. All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and disclosure under Regulation 26(5) and 26(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2017.

A declaration signed by the Chief Executive Officer (CEO) to this effect is attached as Annexure A to the Corporate Governance Report in this Annual Report.

**(vi) Details of compliance with mandatory and discretionary requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Your Company has disclosed and complied with all the mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of these compliances have been given in the relevant sections of this report.

Among discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted with the following:

**Separate posts of Chairman and CEO** - The Chairman and CEO/Managing Director are two separate persons - The position of Chairman and CEO is bifurcated in the Company.

**Reporting of Internal Auditor** - The Internal auditor reports directly to the Audit Committee.

**Audit Qualifications** – The Auditors of the Company, have issued Audit Reports with unmodified opinion on standalone and consolidated financial statements for the year ended March 31, 2017.

**(vii) Non-compliance of Regulations relating to Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any:**

Your Company is fully compliant with all the regulations.

**(viii) Disclosure of Subsidiary Companies:**

The details of the subsidiaries as on March 31, 2017 are as follows:

Name of Subsidiary	Date of Incorporation/ Acquisition	Country	Business
Mindtree Software (Shanghai) Company Limited	January 29, 2013	China	Information Technology Services
Discoverture Solutions, LLC	February 13, 2015 <sup>1</sup>	USA	Information Technology Services
Relational Solutions Inc.	July 16, 2015 <sup>1</sup>	USA	Information Technology Services
Bluefin Solutions Limited	July 16, 2015 <sup>1</sup>	UK	Information Technology Services
Magnet 360, LLC	January 19, 2016 <sup>1</sup>	USA	Information Technology Services
<b>Step Down (Subsidiary of Bluefin Solutions Limited)</b>			
Bluefin Solutions Pte. Limited	July 16, 2015 <sup>1</sup>	Singapore	Information Technology Services
Bluefin Solutions Inc.	July 16, 2015 <sup>1</sup>	USA	Information Technology Services
Bluefin Solutions Sdn Bhd	July 16, 2015 <sup>1</sup>	Malaysia	Information Technology Services
Blouvin (Pty) Limited	July 16, 2015 <sup>1</sup>	South Africa	Information Technology Services
<b>Step Down (Subsidiary of Magnet 360, LLC)</b>			
Reside, LLC	January 19, 2016 <sup>1</sup>	USA	Information Technology Services
Numerical Truth, LLC	January 19, 2016 <sup>1</sup>	USA	Information Technology Services
M360 Investments, LLC	January 19, 2016 <sup>1</sup>	USA	Information Technology Services

<sup>1</sup>*Date of acquisition*

The Audit Committee have reviewed the financial statements of subsidiaries, including the investments made by the subsidiaries, if any. The minutes of subsidiaries and the details of significant transactions thereof were placed before the Board. Your Company do not have material subsidiaries during the year under review. The policy with regard to material subsidiary is available in the following link: <https://www.mindtree.com/policy-for-determining-material-subsiidiary>

**(ix) Compliance of Prohibition of Insider Trading Regulations**

Your Company has formulated Code of Conduct for Prevention of Insider Trading in Mindtree Securities in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons and other employees. Mr. Jagannathan Chakravarthi, CFO, continues to act as Compliance Officer under the Code of Conduct for Prevention of Insider Trading in Mindtree Securities.

**(x) Secretarial Audit:**

During the Financial Year 2016-17, Secretarial Audit was conducted as required under the provisions of Section 204 of the Companies Act, 2013. Mr. G. Shanker Prasad, Practicing Company Secretary, Membership Number: 6357; CP Number: 6450 conducted the audit, and the Secretarial Audit Report is in Annexure 8 to the Directors' Report.

**(xi) Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Auditor's Certificate on Corporate Governance obtained from Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.008072S) for compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as Annexure 9 to the Directors' Report.

**IV. Means of Communication**

Your Company would like to constantly communicate to its investors and stakeholders about its operations and financial results.

The transcripts of the quarterly earnings calls with analysts have also been published on its website. Your Company also had sent quarterly financial updates to all Investors and Shareholders whose e-mail ids/addresses are registered/made available to us.

Communication of Audited Financial Results (Quarterly and Annual)	The Company has regularly furnished, through email and electronic filing systems and such other mode, as may be required by the exchanges - within 30 (thirty) minutes (as applicable under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the case may be) of closure of the Board meeting, the quarterly audited as well as annual audited results to both the Stock Exchanges i.e., BSE & NSE.	
	Quarterly and Annual financial results are also published in English and regional (Kannada) newspaper, i.e., Business Standard and Samyukta Karnataka (for April 2016 and July 2016 results) and Kannada Prabha (for October 2016 and January 2017 results)	
	Means of Communication	Number of times communicated during 2016-17
	Earnings Calls/Analysts Call	4
	Publication of Quarterly and Annual Financial Results	4
	Investor & Analysts Meet	1

Website	Pursuant to the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website <a href="https://www.mindtree.com/about-us/investors">https://www.mindtree.com/about-us/investors</a> contains a dedicated segment called 'Investors' where all the information as may be required by the Shareholders is available including press releases, financial results, fact sheet reports, earnings conference call transcripts, shareholding pattern, stock exchange filings, shareholders' reports, investor presentation, Annual Reports, additional disclosures, etc.,
NSE Electronic Application Processing System (NEAPS) and BSE Online Listing Centre	The Company uploads its disclosures and announcements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the link, <a href="https://www.connect2nse.com/LISTING/">https://www.connect2nse.com/LISTING/</a> to NSE Electronic Application Processing System (NEAPS) and to BSE Online Listing Centre at the link, <a href="https://listing.bseindia.com/">https://listing.bseindia.com/</a>

Quarterly results and presentations made by the Company to analysts and Institutional Investors are available on Company's website in the following link: <https://www.mindtree.com/about-us/investors>

The Company submitted a quarterly compliance report on Corporate Governance to the stock exchanges within 15 days from the close of quarter as per the format given under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## V. Governance by the Management

### 1. Management Discussion and Analysis

As required by Regulation 34 (2) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis is provided separately in this Annual Report.

### 2. Compliance Certificate by CEO and CFO

The Compliance Certificate by CEO and CFO as required under the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as Annexure B to the Corporate Governance Report in this Annual Report.

## VI. General Shareholders' Information

### Eighteenth Annual General Meeting

The Eighteenth Annual General Meeting (AGM) of the Company for the Financial Year 2016-17 is scheduled on Tuesday, July 18, 2017 at 10.30 AM at Hotel 'Radisson Blu Atria Bengaluru', No. 1, Palace Road, Bengaluru – 560 001, Karnataka.

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has extended e-voting facility, for its Members to enable them to cast their votes electronically on the proposed resolutions in the Notice of the Eighteenth AGM. Instructions for e-voting are listed under the segment "Notes" in the Notice of the Eighteenth AGM.

Those of the Shareholders/Members, who cannot attend the AGM in person, can appoint a proxy to represent them in the AGM, for which the Shareholder/Member needs to fill in a proxy form and send it to the Company, to its Registered Office address, on or before 10.30 AM on July 16, 2017.

### Financial Year

#### Board Calendar: Financial Year from April 1, 2017 to March 31, 2018

For the Financial Year 2017-18	Tentative Date of Announcement of Audited Financial Results (Subject to change)
First Quarter ended June 30, 2017	July 19, 2017
Second Quarter and half year ended September 30, 2017	October 24, 2017
Third Quarter and Nine Months ended December 31, 2017	January 17, 2018
Fourth Quarter and Financial Year ended March 31, 2018	April 18, 2018
Nineteenth Annual General Meeting	July 17, 2018

### Date of Book Closure

The dates of book closure shall be from Wednesday, July 12, 2017 to Tuesday, July 18, 2017 (both the days inclusive)

### Details of Dividend for the Financial Year 2016-17

The details of the dividend declared during the year 2016-17 are as follows:

Particulars of Dividend	Par Value (in ₹)	Percentage (%)	Dividend Amount Per Equity Share (in ₹)	Date of Declaration	Record Date	Dividend Payout Date
First Interim Dividend	10.00	30	3.00	October 21, 2016	November 01, 2016	November 03, 2016
Second Interim Dividend	10.00	20	2.00	January 19, 2017	January 28, 2017	January 31, 2017
Third Interim Dividend	10.00	20	2.00	March 27, 2017	April 10, 2017	April 12, 2017

Your Directors have also recommended the following final dividend for the Financial Year ended March 31, 2017 which is payable on obtaining the Shareholders' approval in the Eighteenth Annual General Meeting:

Particulars of Dividend	Par Value (in ₹)	Percentage (%)	Dividend Amount Per Equity Share (in ₹)	Date of Recommendation	Book Closure Date
Final Dividend	10.00	30	3.00	April 20, 2017	July 12, 2017 to July 18, 2017 (both days inclusive)

The above final dividend, if approved, will be paid on or before July 31, 2017.

#### Listing on Stock Exchanges

Your Company's equity shares are listed on the following Stock Exchanges as on March 31, 2017:

- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 &
- National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

Listing fees for the Financial Year 2017-18 has been paid to both NSE and BSE within the stipulated time.

#### Stock Code

Stock Exchange	Scrip ID/Code	Reuters Code
NSE	MINDTREE	MINT.NS
BSE	MINDTREE /532819	MINT.BO

#### Corporate Identity Number (CIN)

The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India, is L72200KA1999PLC025564 and the Company's Registration No. is 08/25564 of 1999. Your Company is registered in the State of Karnataka, India.

#### International Securities Identification Number (ISIN)

ISIN is an identification number for traded shares. This number needs to be quoted in each transaction relating to the dematerialized equity shares of the Company. Your Company's ISIN number for its equity shares is INE018I01017.

#### Market Price Data: High, Low during each month of the Financial Year 2016-17

Your Company's monthly high and low share price as well as the total turnover at the NSE and BSE are given herein.

The share price data for each month during the Financial Year 2016-17 on the National Stock Exchange of India Limited are as mentioned below:

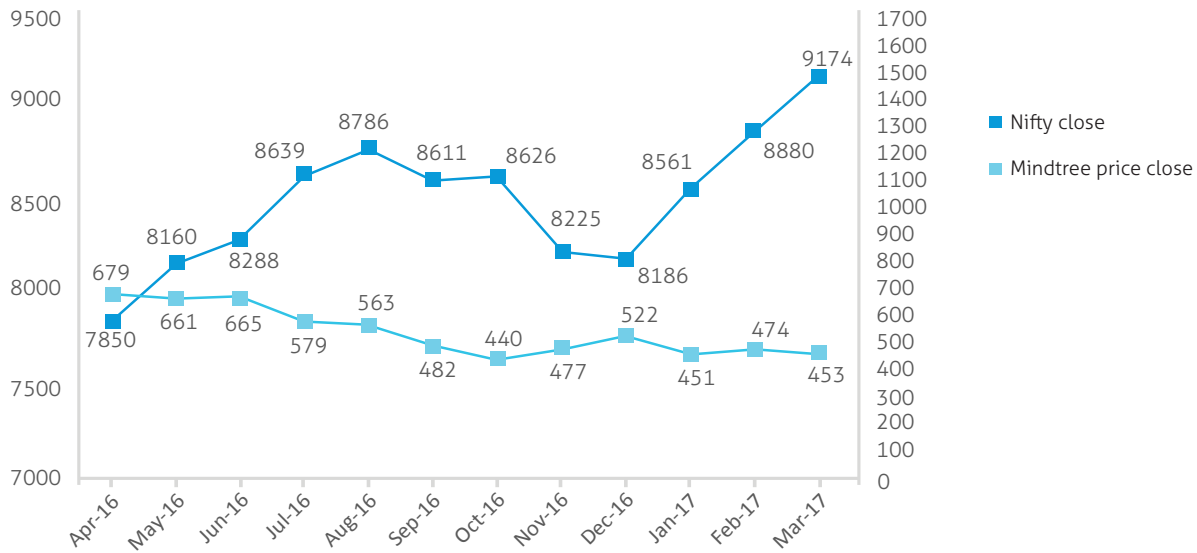
Month	National Stock Exchange of India Limited (NSE), Mumbai		
	Total Volume (₹ in Lakhs)	High (₹)	Low (₹)
April 2016	55,856	755	647
May 2016	57,570	694	624
June 2016	43,387	677	625
July 2016	97,462	682	549
August 2016	56,486	621	547
September 2016	77,433	570	464
October 2016	63,257	510	434
November 2016	47,106	487	399
December 2016	61,489	534	443
January 2017	56,635	536	445
February 2017	45,875	482	433
March 2017	49,413	485	451

Share price data for each month during the Financial Year 2016-17 on the BSE Limited (Bombay Stock Exchange) are as mentioned below:

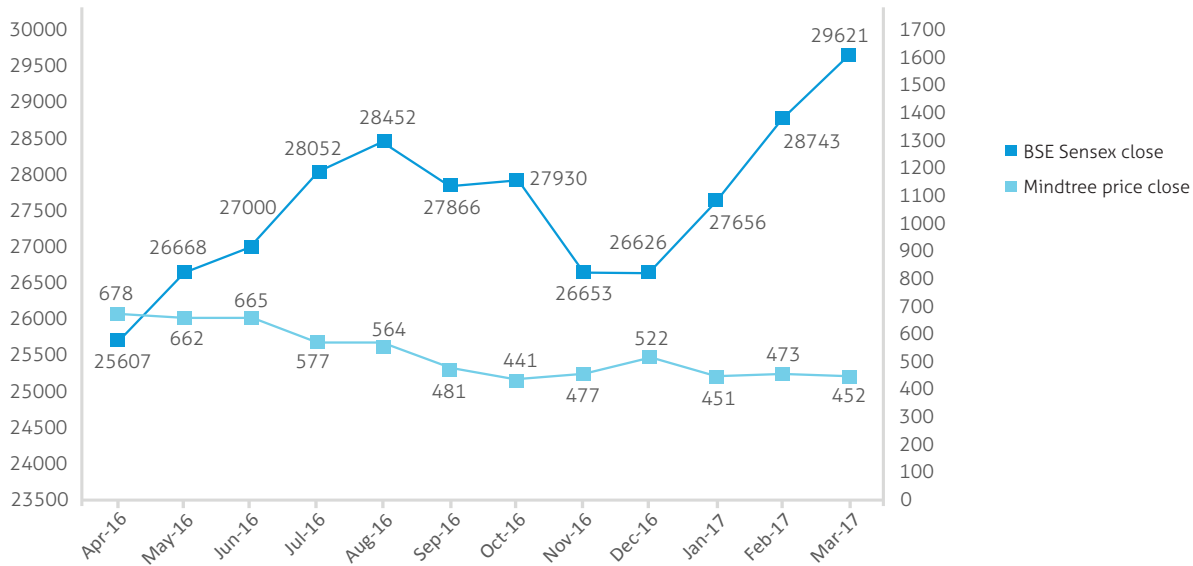
Month	BSE Limited (Bombay Stock Exchange), Mumbai		
	Total Volume (₹ in Lakhs)	High (₹)	Low (₹)
April 2016	4,806	758	648
May 2016	2,995	694	624
June 2016	2,902	677	627
July 2016	7,951	682	549
August 2016	3,867	621	547
September 2016	16,532	565	464
October 2016	6,797	509	434
November 2016	20,928	487	400
December 2016	6,327	533	443
January 2017	4,868	534	445
February 2017	5,086	482	440
March 2017	6,704	485	450

Performance in comparison to broad-based indices such as NSE Nifty and BSE Sensex

Mindtree's share price movement compared to NSE Nifty (closing price on last trading day of the month)



Mindtree’s share price movement compared to BSE Sensex (closing price on last trading day of the month)



List of Top Ten Shareholders of the Company as on March 31, 2017

Names of the Shareholder	No. of Shares	Percentage (%)
Coffee Day Enterprises Limited	17,461,768	10.39
Nalanda India Fund Limited	15,796,356	9.40
Coffee Day Trading Limited	10,594,244	6.31
Krishnakumar Natarajan	7,994,412	4.76
Amansa Holdings Private Limited	7,329,305	4.36
V. G. Siddhartha	5,469,750	3.26
Subroto Bagchi	5,255,700	3.13
Matthews India Fund	4,936,665	2.94
Rekha N Shah	3,650,000	2.17
Franklin Templeton Mutual Fund A/c	3,423,766	2.04
<b>Total</b>	<b>81,911,966</b>	<b>48.75</b>

Registrar and Share Transfer Agent

All work related to Share Registry, both in physical form and electronic form, are handled by the Company’s Registrar and Share Transfer Agent, Link Intime India Private Limited. The communication address of the Registrar and Share Transfer Agent is given hereunder.

Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai – 400 083, India.

Tel: +91 22 4918 6000| Fax: +91 22 4918 6060| e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) | Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Share transfer system

Link Intime India Private Limited is the common Share Transfer Agent for both physical and dematerialised mode. Transfer of shares in electronic form are processed and approved in the electronic form by National Securities Depository Limited (‘NSDL’) / Central Depository Services (India) Limited (‘CDSL’) through their Depository Participant without the involvement of the Company. Share transfer activities under physical segment like receipt/dispatch of documents, their verification and preparation of Memorandum of Transfers are being carried out by Link Intime India Private Limited. Transfer of shares in physical form are registered and transferred to the respective transferees within the prescribed time as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, after the receipt of complete documents. The Share transfers are approved by the Administrative Committee. The details of share transfers during the quarter are also placed before the Board meetings and the Board takes the same on record. In case of any grievances related to share transfers, the same are placed before Stakeholders’ Relationship Committee. The Company did not have any instances of Shareholder grievance on share transfers during the year.

## Details of transaction requests received and processed during the Financial Year 2016-17

Particulars	Total No. of Requests	Total No. of Shares
Share Transfer	3	16,036
Share Transmission	3	158
Deletion of Names	1	36
Transposition of Shares	-	-
Total No. of Demat	37	156,898
Total No. of Remat	6	369
<b>Total</b>	<b>50</b>	<b>173,497</b>

## Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit was undertaken on a quarterly basis and the audit covers the reconciliation of the total admitted capital with NSDL and CDSL and the total issued and listed capital.

The audit has also confirmed that the aggregate of the total issued/paid up capital is in agreement with the total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

## Distribution of Shareholding

Range of equity shares	As at March 31, 2017				As at March 31, 2016			
	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Up to 500	89,771	94.98	6,915,411	4.12	63,835	94.21	4,791,506	2.86
501-1,000	2,366	2.50	1,743,937	1.04	1,748	2.58	1,277,018	0.76
1,001-2,000	1,036	1.10	1,518,726	0.90	849	1.25	1,251,561	0.75
2,001-3,000	329	0.35	832,051	0.50	264	0.39	663,364	0.40
3,001-4,000	192	0.20	689,746	0.41	162	0.24	579,767	0.34
4,001-5,000	108	0.11	491,246	0.29	91	0.13	412,315	0.25
5,001-10,000	231	0.25	1,663,475	0.99	272	0.40	1,940,951	1.16
10,001 and above	479	0.51	154,170,954	91.75	540	0.80	156,869,694	93.49
<b>Total</b>	<b>94,512</b>	<b>100.00</b>	<b>168,025,546</b>	<b>100.00</b>	<b>67,761</b>	<b>100.00</b>	<b>167,786,176</b>	<b>100.00</b>

## Categories of Shareholders as on March 31, 2017

Category	No. of Folios	No. of Shares held	Percentage (%) of Shareholding
Clearing Members	286	1,178,662	0.70
Other Bodies Corporate	728	32,612,656	19.41
Directors	4	5,649,750	3.36
Financial Institutions	4	535,314	0.32
Foreign Portfolio Investors including FII's	141	65,845,349	39.19
Foreign Promoter Company	1	2,446,984	1.46
Hindu Undivided Family (HUF)	1,817	403,039	0.24
Mutual Funds	49	11,235,659	6.69
Nationalized Banks	1	133,812	0.08
Non Nationalized Banks	4	19,667	0.01
Foreign Nationals	19	654,881	0.39
Non Resident Indians (Repatriable)	1,621	945,775	0.56
Non Resident (Non-Repatriable)	581	449,726	0.27
Persons Acting in Concert (PAC)	5	3,695,372	2.20
Public	89,242	25,395,540	15.11
Promoters	5	16,823,110	10.01
Trusts	4	250	0.00
<b>Total</b>	<b>94,512</b>	<b>168,025,546</b>	<b>100.00</b>

The detailed shareholding pattern is provided in Annexure 4, extract of Annual Return, annexed to the Directors' Report in Form MGT-9 as required under the provisions of Section 92 of the Companies Act, 2013.

### Dematerialization of Shares and Liquidity

Your Company's shares are admitted into both the Depositories i.e. NSDL and CDSL by the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited. 99.77% of the Company's shares are held in electronic/demat form as on March 31, 2017.

As on March 31, 2017, the number of shares held in dematerialized and physical mode are as under:

Particulars	Number of Shares	Percentage to Total Number of Shares Issued	Number of Shareholders	Percentage to Total Number of Shareholders
Held in dematerialized mode in NSDL	147,278,720	87.65	65,421	69.22
Held in dematerialized mode in CDSL	20,363,156	12.12	28,859	30.53
Total Demat Segment	167,641,876	99.77	94,280	99.75
Physical Segment	383,670	0.23	232	0.25
<b>Total</b>	<b>168,025,546</b>	<b>100.00</b>	<b>94,512</b>	<b>100.00</b>

### Shares held in Demat or Electronic Form

For shares held in electronic form, after confirmation of sale/purchase transaction from the Broker, Shareholders should approach their respective Depository Participant (DP) with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to either Company or Registrar and Share Transfer Agent to register such share transfers in electronic/demat form. For matters regarding shares held in demat/electronic form and for matters related to dividends, change of address, change of bank mandates, etc., Shareholders should communicate directly with their respective Depository Participant.

### Shares held in Physical Form

For matters regarding shares held in physical form, share certificates, dividends, change of address, etc., Shareholders should communicate with Link Intime India Private Limited, our Registrar and Share Transfer Agent.

### Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company and hence, the same is not applicable to the Company.

### Commodity price risk or foreign exchange risk and hedging activities

Your Company do not have any commodity price risk. Your Company has a formal Board approved hedging strategy which is reviewed periodically. Judiciously hedging against adverse foreign exchange exposures helps minimize the impact of exchange fluctuations. We continue to maintain a prudent and balanced forex management policy which will help us manage risk appropriately.

### Branch Locations of the Company

The branch locations consisting of address and other contact details have been provided separately in this Annual Report and the details are also available at <https://www.mindtree.com/contact-us>

### Address for Correspondence

Shareholders can also send their correspondence to the Company with respect to their shares, dividend, request for annual reports and other grievance. The contact details are provided below:

**Ms. Vedavalli S**

**Company Secretary and Compliance Officer**

Mindtree Limited, Global Village, RVCE Post, Mysore Road, Bengaluru - 560 059, India.

P + 91 80 6706 4000 | F + 91 80 6706 4100 | Email: [investors@mindtree.com](mailto:investors@mindtree.com) | Website: [www.mindtree.com](http://www.mindtree.com)

Analysts can reach our Investor Relations Team for any queries and clarifications on Financial/Investor Relations related matters. The contact details are provided below:

**Mr. Sushanth Pai**

**Head - Investor Relations**

Mindtree Limited Global Village, RVCE Post, Mysore Road, Bengaluru - 560 059, India.

P + 91 80 3395 5458 | F + 91 80 6706 4100 | Email: [sushanth.pai@mindtree.com](mailto:sushanth.pai@mindtree.com) | Website: [www.mindtree.com](http://www.mindtree.com)



#### Registered Office

Global Village, RVCE Post, Mysore Road, Bengaluru-560 059, Karnataka, India.

Ph: +91-80-6706 4000, Fax: +91-80-6706 4100, Website: [www.mindtree.com](http://www.mindtree.com)

#### Disclosure on Compliance

Your Company has complied with the requirements of the Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Declaration by the CEO under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2017.

Place: Bengaluru  
Date: April 20, 2017

**Rostow Ravanan**  
CEO & Managing Director

## Annexure B

## Compliance Certificate

{As per Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

We, Rostow Ravanan, CEO & Managing Director and Jagannathan Chakravarthi, Chief Financial Officer of Mindtree Limited, to the best of our knowledge, information and belief, certify that:

- 1) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and:
  - a. These Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These Financial Statements together present, in all material respects, a true and fair view of the Company's affairs, the financial condition and results of operations and are in compliance with applicable accounting standards, laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls over financial reporting by the Company and we have:
  - a. Designed such controls to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others;
  - b. Designed or caused to be designed, such internal control systems over financial reporting, so as to provide reasonable assurance regarding the preparation of financial statements in accordance with Indian Accounting Standards (Ind AS) in India; and
  - c. Evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
- 4) During the year, we have disclosed to the Company's Auditors and the Audit Committee of the Board of Directors:
  - a. Any change, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting;
  - b. Any significant changes in accounting policies during the year, and that the same have been disclosed appropriately in the notes to the financial statements;
  - c. Instances of significant fraud, if any, that we are aware especially if any Member of management or employee involved in financial reporting related process. No such instances were noticed during the year 2016-17;
  - d. All significant changes and deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data; and
  - e. Any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
- 5) In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive which was inflated on account of such mistakes or omissions.
- 6) We affirm that we have not denied any employee, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- 7) We further declare that, all Board Members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Place: Bengaluru  
Date: April 20, 2017

**Rostow Ravanan**  
CEO & Managing Director

**Jagannathan Chakravarthi**  
Chief Financial Officer

## Management Discussion and Analysis

Readers are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate", "believe", "estimate", "intend", "will" and "expect" and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included in this report and the notes thereto. Investors are also requested to note that this discussion is based on the consolidated financial results of the Company.

### Industry outlook, structure and developments

Global economic growth was 3.1% in 2016 and is projected to reach 3.4% and 3.6% in 2017 and 2018, respectively. This reflects a more lackluster outturn in 2016 with a gradual pickup in the next two years. The pick up in growth may be attributed to accelerating economic activity in both advanced economies and emerging markets and developing economies.

US grew at 2.6% in 2016 and is expected to grow at 2.3% and 2.5% in 2017 and 2018, respectively. Overall economic activity rebounded strongly in the United States after the weak first half of 2016 with the labor market approaching full employment. However, the forecast is lower and uncertain in light of potential changes in the policy stance of the United States under the incoming administration.

The Euro area grew at 1.7% in 2016 as compared to 2.0% in 2015. It is expected to grow at 1.6% in 2017 as well as in 2018.

China decelerated to 6.7% in 2016 from 6.9% in 2015. It is expected to further slowdown in 2017 and 2018 with the estimated growth rate of 6.5% and 6.0% respectively.

India grew at 6.6% in 2016 as compared to 7.6% in 2015. It is expected to grow at 7.2% and 7.7% in 2017 and 2018. With these numbers, India will continue to remain one of fastest growing economy compared to other developed and emerging economies.

Global technology industry saw fairly modest, yet commendable growth of about 4%, after a couple of years of remaining flat. Global sourcing market growth continues to outperform IT-BPM spend growth. In 2016, global sourcing grew 1.7 times to reach USD 173-178 billion. India continued as the world's No.1 sourcing destination with a healthy and significant share of 55%.

In FY2017, India had IT-BPM revenue touching USD 154 billion, up from USD 143 billion in FY2016 and showing a growth of 8%. Exports reached USD 117 billion, a 7.6% growth over the previous year and an addition of USD 8.2 billion. In FY2017, India's domestic IT-BPM market grew at 8.5% Y-o-Y to reach USD 38 billion (excl. e-commerce). By 2020, India's IT-BPM sector total revenue is projected to reach USD 200-225 billion and between USD 350-400 billion by 2025. Digital technologies will continue to define the sector and revenue from these is likely to have a 23% share by 2020 and more than 38% by 2025.

Worldwide, 2016 has been an year of continuous disruption in terms of technology (IOT, AI etc.), political changes (Brexit, US Elections) along with the decline in GDPs of key markets (US, UK etc.). While implications of political changes are still not very clear, technology implications are already everywhere. India's IT-BPM industry is feeling the impact of the global slowdown and global political uncertainties as clients go slow on their decision-making and investment processes. However, India continues to be the world's top outsourcing destination due to its unique value proposition which rests on the following five strategic pillars:

- Digitally connected domestic economy
- Maturity in onshore, offshore and nearshore global delivery model
- Highest volume of diverse, employable talent
- World's fastest growing digital hub
- Digital at the core of innovation

Indian service providers face a significant opportunity as digital technologies continue to be embedded in an ever widening range of products and services. The market is well set to reach USD 200-225 billion by 2020 and USD 350-400 billion by 2025. At the same time, challenges around economic volatility, protectionism, competition and inertia will need to be addressed by the concerned stakeholders.

Source: IMF WEO Jan 17 update, NASSCOM IT-BPM Strategic Review 2016

### Financial Performance

The table below gives an overview of the consolidated financial results for 2016-17 and 2015-16.

Particulars	FY 2016-17		FY 2015-16		Growth %
	₹ in million	% of revenue	₹ in million	% of revenue	
Income from operations	52,364	100.0%	46,730	100.0%	12.1%
<b>Expenses:</b>					
Employee benefits expense	34,125	65.2%	27,991	59.9%	21.9%
Other expenses	11,058	21.1%	10,529	22.5%	5.0%
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>7,181</b>	<b>13.7%</b>	<b>8,210</b>	<b>17.6%</b>	<b>-12.5%</b>
Other income (net)	553	1.1%	447	1.0%	23.7%

Particulars	FY 2016-17		FY 2015-16		Growth %
	₹ in million	% of revenue	₹ in million	% of revenue	
Foreign exchange gain/(loss)	(136)	-0.3%	392	0.8%	-134.7%
Finance costs	191	0.4%	160	0.3%	19.4 %
Depreciation and amortisation expense	1,858	3.5%	1,658	3.5%	12.1%
<b>Profit before tax</b>	<b>5,549</b>	<b>10.6%</b>	<b>7,231</b>	<b>15.5%</b>	<b>-23.3%</b>
Tax expense	1,363	2.6%	1,706	3.7%	-20.1%
<b>Profit for the year (PAT)</b>	<b>4,186</b>	<b>8.0%</b>	<b>5,525</b>	<b>11.8%</b>	<b>-24.2%</b>

**Income**

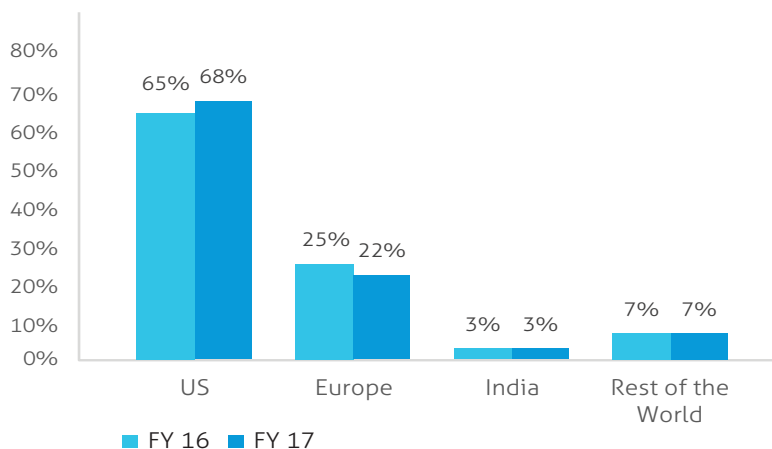
Revenue for the year in USD terms grew by 9.4% to USD 779.77 million. In Rupee terms, revenue for the year is ₹ 52,364 million with a growth of 12.1% over previous year.

We analyze our revenue based on various parameters. The factors which are driving our revenue growth (in USD terms) are as follows:

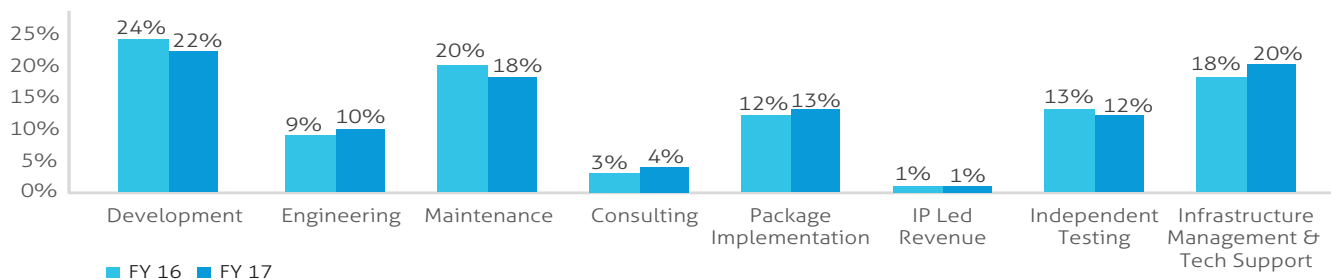
- Revenue by vertical: Among the verticals, Technology, Media and Services grew by 16.5% in the current year followed by RCM, which grew by 6.9%.
- Revenue by geography: US revenue grew by 15.1% followed by India revenue which grew by 13.5%.
- Revenue by service offering: Our revenue from Consulting grew by 31.9% year on year, followed by Infrastructure management and tech support and Package Implementation which grew by 23.5% and 18.4% respectively. Digital/SMAC revenue has grown by 18.3%.
- Revenue by mix: While the onsite revenue mix has grown by 23%, there has been a decline in offshore revenue mix by 6%.

A graphical presentation of revenue analysis based on various parameters is given below.

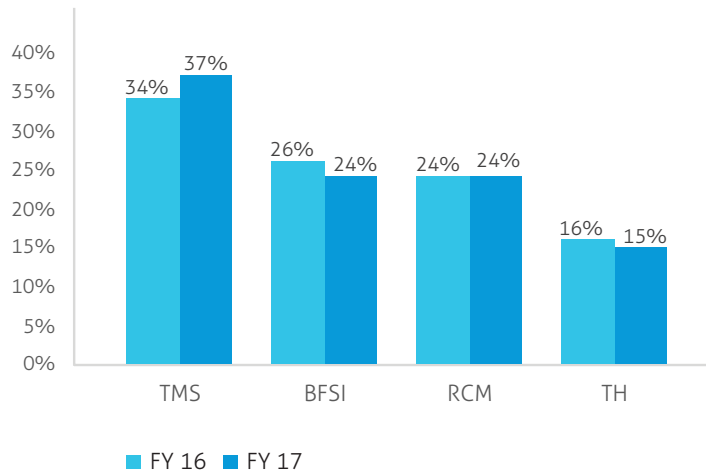
**Revenue distribution by geography**



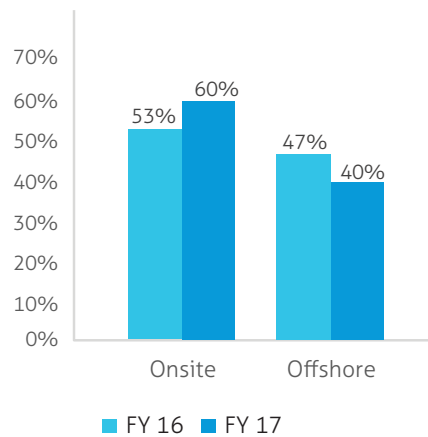
**Revenue distribution by service offering**



Revenue distribution by industry



Revenue distribution by mix



Our active customers as at March 31, 2017 stand at 328.

During the year, one of our clients crossed \$100 million in revenue and our \$ 10 million clients increased from 15 to 16.

**Other income (excluding foreign exchange gain)**

Other income for the year ended March 31, 2017 is ₹ 553 million and has increased by an amount of ₹ 106 million over the previous year (₹ 447 million). This is mainly on account of net gain on sale of financial assets designated at fair value through profit or loss and net gain on fair value of mutual funds.

**Foreign exchange loss/gain**

Foreign exchange loss for the year ended March 31, 2017 is ₹ 136 million as compared to a gain of ₹ 392 million in the previous year. The loss is on account of appreciation of rupee against USD towards the close of the year. The rate as at April 2016 was ₹ 66.26 which fell to ₹ 64.85 in March 2017. Adding to this is the fall in GBP rates due to Brexit. The rate as at the beginning of the year was ₹ 95.47 which fell to ₹ 80.90 as at March 31, 2017.

**Expenses**

**Employee benefits expense**

At 65.2% of total revenue, employee benefits expense are the major part of expenses. It includes the fixed as well as the variable components

of employees' salaries, contribution to provident funds, gratuity etc. Stock based compensation cost and staff welfare expenses incurred for the employees also form a part of this cost. Break-up of this head of expenses in comparison with previous year numbers is given below:

Employee benefits expense	For the year ended March 31,				Increase/ (Decrease) %
	2017		2016		
	₹ in million	% of revenue	₹ in million	% of revenue	
Salaries and wages	31,992	61.1%	26,128	55.9%	22.4%
Contribution to provident and other funds	1,882	3.6%	1,588	3.4%	18.5%
Expense on employee stock based compensation	54	0.1%	90	0.2%	-40.0%
Staff welfare expenses	197	0.4%	185	0.4%	6.5%
<b>Total</b>	<b>34,125</b>	<b>65.2%</b>	<b>27,991</b>	<b>59.9%</b>	<b>21.9%</b>

Total employee benefit expense have increased by 21.9%. In relation to revenues, employee benefits expense has increased by 5.3% from 59.9% to 65.2%. Out of the total increase in salaries and wages above, the full year impact on account of acquired subsidiaries is 4%.

#### Other expenses

Other expenses comprises of all other incidental costs apart from employee benefits costs like travel, sub-contractor charges, rent, computer consumables etc., The break-up of the same is as given below:

Other expenses	For the year ended March 31,				Increase/ (Decrease) %
	2017		2016		
	₹ in million	% of revenue	₹ in million	% of revenue	
Travel expenses	2,208	4.2%	2,249	4.8%	-1.8%
Communication expenses	752	1.4%	634	1.4%	18.6%
Sub-contractor charges	3,071	5.9%	2,969	6.4%	3.4%
Computer consumables	825	1.6%	651	1.4%	26.7%
Legal & Professional charges	512	1.0%	510	1.1%	0.4%
Power and fuel	313	0.6%	316	0.7%	-1.0%
Lease rentals	981	1.9%	796	1.7%	23.2%
Repairs and maintenance					
- Buildings	57	0.1%	58	0.1%	-1.7%
- Machinery	50	0.1%	47	0.1%	6.4%
Insurance	99	0.2%	67	0.1%	47.8%
Rates and taxes	152	0.3%	159	0.3%	-4.4%
Other expenses	2,038	3.9%	2,073	4.4%	-1.7%
<b>Total</b>	<b>11,058</b>	<b>21.1%</b>	<b>10,529</b>	<b>22.5%</b>	<b>5.0%</b>

Other expenses have increased by 5.0% as compared to previous year mainly due to increase in Insurance, Computer consumables and Lease rentals which have grown by 47.8%, 26.7% and 23.2% respectively. However, these expenses, in relation to revenue, have decreased by 1.4% as compared to previous year. Sub-contractor charges as a percentage of revenue has decreased by 0.5%, Travel and Other expenses have decreased by 0.6% and 0.5% respectively.

#### Profitability and Margins

- EBITDA margins have dropped from 17.6% to 13.7% in the current year. The decrease is primarily attributable to:
  - Increase in onsite revenue by 23% which has lower margins as compared to offshore margins
  - Increase in employee benefits expenses by 22%
  - Lower margin profile of acquired entities
- Our effective tax rate is at 24.57% when compared to 23.59% in the previous year.
- PAT has decreased from 11.8% to 8.0% in the current year, mainly on account of drop in our EBITDA margins.

#### Segmental reporting

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

Each segment item reported is measured at the measure, used to report to the Chief Operating Decision Maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

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

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

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

Statement of income	For the year ended March 31,	
	2017	2016
<b>Segment revenue from external customers</b>		
RCM	12,476	11,394
BFSI	12,882	11,970
TMS	19,235	16,116
TH	7,771	7,250
<b>Total</b>	<b>52,364</b>	<b>46,730</b>
<b>Segment operating income</b>		
RCM	1,493	2,183
BFSI	1,153	1,627
TMS	3,671	3,153
TH	864	1,247
<b>Total</b>	<b>7,181</b>	<b>8,210</b>
Depreciation and Amortization expense	(1,858)	(1,658)
<b>Profit for the year before finance expenses, other income and tax</b>	<b>5,323</b>	<b>6,552</b>
Finance costs	(191)	(160)
Other income	449	245
Interest income	104	202
Foreign exchange gain / (loss)	(136)	392
<b>Net profit before taxes</b>	<b>5,549</b>	<b>7,231</b>
Income taxes	(1,363)	(1,706)
<b>Net profit after taxes</b>	<b>4,186</b>	<b>5,525</b>

#### Significant changes in Balance Sheet items

- Movement in other equity of ₹ 1,622 million is primarily due to the following:
  - Balance in the statement of profit and loss increased from ₹ 19,890 million to ₹ 22,071 million due to current year profits, which is offset by declaration of dividend (including dividend distribution tax) of ₹ 2,005 million.
  - The above increase is further offset by decrease in the foreign currency translation reserve due to loss on account of translation of foreign operations of ₹ 610 million.
- Non-current liabilities have decreased to ₹ 314 million as compared to ₹ 876 million in the previous year mainly due to movement of liability towards acquisition of businesses from non-current to current.
- Current liabilities have increased by ₹ 77 million mainly due to increase in commercial paper borrowings from HDFC bank amounting to ₹ 942 million, increase in provision for compensated absences by ₹ 57 million and movement of liability towards acquisition of businesses from non-current to current. This is offset by decrease in packing credit loan by ₹ 379 million, book overdraft by ₹ 395 million and provision for discount by ₹ 254 million.
- Property, plant and equipment during the current year stood at ₹ 3,809 million as against ₹ 4,173 million in previous year. This decrease is mainly on account of higher addition of assets in the previous year including additions on account of acquisition of subsidiaries.
- Our cash and investments (net of short term borrowings and book over draft) have increased from ₹ 3,788 million as at March 31, 2016 to ₹ 7,399 million as at March 31, 2017, mainly due to increase in investments in mutual funds.
- The Days Sales Outstanding (DSO) as at March 31, 2017 is 65 days as compared to 74 days as at March 31, 2016.



## Strengths & Opportunities

### Digital

Digital continues to be of great importance and market opportunity for Mindtree for next several years. Customers are looking at business transformation to be led by Digital and competition continues to pivot towards Digital. In these changing times, Mindtree is keen to contribute to the digital revolution happening around and gain greater market share. Currently, a tad more than a third of our revenue is driven by providing digital services and we expect to increase it to about 50 per cent in 3-5 years. Our company has shown significant strengths in digital service line by enabling its clients to grow their business as well as run it efficiently.

Digital is disrupting businesses and the way business is conducted across every industry. We are right at the epicenter of the “consumer age”, spoilt for choices in the products and services we consume. Because of that, we as consumers are forcing every business entity to change - to offer that multitude of choices in a simple, ubiquitous and most importantly, in a personalized manner. The rapid changes that businesses will face are coming from three main areas: collaboration, personalization and the shift of power from marketers to consumers.

From an IT services industry perspective, Digital business is estimated to touch \$ 225 Billion by 2020 with \$ 48 Billion predicted for Indian IT Services firms. But the excitement stems from the optimistic view that 90% of all incremental spend in the next five years on IT will be on Digital. Our vision is to “Make Businesses digital” and “Make digital deliver”. In order to achieve our vision, we have positioned our Digital Business across below broad themes:

- creating digital customer experiences / touch points that deliver outcomes
- digitizing the value chain across the front and back end
- building strategic partnership across the value chain to expand the width of offerings
- developing “sense-and-respond” systems to make enterprises adaptive with data and insights
- shaping new, innovative business models and partnerships
- building expertise in Consulting Services to shape Digital Transformation roadmap.

Mindtree has also reorganized its team with a focus on faster time to market and turnkey cloud based solutions to make Digital real for our customers.

### Automation

Customers are demanding greater efficiency and productivity to drive down operational costs. Automation and newer approaches to service delivery are becoming key to winning the market share. It is Mindtree’s desire to drive these changes with a human face.

Mindtree is engaging with best in class partners to bring in cutting edge technology which can be leveraged for our clients. We are continuously expanding our automation footprints in our client base in various service lines including application development and maintenance, managed services, testing and quality assurance services, package solution implementation and support services.

We help our customers to attain productivity gains through automation using a well-defined, maturity driven approach under following broad areas.

- Automation of Manual Business Processes
- Accelerated Development, Environment Provisioning, Continuous Integration & DevOps
- Automated Testing & Business Assurance Processes
- Automated Infrastructure Performance Monitoring
- Maintenance & Support

### Integrated Services

To tackle the issues related with fragmented multi sourcing, many Enterprises have started to move to well-orchestrated delivery model. Mindtree has developed a unique integrated way to manage End-to-End IT services in a modular approach, tailored for the customer landscape. This approach is based on the following principles:

- Configurable API driven composable platform tailored to specific customer needs
- Flexible solution customized to leverage existing customer tool sets with pre-built API’s for seamless integration
- Inbuilt Automation suite comprising of comprehensive library of RPA and Machine Learning capabilities
- LEAN driven Business Value Realization model to apply productivity, delivery and process optimization levers
- Unifying Agile, DevOps & Automation to manage End-to-End IT via (‘3 C’ approach) – CI/CD/CA
- “As a Service” Offering on Pay Per Use financial construct (Integrated options)
- Collaborative CIO framework (Consult, Implement, Operate) to onboard customers
- Culture – Focused on change management
- Integrated performance metrics and KPIs

This new offering will enable Mindtree to enable end-to-end automation of the Plan-to-Run lifecycle and deliver improvements in speed to market, quality and cost.

### Expert Thinking

Mindtree brings robust skills and forward looking perspectives to solve customer challenges. Our company uses proven knowledge to make recommendations and provide expert guidance to our customers. Mindtree has been recognized widely in the following areas:

- Mindtree launched its comprehensive IPv6 Stack and Smart Mesh Suite for Bluetooth Smart. The IPv6 Stack and Smart Mesh Suite will enable original equipment manufacturers (OEM) and semiconductor companies to add seamless cloud connectivity to their IoT products. The combination of IPv6 and Smart Mesh technology not only transmits data collected from remote sensor nodes to cloud analytics platforms, but also enables control of end devices over the internet. IPv6 enables internet access to millions of individual Bluetooth Smart devices, providing the essential IP infrastructure for applications such as smart homes, wearables and connected medical devices. The Smart Mesh technology helps overcome range limitations in Bluetooth Smart, an important consideration for industrial and home automation.
- Leveraging its expertise in Retail and CPG industry, Mindtree launched its Flooresense platform to increase in store conversions for retailers. The solution will enable retailers to enhance customer experience and improve the productivity of store associates. Similarly for Insurance industry, the company launched its Loss Control Platform, a cloud based solution for transforming the underwriting and risk assessment process for insurers and risk management companies. The solution will enable insurance companies to reduce business exposure due to more optimized risk selection and lower claim incidences. The Loss Control Platform is designed for the end-to-end life cycle of loss inspection and control. This comprehensive solution covers request management, assignment, risk assessment, tracking and publishing. It enables seamless collaboration among risk managers, risk engineers, underwriters, claims handlers, customers and other stakeholders.
- Mindtree has been featured in the Digital leadership zone by Zinnov, a prominent globalization and market expansion advisory firm, in its recently released "Global Digital Service Provider Report 2016". This comprehensive analysis measured companies on digital prowess including the breadth of service offerings, ecosystem leverage, talent, proprietary assets, new engagement models while also considering scale, clientele and product engineering capabilities. Study evaluated specific service lines where Mindtree has been recognized as a leader in Digital Consulting and Transformation, Design & Experience, Digital Platform Integration and Data Management & Analytics. This positioning reinforces Mindtree's ability to deliver a holistic digital transformation that integrates four key aspects: creating compelling customer experiences, digitizing the back-end value chain, developing sense and respond analytics and shaping innovative business model evolution. The recent acquisitions of Magnet 360, Bluefin Solutions and Relational Solutions by Mindtree further strengthened its digital capabilities and contributed to its strong rating. Some of the significant recognitions in the digital leadership are as follows:
  - Positioned as a leader for digital services in 'Zinnov's Zone for Digital Services'
  - Magnet 360, a Mindtree Company, awarded the Salesforce Marketing Cloud Innovation Award for 2016
  - Recognized as a Leader in IAOP's 2016 Global Outsourcing 100 for global excellence
  - Awarded the 'Porter Prize for Enabling Smart Connected Products' by Institute for Competitiveness for reshaping industry boundaries, higher product utilization, transcending traditional product boundaries, building capabilities within enterprises, and rethinking & retooling internal processes
  - Recognized as an overall leader in software testing services by Nelson Hall, in its Vendor Evaluation and Assessment (NEAT) Report 2016.
  - Named as 2016 Azure Innovation Partner of the Year by Microsoft
  - Named as a leader for Application Outsourcing Capabilities among Midsize Offshore Vendors by Forrester Research
  - Positioned in the leadership zone for product engineering and embedded systems by Zinnov in the Zinnov Zones 2016 Product Engineering Services report
  - Mindtree's Relational Solutions has been included in the Market Guide for Trade Promotion Management and Optimization for the Consumer Goods Industry by Gartner
  - Magnet 360, a Mindtree Company, included in Gartner's Market Guide for Salesforce Service Providers

### Alliance and partnerships

Mindtree believes in developing true partnerships. Our company engineers meaningful technology solutions to help not only businesses but also societies to flourish. We have industry leading partnership with companies like Adobe, Apigee, Backbase, CenturyLink, Cloudera, DataStax, Denodo, Duck Creek Technologies, e-Spirit, eBaoTech, Hortonworks, Hybris, i-exceed, IBM, Informatica, Intalio, Kony, LIFERAY, MapR, Microsoft, Murex, Neotys, NetBiscuits, Oracle, Orckestra, Pega, Rackspace, Salesforce, SAP, ServiceNow, Sitecore, Tableau, Thingworx, Tibco, Xamarin to highlight the few. Some of the major alliances are detailed below.

- Mindtree and Microsoft together are making possibilities a reality in today's cloud First, mobile-first world. As a Globally Managed Services Partner, Mindtree maintains a Gold Certification status across numerous Microsoft competencies, delivering hundreds of successful, enterprise implementations. Our 4000 Microsoft experts represent a vast base of Microsoft knowledge and skills, while advanced access and training opportunities enable us to develop deep expertise in Azure, Office 365, SharePoint, Microsoft.NET platform, SQL Server, BizTalk and Windows Server, to name a few. We have built an excellent project track record thanks to our familiarity with Microsoft platforms and tools. We have several well established Microsoft centers of excellence (CoEs), where we work with Microsoft teams to build even deeper expertise in their technologies. To further highlight it, Mindtree was named "Top Emerging Azure Partner for 2016" recently at the Microsoft World Wide Partner Conference held in Orlando, Florida.
- Mindtree has joined Apigee's Digital Partner Program to strengthen its API first solution approach. This collaboration with Apigee, a leading provider of application program interface (API) management software, enables Mindtree clients to transform their digital user experience quickly and seamlessly. The Apigee – Mindtree collaboration will provide clients an approach that uses APIs to transform their user experience

with agility while still connecting with their legacy, back-end data. This will allow clients to manage their transformation at two speeds – one, a rapid deployment of a new customer interface, and a second, slower transition of legacy systems, which are historically more embedded, and as a result, more time-consuming to update. As an Apigee Digital Partner Program member, Mindtree combines Apigee products with its technology expertise and services to design and implement digital solutions. This partnership with Apigee will allow Mindtree to enhance its industry-leading approach to digital transformation.

- Magnet 360 has been a Salesforce partner since 2004. Magnet 360, with its Platinum partnership with Salesforce, brings strong expertise across Salesforce Sales, Service and Marketing Cloud implementations. Magnet 360 works with some of the world’s largest companies across the full suite of Salesforce solutions such as CRM, branded sites and communities, social campaign strategy and management, and marketing automation. This strengthens Mindtree’s ongoing focus on delivering customer success by helping clients digitize their entire back-end value chains.
- Bluefin Solutions (‘Bluefin’) is a market leader specializing in SAP HANA solutions. Its partnership with SAP has helped Bluefin set an award-winning track record helping businesses manage digital transformations across the entire SAP portfolio. Headquartered in the UK, Bluefin delivers solutions to some of the world’s most prestigious companies and has earned multiple awards including the SAP Pinnacle Award, SAP HANA Partner of the Year, SAP CRM Partner of the Year and SAP BI Partner of the Year. Bluefin offers one of the Industries most highly regarded team of experts for transitioning to SAP HANA, digital and real-time-analytics. This partnership will accelerate Mindtree’s ability to help its SAP clients digitize the value chain, ensuring there is harmony between the front-end customer experience and back-end systems as businesses transition to fully digital organizations. The partnership also creates an opportunity to expedite Bluefin’s HANA expertise to the US market by leveraging Mindtree’s broad presence.
- Startups and Innovation are becoming synonymous today. Customers expect us to bring not only Mindtree’s collective expertise and experience, but all the innovation in the startup ecosystem to deal with the challenges faced and seek newer business opportunities. We see working in an intense manner with the startup ecosystem being critical to deliver on this. Mindtree will strive to create unique partnership model for it to work with the startups in the field of artificial intelligence, machine learning, automation, predictive analytics etc. Mindtree has begun seeing results in these fields especially in areas related to automation.

Customer relationships are of utmost importance to an organization and here at Mindtree, we strive to build trust, transparency and flexibility in them. One of the key foundations of these relationships is our continuous and open listening. This helps us identify what our customers need which in turn, enables us to create and deliver value to Customers’ business.

Our annual customer experience survey reflects our commitment to develop deep and engaging relationships with our customers. It clearly shows that our clients have cited our relationships with them, our willingness to go the extra mile and our effectiveness in cost and quality as key differentiators than the industry. Our customer satisfaction scores have considerably improved compared to last two years and we stay committed to taking it to new heights when it comes to Satisfaction, Loyalty, Advocacy & VFM. We strive to get better than what we are today by continually engaging with our customers and third party service providers who help us reflect our customer experience.



**Leadership and corporate governance**

Our senior management comprises of some of the most seasoned global leaders in the industry from diverse backgrounds, geographies and with different areas of specialization in the IT industry. Their leadership and governance helped us deliver consistent superior performance. Some of the significant recognitions are as follows:

- Ranked #3 under the categories ‘Best CEO, IR Professional, IR program, Analyst Days, Website’ in the IT sector and recognized as one of the ‘Most Honored Companies’ in the All – Asia (ex-Japan) Executive Team rankings by Institutional Investor
- Recognized in Forbes India’s Super 50 2016 list for the second consecutive year based on consistent shareholder returns, sales growth and return on equity
- Recognized by the Institute of Company Secretaries of India (ICSI) for excellence in corporate governance

- Mindtree has won the SAFA best presented annual report for the FY 2014-15 (Jan 2017)
- Mindtree has been awarded as the winner of Silver Shield for the Annual Report including the financial statements for the year ended 31st March 2016 by Institute of Chartered Accountants of India (ICAI) (Jan 2017)

**People focus, learning and high performance culture**

The key differentiator at Mindtree is its unique culture and well thought out people practices which suits the ever changing needs and results in highly engaged Mindtree Minds - starting from pre-joining till exit engagement, the experience is worthwhile.

Orchard - a three month residential program at the Kalinga campus in Bhubaneswar is prudently planned for campus Mindtree Minds and the Arboretum helps in the suave assimilation of lateral Mindtree Minds joining from other organizations. The primary objective of both the assimilation programs is to provide a welcoming ground and support new talent to transition & adapt to the Mindtree way! Homecoming – a program conceptualized and executed to bring back Mindtree Minds who quit due to various reasons resulted in 70 Ex-Mindtree Minds proudly walking back to the place where they belong.

As we attract potential talent to join us, we also are equally focused on nurturing an inclusive talent pool. With a matrix structure the involvement of all Mindtree Minds in decision making and customer interaction is quite high. Their ideas and thoughts add significant value to the business and their energy & ability to question the status quo is the game changer. We have adequately lined up our practices, systems and processes to drive the spirit of inclusivity at Mindtree.

At Mindtree we celebrate the fact that our workforce just don't include Millennials, but is dominated by them and hence managers are prepared to engage and retain them in every possible way. A lot of focus is given in grooming managers to be effective in their roles and managing millennials is a key theme in all leadership development programs - one of the program focusses on grooming enterprise leaders and has a module focused on inspiring "Digital Natives". As part of the module techniques like reverse mentoring is used where leaders worked with campus minds, our millennials as their mentors.

The Diversity story is another feather in the cap! The current workforce comprises of 51 nationalities and 29% of the company are Lady Mindtree Minds. Learning courses on culture and inclusivity helps understand each other and the customer better. Flagship leadership programs like Enterprise Leadership and Exuberance – an exclusive program for the top 100 Lady Mindtree Minds results in key positions being successfully filled internally.

As we embark on Mindtree 3.0 the in-house talent is gearing up for the journey. 6200 Mindtree Minds have reskilled themselves to suit the needs of the customer and continuously value add. Full stack engineers and specialists are being home grown and will be the key differentiator in being successful.

**Headcount**

The total number of Mindtree Minds as at March 31, 2017 was 16,470 as against 16,623 as at March 31, 2016.

**Threats, Risks and Concerns**

A summary of Threats, Risks & Concerns are provided below. For a more detailed view of Mindtree's risk management program, please refer to the Mindtree Risk Management Report.

RISK DESCRIPTION	RISK MANAGEMENT PLAN
<p><b>MACRO ECONOMIC ENVIRONMENT</b></p> <p><i>Economic uncertainties in our key markets like the United States (U.S.) and Europe can impact demand for IT services.</i></p> <p>NASSCOM has deferred the 2017-18 revenue forecast as the environment is too volatile to make a prediction and indicated it may do it later in the year.</p> <p>The business sentiment in major markets is also not very convincing, due to Brexit, an unpredictable U.S. presidential elections, etc. Vigilance is essential on the upcoming national elections in Germany, Netherlands and Singapore in anticipation of nationalist impetus.</p> <p>Such volatility in macro-economic environment can affect the business sentiments.</p>	<p>Large corporations are increasing their IT spend towards digital transformation of their existing business. At Mindtree, we are in the forefront of client's invested areas. Our differentiation and focus led to several key wins both with existing and new clients.</p> <p>Our focus on re-building Europe is showing better traction due to our leadership attention, new key wins and our focus on stronger markets.</p>

RISK DESCRIPTION	RISK MANAGEMENT PLAN
<p><b>LEGISLATION IMPACTING OUTSOURCING</b></p> <p><i>We continue to see restrictions on outsourcing from countries like US, UK by increasing visa costs and tightening of visa related norms.</i></p> <p><i>This may impact our business as significant business is derived from these countries.</i></p>	<p>Industry body NASSCOM is continuing its efforts to disseminate the significant benefits of IT outsourcing to governments, administrations and policy makers in the USA and other geographies.</p> <p>We believe such legislative changes requires multiple level of concurrences and therefore may not take its full form of proposed intent.</p> <p>For Mindtree such measures are likely to have small impacts on our margins as we are well entrenched in our clients businesses.</p> <p>We continue to evaluate different business models to improve the onsite/offshore delivery mix, further enhancements to global development centers and significantly engaging with clients to provide a holistic value proposition.</p>
<p><b>COMPETITION</b></p> <p><i>Mindtree risks losing business to larger players in the industry or emerging challengers.</i></p> <p><i>We primarily face competition from Indian as well as international companies and captive offshore centers. Given the dynamics of our industry, Mindtree faces the risks of competitors coming up with new offerings to challenge our market share and growth. In addition, there may be challenges posed by different business models offered by competitors.</i></p>	<p>In addition to maintaining our focus on core verticals, we have made significant investments in the Digital Business and Platform Solutions areas. Every industry is going through a disruptive transformation due to connected and “always on” consumers and changing global demographics that seek convenience and simplicity. Our clients are looking to Mindtree as their partner-of-choice for Digital Transformation all the way from innovation to rapid execution. In addition, our clients also want to use the “as-a-service” model to leverage our unique IP and expertise with our own offerings. The new Digital Business and Platform Solutions groups will play a key role in our future growth.</p> <p>These efforts will be complemented by additional investments to strengthen our marketing, sales and account management teams.</p>
<p><b>PRICING PRESSURES</b></p> <p><i>In a highly competitive environment we may face margin pressures.</i></p> <p><i>Such pressures may be due to customers having tough expectations on pricing or due to tactical movements on the part of our competitors to gain market share.</i></p>	<p>We are focusing on delivering transformative solutions that are changing how businesses work, especially in the areas of Digital Business and Platform Solutions. Such higher value and differentiated services combined with our deep domain expertise in our core business areas should help us manage pressures on pricing.</p>
<p><b>FOREIGN CURRENCY RATE FLUCTUATIONS</b></p> <p><i>A major portion of our revenues are in foreign currencies and a significant portion of our expenses are in Indian Rupees.</i></p> <p>The exchange rate between the Indian Rupee and the U.S. Dollar as well as other currencies has been very volatile in recent years and may continue similarly in future. Our operating results are impacted by fluctuations in the exchange rate between the Indian Rupee and the U.S. Dollar and other foreign currencies. Brexit can also have an impact on GBP.</p>	<p>Mindtree has a formal Board-approved hedging strategy which is reviewed periodically. Judiciously hedging against adverse foreign exchange exposures helps to minimize the impact of exchange fluctuations. We continue to maintain a prudent and balanced forex management policy which we expect will help us manage this risk appropriately.</p> <p>We are continuing to monitor the macro-economic scenario with special regard to any decision by the Federal Reserve Bank to raise US interest rates and impact of Brexit on GBP.</p>

RISK DESCRIPTION	RISK MANAGEMENT PLAN
<p><b>COMPLIANCE RISKS</b></p> <p><i>Adherence to laws, regulations and local statutes across the globe is a challenge to any IT company today.</i></p> <p>Every country has its own law with respect to immigration, travel, visa, social security, privacy, data protection etc. which needs a detailed assessment and compliance. There is a risk of non-compliance in the geographies where we operate in particular, we need to keep updated on various regulatory changes from time to time.</p>	<p>Mindtree has a dedicated in-house Compliance team which manages this activity. We have implemented compliance framework in Australia, Singapore, India, US and UK and we are in the process of rolling out our compliance framework to other geographies where our presence is expanding and growing. We have in place compliance monitoring process which covers identifying new laws and getting periodical compliance updates from specialist consultants across the globe, who support us in adhering to country-specific compliance and regulatory requirements. We have standard compliance checklist sourced from the functional experts which is managed in the Compliance Tool. We have a dedicated team taking care of compliance matters with standard process and procedures.</p>
<p><b>BUSINESS CONTINUITY RISKS</b></p> <p><i>Mindtree may be vulnerable to hazard risks</i></p> <p>Recent events in Bangalore/ Chennai have shown the potential of hazards to impact business operations and even pose a risk to employee safety.</p>	<p>Mindtree has a comprehensive Business Continuity Management (BCM) program that addresses disruptions at floor level, building level, city level and country level. In addition, Mindtree also has a detailed Disaster Recovery Plan (DRP) to minimize the impact of infrastructure outages. The BCM framework includes infrastructure redundancy, intra/inter-city recovery sites, work-from-home and split-site operations. Critical corporate infrastructure has been moved to the cloud to provide additional resilience.</p> <p>External vendor was engaged to review the BCP plan for the Organization and to incorporate industry best practices. Mindtree has also defined Crisis Management Team which has representation from all the key stakeholders with defined roles and responsibilities.</p>
<p><b>CYBER SECURITY RISK</b></p> <p><i>Cyber Risk has emerged as a top risk across industries as organizations are moving to newer areas of engagement such as social, mobile computing, cloud computing.</i></p> <p>Cyber risk is now firmly at the top of the international agenda as high-profile breaches raise fears that hacking attacks and other security failures could endanger the global economy.</p>	<p>Mindtree has Incident Resolution and Prevention Process. The purpose of this process is to ensure timely and effective resolution of reported incidents. It also ensures that preventive mechanisms are placed appropriately so that all contractual obligations are met.</p> <p>Mindtree leverages leading industry standard controls to secure its IT infrastructure environment. Some of the preventive measures in place are Intrusion Prevention System enabled perimeter firewalls, content filtering gateways, encryption for laptops and critical data at rest, regular software patching etc. Mindtree also conducts periodic internal and external audits.</p> <p>Mindtree is ISO 27001 certified. Vulnerability assessments and penetration tests are conducted on critical resources and networks with the help of a third party agency.</p>
<p><b>RISK OF INTELLECTUAL PROPERTY RIGHTS (IPR) INFRINGEMENTS</b></p> <p><i>IP rights are violated when a software protected by IP laws is copied or otherwise used without having the proper authorization, permission from the person who owns those rights.</i></p> <p>Failure to address the problem could lead to legal case &amp; can also cause huge reputational loss to an organization.</p>	<p>Mindtree has taken number of steps to increase the awareness level of Mindtree Minds by means like executive communication, engaging messaging and presentations to senior managers.</p> <p>Mindtree has also implemented third party tools to monitor any IP infringements.</p>

**Internal control systems and their adequacy**

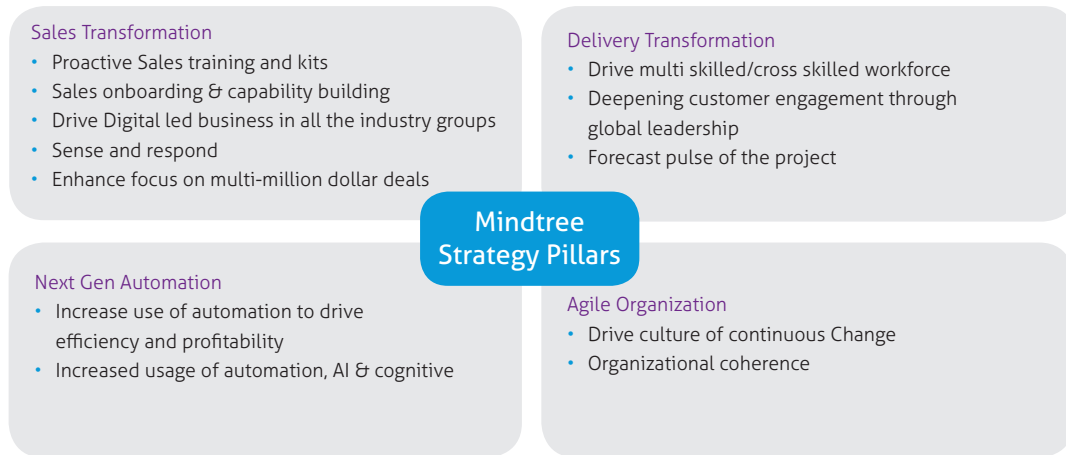
The CEO and CFO Certification provided in the CEO and CFO Certification section of the annual report discusses the adequacy of our internal control systems and procedures. The Auditors have also independently audited the internal financial controls over financial reporting as of March 31, 2017 and have opined that we have adequate internal controls over financial reporting and such controls were operating effectively.

**Our strategy**

Our overall strategy of achieving industry leading growth through deep domain expertise in our chosen verticals combined with technology depth, customized for our clients remain the same.

An enviable client list and a fantastic leadership team are two clear advantage areas for Mindtree and we intend to leverage them to engineer meaningful technology solutions to help businesses and societies flourish.

Following are the Mindtree strategic pillars which will enable our company to grow faster and generate higher returns to our stakeholders:



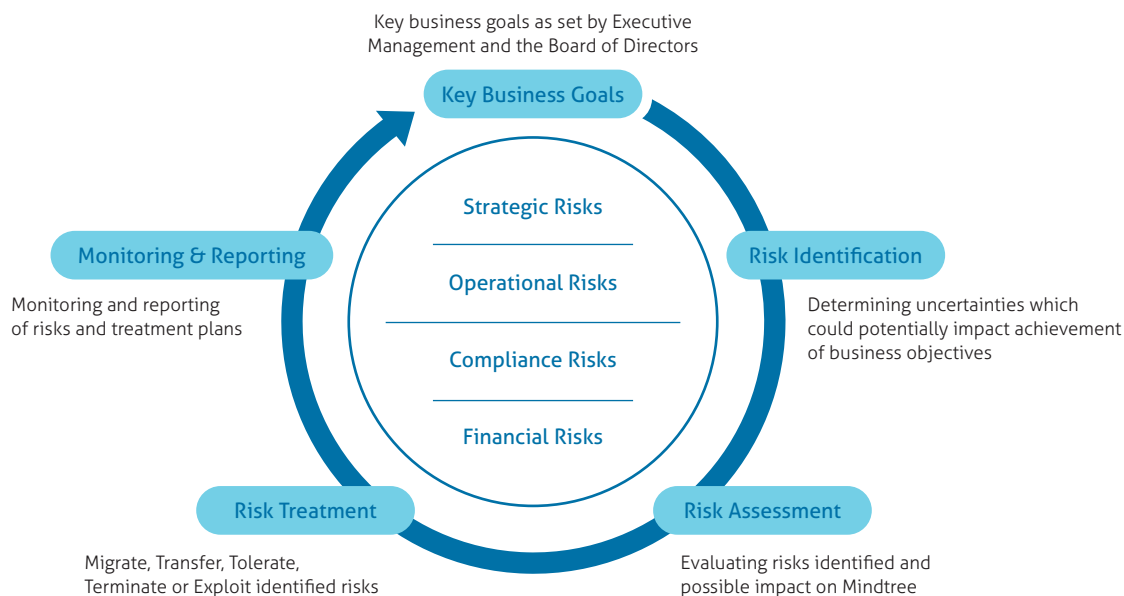
### Outlook

Our focused approach with strong business fundamentals led us to achieve a revenue growth of 9.4% (in USD terms) for FY17. We continue to maintain our position over competitors by securing and assimilating competence in fast-emerging new age technologies like AI and cognitive. The external environment is dynamic and uncertain exerting pressure on pricing on 'Run the business' initiatives. The traction is good in 'Grow the business' initiatives and we are confident of momentous growth in FY18 based on our pipeline. Our focus is to deepen relationships with the customers and make stronger inroads in emerging technologies. Given the above, for the year FY18, we expect to grow at low double digits.

## Risk Management Report

Mindtree’s risk management program plays a key role in supporting the business to deliver sustainable growth and generating value for its customers, investors, employees and other stakeholders. This is achieved by deploying a best-in-class risk management framework supported by a consistent risk-focused culture. The Mindtree Enterprise Risk Management (ERM) framework has been designed by incorporating elements of leading risk management standards such as COSO, ISO 31000: 2009 and the IRM Risk Management Standard and by incorporating elements of these frameworks and customizing them to Mindtree requirements. Risks to key business goals are identified and assessed under defined categories. Processes have been laid down to treat, monitor and report risks accordingly.

### Mindtree ERM Framework



Risk Categories	Details
Strategic	Strategic risks are uncertainties impacting the strategic objectives of the organization and include competition, M&A, industry changes, strategic development, loss of large business, global economic fluctuations and disruptive innovations.
Operations	Operational risks includes risks to efficient and effective utilization of resources (excluding financial resources) and ineffective internal controls leading to potential fraud in key operational areas. It covers the risks related to gaps in existing processes which could potentially make the function/process weak and vulnerable to exploitation.
Financial	Financial risks include uncertainties and untapped opportunities in effective and efficient utilization of financial resources as well as uncertainties in currency fluctuation, liquidity and funding, capital management, credit risk and financial guidance.
Compliance	Compliance risk covers risks due to non-compliance to applicable laws, regulations or standards and risks arising from poor contract definition with clients, business partners and vendors as well as risks associated with contractual compliance with clients and business partners.

Risk Management Committee at Mindtree is made up of three Executive Directors, including the Chairman, CEO, Vice Chairman and an Independent Director. RMC is headed by the Chairman and also includes CFO and CRO as permanent invitees to meetings. RMC provides the oversight and direction to the group. Every potential risk has designated risk owners who are responsible for risk treatment as per Mindtree’s risk management policy. RMC meets every quarter to discuss on the risks and their mitigation plans along with risks that have emerged during the course of the year.



In 2016-17 we added initiatives such as:

1. We worked with an external partner to review the BCP plan for the Organization and to in-corporate industry best practices. BCP review was conducted methodologically across the organization by first conducting the Business Impact Analysis (BIA) and then doing the Risk Assessment which helped us to formulate the strategy to be adopted during a crisis. Mindtree has now defined Crisis Management Team which has representation from all the key stakeholders with defined roles and responsibilities. BCP exercise has helped us to strengthen our supply chain risk from crisis perspective and helped to build confidence in our customers.
2. Risk Management Committee (RMC) was strengthened by including an independent director into the committee.
3. The risk awareness program has continued to gather pace throughout the year. The program uses different mechanisms to target different audiences ranging from senior leaders to Mindtree Minds who have joined us fresh from campus and has received a very enthusiastic response.
4. We have taken various initiatives to strengthen the controls around Information Security/ Cyber Security.
5. Industry connects have been established to share and learn best practices for risk management.

A detailed description of all the significant risks and their mitigation plans is given in the Management Discussion and Analysis section.

# Independent Auditor's Report to the Members of Mindtree Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MINDTREE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Ind AS and the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the Management, we report that the disclosures are in accordance with the books of account maintained by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**  
*Chartered Accountants*  
(Firm's Registration No. 008072S)

**V. Balaji**  
*Partner*  
(Membership No. 203685)

Bengaluru, April 20, 2017

### Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MINDTREE LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)

V. Balaji  
Partner  
(Membership No. 203685)

Bengaluru, April 20, 2017

**Annexure "B" to the Independent Auditor's Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
 (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
 (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed/ approved building plan provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold as at the balance sheet date, are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made. According to the information and explanations given to us, the Company has not granted any loan or provided any guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits.
- (vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order with regard to cost records is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.  
 (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable  
 (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in million)
Income-tax Act, 1961	Income-tax	Commissioner of Income Taxes (Appeals)	AY 2002-03 to 2004-05	202.29*
			AY 2007-08 and 2008-09	3.14*
			AY 2013-14 and 2014-15	15.43
The Finance Act, 1994	Service tax	Income Tax Appellate Tribunal Customs, Excise and Service Tax Appellate Tribunal	AY 2005-06 to 2009-10	115.69*
			July 2003 to May 2008	125.83*
		Commissioner (Appeals)- LTU	April 2008 to March 2009	0.68*
The Karnataka Sales Tax Act, 1957	Value added tax	Assistant Commissioner of Commercial Taxes (Recovery)	Upto July 2004	0.29*
The Central Sales Tax Act, 1956	Sales tax	Commissioner (Appeals)	2011-12	0.46
Maharashtra Value Added Tax Act, 2002	Value added tax	Deputy Commissioner of Sales Tax	2013-14	0.17

\* net of amounts paid under protest and/or adjusted against refunds.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to bank and government. There are no borrowings from financial institutions and the Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**  
*Chartered Accountants*  
(Firm's Registration No. 008072S)

**V. Balaji**  
*Partner*  
(Membership No. 203685)

Bengaluru, April 20, 2017

## Balance Sheet

₹ in million

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	3,753	4,109	4,319
Capital work in progress		192	232	354
Other intangible assets	4	51	92	120
<b>Financial assets</b>				
Investments	5.1	8,666	8,586	1,071
Loans	5.2	663	651	613
Other financial assets	5.3	209	189	-
Deferred tax assets (Net)	16	840	734	545
Other non-current assets	6	1,290	1,292	1,158
		<b>15,664</b>	<b>15,885</b>	<b>8,180</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Investments	7.1	5,869	2,266	5,490
Trade receivables	7.2	8,061	8,825	6,798
Cash and cash equivalents	7.3	2,250	1,924	3,669
Loans	7.4	12	37	136
Other financial assets	7.5	2,042	2,458	1,335
Other current assets	8	896	982	1,006
		<b>19,130</b>	<b>16,492</b>	<b>18,434</b>
<b>TOTAL ASSETS</b>		<b>34,794</b>	<b>32,377</b>	<b>26,614</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	9	1,680	1,678	837
Other equity	10	25,898	22,963	20,420
		<b>27,578</b>	<b>24,641</b>	<b>21,257</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	11.1	13	18	23
Other financial liabilities	11.2	195	747	227
Other non-current liabilities	12	71	92	127
		<b>279</b>	<b>857</b>	<b>377</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	13.1	942	400	-
Trade payables		1,326	1,432	1,379
Other financial liabilities	13.2	2,412	2,668	1,995
Other current liabilities	14	944	833	587
Provisions	15	1,095	1,276	792
Current tax liabilities (Net)		218	270	227
		<b>6,937</b>	<b>6,879</b>	<b>4,980</b>
		<b>7,216</b>	<b>7,736</b>	<b>5,357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,794</b>	<b>32,377</b>	<b>26,614</b>

See accompanying notes to the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 0080725

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

**N. Krishnakumar**  
Chairman

**Rostow Ramanan**  
CEO & Managing Director

**V. Balaji**  
Partner  
Membership No. 203685

**Jagannathan Chakravarthi**  
Chief Financial Officer

**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

Place: Bengaluru  
Date: April 20, 2017

Statement of profit and loss

₹ in million, except per share data

Particulars	Note	For the year ended	
		March 31, 2017	March 31, 2016
Revenue from operations		47,526	43,398
Other income	17	633	973
<b>Total income</b>		<b>48,159</b>	<b>44,371</b>
<b>Expenses:</b>			
Employee benefits expense	18	30,215	25,732
Finance costs	19	190	159
Depreciation and amortisation expense	20	1,331	1,318
Other expenses	21	10,106	9,653
<b>Total expenses</b>		<b>41,842</b>	<b>36,862</b>
<b>Profit before tax</b>		<b>6,317</b>	<b>7,509</b>
Tax expense:			
Current tax	16	1,531	1,836
Deferred tax	16	(105)	(137)
<b>Profit for the year</b>		<b>4,891</b>	<b>5,810</b>
<b>Other comprehensive income</b>	25		
(i) Items that will not be reclassified to profit or loss		(14)	(33)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3	6
<b>Total other comprehensive income</b>		<b>(11)</b>	<b>(27)</b>
<b>Total comprehensive income for the year</b>		<b>4,880</b>	<b>5,783</b>
Earnings per equity share:	23		
Basic		29.13	34.66
Diluted		29.08	34.56

See accompanying notes to the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 0080725

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

**N. Krishnakumar**  
Chairman

**Rostow Ramanan**  
CEO & Managing Director

**V. Balaji**  
Partner  
Membership No. 203685

**Jagannathan Chakravarthi**  
Chief Financial Officer

**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

Place: Bengaluru  
Date: April 20, 2017



## Statement of cash flows

₹ in million, except share data

	For the year ended March 31,	
	2017	2016
<b>Cash flow from operating activities</b>		
Profit for the year	4,891	5,810
Adjustments for :		
Income tax expense recognised in the statement of profit and loss	1,426	1,699
Depreciation and amortization expense	1,331	1,318
Expense on employee stock based compensation	54	90
Allowance for doubtful debt	(10)	21
Finance costs	190	159
Interest income on financial assets at amortised cost	(103)	(201)
Dividend income	(88)	(235)
Net gain on disposal of property, plant and equipment	(9)	54
Net gain on sale of investments in mutual funds	(177)	(32)
Net gain on financial assets designated at fair value through profit and loss	(146)	(117)
Reversal of liability towards acquisition of businesses recognised in the statement of profit and loss	(45)	-
Unrealised exchange difference on liability towards acquisition of businesses	(100)	3
Unrealised exchange difference on derivatives	14	(31)
Income from government grant	(10)	(10)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	37	(97)
<i>Changes in operating assets and liabilities</i>		
Trade receivables	774	(2,048)
Other assets	687	(1,035)
Trade payables	(157)	86
Other liabilities	39	(171)
Provisions	(181)	470
<b>Net cash (used in)/ provided by operating activities before taxes</b>	<b>8,417</b>	<b>5,733</b>
Income taxes paid	(1,748)	(1,929)
<b>Net cash (used in)/ provided by operating activities</b>	<b>6,669</b>	<b>3,804</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(845)	(1,570)
Proceeds from sale of property, plant and equipment	25	269
Payment towards acquisition of businesses	(467)	(293)
Purchase of business/ acquisition	-	(6,359)
Interest income on financial assets at amortised cost	51	244
Dividend income received	88	235
Purchase of financial instruments	(13,256)	(10,062)
Proceeds from sale of investment in mutual funds	9,892	13,385
<b>Net cash (used in)/ provided by investing activities</b>	<b>(4,512)</b>	<b>(4,151)</b>
<b>Cash flow from financing activities</b>		
Issue of share capital (net of issue expenses paid)	8	24
Finance costs paid	(3)	(3)
Repayment of loans and borrowings	(405)	(5)
Proceeds from short-term borrowings	935	400
Dividends paid (including distribution tax)	(1,934)	(2,151)
<b>Net cash (used in)/ provided by financing activities</b>	<b>(1,399)</b>	<b>(1,735)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(37)	97
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>721</b>	<b>(1,985)</b>
Cash and cash equivalents at the beginning of the year	1,529	3,514
<b>Cash and cash equivalents at the end of the year (Refer Note 7.3)</b>	<b>2,250</b>	<b>1,529</b>

See accompanying notes to the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 0080725

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

**N. Krishnakumar**  
Chairman

**Rostow Ramanan**  
CEO & Managing Director

**V. Balaji**  
Partner  
Membership No. 203685

**Jagannathan Chakravarthi**  
Chief Financial Officer

**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

Place: Bengaluru  
Date: April 20, 2017

Statement of changes in equity for the year ended March 31, 2017

₹ in million

(a) Equity share capital	Amount
Balance as at April 1, 2015	837
Add: Shares issued on exercise of employee stock options and restricted shares	2
Add: Bonus shares issued	839
Balance as at March 31, 2016	1,678
Balance as at April 1, 2016	1,678
Add: Shares issued on exercise of employee stock options and restricted shares	2
Balance as at March 31, 2017	1,680

(b) Other equity

Particulars	Share application money pending allotment	Reserves and Surplus (Refer Note 10)					Items of Other Comprehensive Income (Refer Note 10)		Total other equity
		Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at April 1, 2015	4	87	1,542	1,898	78	16,808	3	-	20,420
Profit for the year	-	-	-	-	-	5,810	-	-	5,810
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	(27)	(27)
Issue of equity shares (Refer note 9)	-	-	-	43	-	-	-	-	43
Amount utilised for bonus shares	-	-	-	(839)	-	-	-	-	(839)
Transferred to securities premium reserve	-	-	-	20	(20)	-	-	-	-
Compensation cost related to employee share based payment (Refer note 18)	-	-	-	-	49	-	-	-	49
Cash dividends (Refer note 10.1)	-	-	-	-	-	(2,095)	-	-	(2,095)
Dividend distribution tax (Refer note 10.1)	-	-	-	-	-	(394)	-	-	(394)
Share issued against share application money	(4)	-	-	-	-	-	-	-	(4)
Balance as at March 31, 2016	-	87	1,542	1,122	107	20,129	3	(27)	22,963
Balance as at April 1, 2016	-	87	1,542	1,122	107	20,129	3	(27)	22,963
Profit for the year	-	-	-	-	-	4,891	-	-	4,891
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(3)	(8)	(11)
Issue of equity shares (Refer note 9)	-	-	-	6	-	-	-	-	6
Amount utilised for bonus shares	-	-	-	-	-	-	-	-	-
Transferred to securities premium reserve	-	-	-	110	(110)	-	-	-	-
Compensation cost related to employee share based payment (Refer note 18)	-	-	-	-	54	-	-	-	54
Cash dividends (Refer note 10.1)	-	-	-	-	-	(1,679)	-	-	(1,679)
Dividend distribution tax (Refer note 10.1)	-	-	-	-	-	(326)	-	-	(326)
Share issued against share application money	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	87	1,542	1,238	51	23,015	-	(35)	25,898

See accompanying notes to the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 0080725

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

**V. Balaji**  
Partner  
Membership No. 203685  
Place: Bengaluru  
Date: April 20, 2017

**N. Krishnakumar**  
Chairman  
**Jagannathan Chakravarthi**  
Chief Financial Officer  
Place: Bengaluru  
Date: April 20, 2017

**Rostow Ramanan**  
CEO & Managing Director  
**Vedavalli Sridharan**  
Company Secretary

**Significant accounting policies and notes to the accounts for the year ended March 31, 2017**  
 (₹ in millions, except share and per share data, unless otherwise stated)

**1. Company overview**

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 four industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS) and Travel and Hospitality (TH). 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, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, South Africa, UAE, Netherlands, Canada, Belgium, France, Ireland, Poland and Republic of China. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The financial statements were authorized for issuance by the Company's Board of Directors on April 20, 2017.

**2. Significant accounting policies**

**2.1 Basis of preparation and presentation**

**a) Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

For all the periods upto the year ended March 31, 2016, the Company had earlier prepared and presented its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 (Indian GAAP). Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 38.

**b) Basis of measurement**

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- iii. Share based payment transactions and
- iv. Defined benefit and other long-term employee benefits

**c) Use of estimates and judgment**

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

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

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

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

*iii) Other estimates:* The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

## 2.2 Summary of significant accounting policies

### (i) Functional and presentation currency

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

### (ii) Foreign currency transactions and balances

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

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

### (iii) Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

### (iv) Financial instruments

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

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

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

#### a) Non-derivative financial assets

##### (i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

##### (ii) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset's contractual cash flow represent SPPI

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

## (iii) Equity instruments at FVTOCI

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

## (iv) Financial assets at FVTPL

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

In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Company has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

*b) Non-derivative financial liabilities*

## (i) Financial liabilities at amortised cost

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

## (ii) Financial liabilities at FVTPL

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

*c) Derivative financial instruments*

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

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

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

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

**(v) Property, plant and equipment**

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

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

Category	Useful life
Buildings	5 - 30 years
Leasehold improvements	5 years
Computers	2 - 3 years
Furniture and fixtures	5 years
Electrical installations	3 years
Office equipment	4 years
Vehicles	4 years
Plant and machinery	4 years

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

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

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

**(vi) Intangible assets**

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

The estimated useful lives of intangibles are as follows:

Category	Useful life
Intellectual property	5 years
Computer software	2 years

**(vii) Leases**

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

**(viii) Impairment**

*a) Financial assets*

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

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

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

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

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

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

*b) Non-financial assets*

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

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

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that

reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

#### (ix) Employee benefits

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

The Company has the following employee benefit plans:

##### a) Social security plans

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

##### b) Gratuity

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

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

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

##### c) Compensated absences

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

#### (x) Share based payments

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

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

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

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

#### (xi) Provisions

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

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

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

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

### (xii) Revenue

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

#### *a) Time and materials contracts*

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

#### *b) Fixed-price contracts*

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

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

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

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

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

#### *c) Maintenance contracts*

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

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

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

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

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

### (xiii) Warranty provisions

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

### (xiv) Finance income and expense

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

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

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

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

### (xv) Income tax

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

#### *a) Current income tax*

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



*b) Deferred income tax*

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

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

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

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

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

**(xvi) Earnings per share**

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

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

**(xvii) Research and development costs**

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

**(xviii) 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. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

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 fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

**New standards and interpretations not yet adopted**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

**Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance on measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The

cash payment to the tax authority is treated as if it was part of an equity settlement

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

### 3. Property, plant and equipment

Particulars	Land	Buildings	Leasehold improvements	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture & fixtures	Vehicles	Total
<b>Gross carrying value</b>										
At April 1, 2015	97	3,621	1,067	225	731	2,037	521	257	28	8,584
Additions	-	417	170	-	156	631	121	139	-	1,634
Disposals / adjustments	(13)	(992)	-	-	(78)	(68)	(32)	(49)	-	(1,232)
At March 31, 2016	84	3,046	1,237	225	809	2,600	610	347	28	8,986
At April 1, 2016	84	3,046	1,237	225	809	2,600	610	347	28	8,986
Additions	-	227	74	47	26	407	121	9	-	911
Disposals / adjustments	-	-	-	-	(6)	(125)	(29)	-	-	(160)
At March 31, 2017	84	3,273	1,311	272	829	2,882	702	356	28	9,737
<b>Accumulated depreciation</b>										
At April 1, 2015	8	1,105	574	218	488	1,398	319	150	5	4,265
Depreciation expense	1	216	157	-	114	550	111	41	10	1,200
Disposals / adjustments	(1)	(360)	-	-	(77)	(68)	(32)	(50)	-	(588)
At March 31, 2016	8	961	731	218	525	1,880	398	141	15	4,877
At April 1, 2016	8	961	731	218	525	1,880	398	141	15	4,877
Depreciation expense	1	207	180	43	87	548	124	54	7	1,251
Disposals / adjustments	-	-	-	-	(6)	(109)	(29)	-	-	(144)
At March 31, 2017	9	1,168	911	261	606	2,319	493	195	22	5,984
Net carrying value March 31, 2017	75	2,105	400	11	223	563	209	161	6	3,753
Net carrying value March 31, 2016	76	2,085	506	7	284	720	212	206	13	4,109
Net carrying value April 1, 2015	89	2,516	493	7	243	639	202	107	23	4,319

### 4. Other intangible assets

Particulars	Intellectual property	Computer Software	Total
<b>Gross carrying value</b>			
At April 1, 2015	67	921	988
Additions	-	90	90
Disposals / adjustments	-	(5)	(5)
At March 31, 2016	67	1,006	1,073
At April 1, 2016	67	1,006	1,073
Additions	-	39	39
Disposals / adjustments	-	(3)	(3)
At March 31, 2017	67	1,042	1,109
<b>Accumulated depreciation</b>			
At April 1, 2015	65	803	868
Amortisation expense	2	116	118
Disposals / adjustments	-	(5)	(5)
At March 31, 2016	67	914	981
At April 1, 2016	67	914	981
Amortisation expense	-	80	80
Disposals / adjustments	-	(3)	(3)
At March 31, 2017	67	991	1,058
Net carrying value March 31, 2017	-	51	51
Net carrying value March 31, 2016	-	92	92
Net carrying value April 1, 2015	2	118	120
Estimated useful life (in years)	NA	2	
Estimated remaining useful life (in years)	NA	0.04 - 1.94	

The aggregate amount of research and development expense recognized in the statement of profit and loss for the year ended March 31, 2017 is ₹ 321 (₹ 313 for the year ended March 31, 2016).

## Non-current assets

## 5. Financial assets

## 5.1 Investments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>1) Investment in equity instruments (unquoted)</b>			
<b>Wholly owned subsidiaries</b>			
Mindtree Software (Shanghai) Co., Ltd ('MSSCL')	14	14	14
1,129,904 (March 31, 2016: 1,104,124 and April 1, 2015: Nil) fully paid equity shares of ₹0.001 each in Bluefin Solutions Limited ('Bluefin')	4,065	3,981	-
1,000 (March 31, 2016: 1,000 and April 1, 2015: Nil) fully paid equity shares in Relational Solutions, Inc. ('RSI')	522	522	-
	<b>4,601</b>	<b>4,517</b>	<b>14</b>
<b>Others</b>			
2,400 (March 31, 2016: 2,400 and April 1, 2015: 2,400) equity shares in Career Community.com Limited	-	-	-
950,000 (March 31, 2016: 950,000 and April 1, 2015: 950,000) equity shares of ₹ 1 each in NuvePro Technologies Private Limited	1	1	1
12,640 (March 31, 2016: 12,640 and April 1, 2015: 12,640) equity shares in Worldcast Technologies Private Limited	-	-	-
	<b>1</b>	<b>1</b>	<b>1</b>
<b>2) Investment in wholly owned limited liability company (unquoted)</b>			
Discoverture Solutions L.L.C. ('Discoverture')	1,045	1,045	1,045
Magnet 360, L.L.C. ('Magnet')	2,962	2,962	-
	<b>4,007</b>	<b>4,007</b>	<b>1,045</b>
<b>3) Investment in preference shares (unquoted)</b>			
643,790 (March 31, 2016: 643,790 and April 1, 2015: 643,790) Series A Convertible Preferred Stock at US\$ 0.0001 each fully paid at premium of US\$ 0.2557 each in 30 Second Software Inc	7	11	11
	<b>7</b>	<b>11</b>	<b>11</b>
<b>4) Investment in non-convertible bonds (quoted)</b>			
50 (March 31, 2016: 50 and April 1, 2015: 50) secured redeemable non-convertible bonds of ₹ 1 million each in the nature of promissory notes in PNB Housing Finance Limited	50	50	-
	<b>50</b>	<b>50</b>	<b>-</b>
<b>Total</b>	<b>8,666</b>	<b>8,586</b>	<b>1,071</b>
<b>Aggregate amount of quoted investments</b>	<b>50</b>	<b>50</b>	<b>-</b>
<b>Aggregate market value of quoted investments</b>	<b>50</b>	<b>50</b>	<b>-</b>
<b>Aggregate amount of unquoted investments</b>	<b>8,616</b>	<b>8,536</b>	<b>1,071</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>1</b>	<b>1</b>	<b>1</b>

On July 16, 2015, the Company acquired 100% of equity interest in Bluefin, thereby obtaining control. Bluefin provides SAP based business and technology consulting services. It offers SAP implementation and integration services; and business advisory services in areas of business growth strategy, operational excellence, business change management and information technology excellence. The acquisition of Bluefin will enable the Group to increase its footprint in SAP implementation and integration space.

The acquisition was executed through stock purchase agreement to acquire 100% of the equity interest in Bluefin. The fair value of purchase consideration of ₹ 3,981 comprised upfront cash consideration of ₹ 3,379 and contingent consideration of ₹ 602. Additionally, during the year the Company has made additional investment of ₹ 84 in Bluefin.

On July 16, 2015, the Company acquired 100% of equity interest in RSI, thereby obtaining control. RSI develops data warehouses and business intelligence solutions. The acquisition of RSI will enable the Group to increase its footprint in development of data warehouses and business intelligence solutions space. The acquisition was executed through common stock purchase agreement to acquire 100% of equity interest in RSI.

The fair value of purchase consideration of ₹ 522 comprised upfront cash consideration of ₹ 454 and contingent consideration of ₹ 68.

On January 19, 2016, the Company acquired 100% of membership interest in Magnet, thereby obtaining control. Magnet provides Salesforce multi-cloud implementation strategies and consulting services. It assesses go-to-market goals of organizations and specializes in multi-cloud, marketing automation and community cloud solutions. The acquisition of Magnet will enable the Group to increase its footprint in Salesforce multi-cloud implementation space.

The acquisition was executed through unit purchase agreement to acquire 100% of the membership interest in Magnet. The fair value of purchase consideration of ₹ 2,962 comprised upfront cash consideration of ₹ 2,526 and contingent consideration of ₹ 436.

5.2 Loans

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<i>(Unsecured considered good)</i>			
Security deposits*	663	651	613
<b>Total</b>	<b>663</b>	<b>651</b>	<b>613</b>

\* Includes balances from related parties ₹ 270 as at March 31, 2017 (As at March 31, 2016: ₹ 270 and April 1, 2015: ₹ 270). Refer Note 31 for related party balances.

5.3 Other financial assets

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Other receivable	209	189	-
<b>Total</b>	<b>209</b>	<b>189</b>	<b>-</b>

6. Other non-current assets

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Capital advances	27	42	107
Advance income-tax including tax deducted at source (net of provision for taxes)	1,094	926	834
Prepaid expenses	152	170	201
Service tax receivable	1	138	-
Others	16	16	16
<b>Total</b>	<b>1,290</b>	<b>1,292</b>	<b>1,158</b>

Current assets

7. Financial assets

7.1 Investments

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
<b>Investments in mutual funds (quoted)</b>						
ICICI Prudential Mutual Fund	20,337,960	475	17,401,890	325	28,722,324	487
IDFC Mutual Fund	30,177,703	483	16,285,532	198	37,530,726	439
UTI Mutual Fund	6,524,291	314	3,456,138	64	13,456,138	169
Birla Sun Life Mutual Fund	8,342,033	468	14,185,302	234	20,007,295	477
Reliance Mutual Fund	14,984,782	434	17,651,564	335	23,725,772	446
Axis Mutual Fund	6,136,034	184	-	-	100,840	104
Tata Mutual Fund	13,695,729	357	21,243,549	361	36,229,022	460
SBI Mutual Fund	5,703,787	331	5,597,950	98	13,787,278	368
Sundaram Mutual Fund	3,954,557	101	-	-	-	-
L & T Mutual Fund	13,259,434	315	-	-	98,576	100
HDFC Mutual Fund	33,595,174	692	3,635,659	191	27,872,023	425
Bank of India AXA Mutual Fund	15,346,945	226	10,000,000	110	10,000,000	101
Kotak Mutual Fund	9,497,288	230	-	-	5,681,936	58
JP Morgan India Mutual Fund	-	-	-	-	16,989,901	190
IDBI Mutual Fund	69,403	122	-	-	254,281	257
DSP Blackrock Mutual Fund	27,949,288	357	-	-	14,790,537	352
Franklin Templeton Mutual Fund	-	-	-	-	11,695,643	310
DHFL Pramerica Mutual Fund (DHFL)*	4,320,662	70	-	-	4,483,697	47
<b>Total</b>		<b>5,159</b>		<b>1,916</b>		<b>4,790</b>
<b>Investment in non-convertible bonds (quoted)</b>						
Secured redeemable non-convertible debentures in Kotak Mahindra Prime Limited	-	-	50	50	-	-
Secured redeemable non-convertible debentures in Kotak Mahindra Investments Limited	100	100	50	50	-	-
<b>Total</b>		<b>100</b>		<b>100</b>		<b>-</b>

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Investments in term deposits (unquoted)</b>			
Interest bearing deposits with:-			
- IL&FS Limited	-	100	-
- Bajaj Finance Limited	360	50	-
- Kotak Mahindra Investments Limited	250	50	-
- LIC Housing Finance Limited	-	50	-
- HDFC Limited	-	-	700
<b>Total</b>	<b>610</b>	<b>250</b>	<b>700</b>
<b>Grand Total</b>	<b>5,869</b>	<b>2,266</b>	<b>5,490</b>
Aggregate carrying amount of quoted investments	5,259	2,016	4,790
Aggregate market value of quoted investments	5,259	2,016	4,790
Aggregate amount of unquoted investments	610	250	700

\* DWS Mutual Fund merged with DHFL

## 7.2 Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<i>(Unsecured)</i>			
Considered good	8,061	8,825	6,798
Considered doubtful	92	102	81
Less: Allowance for doubtful debts	(92)	(102)	(81)
<b>Total</b>	<b>8,061</b>	<b>8,825</b>	<b>6,798</b>

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

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

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

### Movement in the expected credit loss allowance

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	102	81
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(10)	21
<b>Provision at the end of the year</b>	<b>92</b>	<b>102</b>

## 7.3 Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash on hand***	-	-	-
Balances with banks in current accounts and deposit accounts*	1,904	1,581	3,664
Other bank balances**	346	343	5
<b>Cash and cash equivalents as per balance sheet</b>	<b>2,250</b>	<b>1,924</b>	<b>3,669</b>
Book overdrafts used for cash management purposes (Refer note 13.2)	-	(395)	(155)
<b>Cash and cash equivalents as per statement of cash flow</b>	<b>2,250</b>	<b>1,529</b>	<b>3,514</b>

\* The deposits maintained by the Company with banks comprise of 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.

\*\*\* The details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is provided in the table below:

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	63,000	1,435	64,435
Add: Permitted receipts	-	60,545	60,545
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	63,000	60,000	123,000
Closing cash in hand as on December 30, 2016	-	1,980	1,980

in ₹

7.4 Loans

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<i>(Unsecured, considered good)</i>			
Security deposits*	12	37	136
<b>Total</b>	<b>12</b>	<b>37</b>	<b>136</b>

\* Include balances from related parties ₹ Nil as at March 31, 2017 (As at March 31, 2016: ₹ 28 and April 1, 2015: ₹ 121). Refer note 31 for related party balances.

7.5 Other financial assets

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Advances to employees	298	436	252
Less: Provision for doubtful advances to employees	(14)	(20)	(20)
	284	416	232
Accrued income	21	19	99
Derivative assets	37	53	24
Unbilled revenue	1,700	1,830	980
Other receivables	-	140	-
<b>Total</b>	<b>2,042</b>	<b>2,458</b>	<b>1,335</b>

8. Other current assets

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Advance to supplier*	39	94	249
Prepaid expenses	672	725	527
Others	185	163	230
<b>Total</b>	<b>896</b>	<b>982</b>	<b>1,006</b>

\* Includes balances from related parties ₹ Nil as at March 31, 2017 (As at March 31, 2016: ₹ Nil and April 1, 2015: ₹ 94). Refer Note 31 for related party balances.

9. Equity share capital

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Authorised</b>			
800,000,000 (March 31, 2016: 800,000,000 and April 1, 2015: 800,000,000) equity shares of ₹ 10 each	8,000	8,000	8,000
<b>Issued, subscribed and paid-up capital</b>			
168,025,546 (March 31, 2016: 167,786,176 and April 1, 2015: 83,732,372) equity shares of ₹ 10 each fully paid	1,680	1,678	837
<b>Total</b>	<b>1,680</b>	<b>1,678</b>	<b>837</b>

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

Particulars	As at		As at		As at	
	March 31, 2017		March 31, 2016		April 1, 2015	
	No of shares	₹	No of shares	₹	No of shares	₹
Number of shares outstanding at the beginning of the year	167,786,176	1,678	83,732,372	837	41,689,731	417
Add: Shares issued on exercise of employee stock options and restricted shares	239,370	2	160,716	2	276,980	2
Add: Bonus shares issued *	-	-	83,893,088	839	41,765,661	418
Number of shares outstanding at the end of the year	168,025,546	1,680	167,786,176	1,678	83,732,372	837

\* Refer note 9 (e)

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

**Terms/rights attached to equity shares**

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.

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 are as given below:

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015*	
	Number of shares	%	Number of shares	%	Number of shares	%
1. Coffee Day Enterprises Limited	17,461,768	10.4%	17,461,768	10.4%	8,730,884	10.4%
2. Nalanda India Fund Limited	15,796,356	9.4%	15,796,356	9.4%	7,898,178	9.4%
3. Coffee Day Trading Limited	10,594,244	6.3%	10,594,244	6.3%	5,297,122	6.3%

\* Pre bonus issue

e) In the period of five years immediately preceding March 31, 2017:

- i) 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.
- ii) The Company has not bought back any equity shares.
- iii) 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 currently administers seven 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 March 31, 2017, March 31, 2016 and April 1, 2015.

##### Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of ₹ 50 per option (₹ 12.5 per option post bonus issue). All stock options have a four-year vesting term and vest and become fully exercisable at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant. Each option is entitled to 1 equity share of ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	18,360	12.50	32,976	21.25
Granted during the year	-	-	-	-
Exercised during the year	14,228	12.50	10,894	25.00
Lapsed during the year	2,452	12.50	3,722	20.14
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	1,680	12.50	18,360	12.50
Options vested and exercisable, end of the year	1,680	12.50	18,360	12.50

##### Program 3 [ESOP 2006 (a)]

This plan was terminated on October 25, 2006 and there are no options outstanding as at March 31, 2017, March 31, 2016 and April 1, 2015.

##### 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 ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	-	-	74,000	265.07
Granted during the year	-	-	-	-
Exercised during the year	-	-	74,000	265.07
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	-	-
Options vested and exercisable, end of the year	-	-	-	-

**Program 5 [ESOP 2008A]**

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

Particulars	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	152,336	106.50	159,244	163.19
Granted during the year	-	-	-	-
Exercised during the year	6,880	119.63	6,908	239.25
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	145,456	105.88	152,336	106.50
Options vested and exercisable, end of the year	145,456	105.88	152,336	106.50

**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 ₹ 10 each. The contractual life of each option is 4 years after the date of the grant.

Particulars	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	40,000	123.25	60,000	226.42
Granted during the year	-	-	-	-
Exercised during the year	40,000	123.25	20,000	309.50
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	40,000	123.25
Options vested and exercisable, end of the year	-	-	40,000	123.25

**Program 7 [ESOP 2010A]**

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) have been received by the Company from the BSE and NSE for 1,135,000 equity shares of ₹ 10 each. No options have been granted under the program as at March 31, 2017, March 31, 2016 and April 1, 2015.

**Employee Restricted Stock Purchase Plan 2012 ['ERSP 2012']**

ERSP 2012 was instituted with effect from July 16, 2012 to issue equity shares of nominal value of ₹ 10 each. Shares under this program are granted to employees at an exercise price of not less than ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	-	-	-	-
Granted during the year	178,262	10.00	48,914	10.00
Exercised during the year	178,262	10.00	48,914	10.00
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	-	-
Options vested and exercisable, end of the year	-	-	-	-



### Other Stock Based Compensation Arrangements

The Company has also granted phantom stock options and letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the grant/issue as at March 31, 2017 are given below:

Particulars	Phantom stock options plan
Total no. of units/ shares	1,195,000
Vested units/ shares	-
Lapsed units/ shares	537,750
Forfeited units/ shares	-
Cancelled units/ shares	-
Outstanding units/ shares as at the end of the year	657,250
Contractual life	2 years
Date of grant	Oct 21, 2015
Price per share/ unit	Grant price of ₹ 686

Particulars	ERSP 2012 plan**
Outstanding units/shares as at the beginning of the year	342,700
Number of units/shares covered under letters of intent	80,000
Vested units/ shares	143,030
Lapsed units/ shares	4,970
Forfeited units/ shares	74,500
Cancelled units/ shares	-
Outstanding units/shares as at the end of the year	200,200
Contractual life	1-4 years
Date of grant*	Jul 18, 2013; May 12, 2015; Oct 21, 2015; Oct 27, 2015; Feb 25, 2016; Aug 24, 2016
Price per share/ unit*	Exercise price of ₹ 10

\* Based on Letter of Intent

\*\* Does not include direct allotment of shares

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2017, March 31, 2016 and April 1, 2015 respectively:

Particulars	As at March 31, 2017		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 2	1,680	0.50	12.50
Program 5	145,456	0.33	105.88

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

Particulars	As at April 1, 2015*		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 2	23,072	0.70	25.00
Program 4	74,000	0.32	265.07
Program 5	83,076	2.32	215.18
DSOP 2006	40,000	1.10	278.00

\* Pre bonus issue. Refer note 9(e).

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year ended was ₹ 501.21 using the Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2017
Weighted average grant date share price	526.23
Weighted average exercise price	₹ 10
Dividend yield %	2.62%
Expected life	1-2 years
Risk free interest rate	6.75%
Volatility	89.10%

## 10. Other equity

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Capital reserve</b> Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	87	87	87
<b>b) Securities premium reserve</b> Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.	1,238	1,122	1,898
<b>c) General reserve</b> This represents appropriation of profit by the Company.	1,542	1,542	1,542
<b>d) Retained earnings</b> Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	23,015	20,129	16,808
<b>e) Share option outstanding account</b> The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	51	107	78
<b>f) Equity Instruments through other comprehensive income</b> Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.	-	3	3
<b>g) Other items of other comprehensive income</b> Other items of other comprehensive income consist of currency translation, fair value changes on FVTOCI financial assets and financial liabilities and re-measurement of net defined benefit liability/asset.	(35)	(27)	-
<b>h) Share application money pending allotment</b>	-	-	4
<b>Total</b>	<b>25,898</b>	<b>22,963</b>	<b>20,420</b>

## 10.1 Distributions made and proposed

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2017, year ended March 31, 2016 and March 31, 2015 was ₹ 10, ₹ 23 and ₹ 17 respectively.

The Board of Directors at its meeting held on April 18, 2016 had recommended a final dividend of 30% (₹ 3 per equity share of par value ₹ 10 each). The proposal was approved by shareholders at the Annual General Meeting held on July 19, 2016, this has resulted in a cash outflow of ₹ 589, inclusive of dividend distribution tax of ₹ 86. Also, the Board of Directors at its meeting held on October 21, 2016, January 19, 2017 and March 27, 2017 had declared an interim dividend of 30% (₹ 3 per equity share of par value of ₹ 10 each) for the quarter ended September 30, 2016, 20% (₹ 2 per equity share of par value of ₹ 10 each) for the quarter ended December 31, 2016 and 20% (₹ 2 per equity share of par value of ₹ 10 each) for the quarter ended March 31, 2017. Further, the Board of Directors at its meeting held on April 20, 2017 have recommended a final dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately ₹ 607, inclusive of dividend distribution tax.

## Non-current liabilities

## 11. Financial liabilities

## 11.1 Borrowings

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<i>(Unsecured)</i>			
Other loans*	13	18	23
<b>Total</b>	<b>13</b>	<b>18</b>	<b>23</b>

\* Unsecured 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.

The loan carries an effective interest rate of 3% p.a and is repayable in full on June 2021. There is no default in the repayment of the principal loan and interest amounts.

## 11.2 Other financial liabilities

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Liability towards acquisition of businesses	195	747	227
<b>Total</b>	<b>195</b>	<b>747</b>	<b>227</b>

## 12. Other non-current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other liabilities*	71	92	127
<b>Total</b>	<b>71</b>	<b>92</b>	<b>127</b>

\* Includes deferred revenue arising from Government grant as at March 31, 2017 ₹ Nil (As at March 31, 2016 ₹ 11 and April 1, 2015 ₹ 21).

## Current liabilities

## 13. Financial liabilities

## 13.1 Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(Secured)</b>			
Other loans from bank	-	400	-
<b>(Unsecured)</b>			
Other loans from bank	942	-	-
<b>Total</b>	<b>942</b>	<b>400</b>	<b>-</b>

Loans from bank (secured) represent the packing credit loan from bank secured against receivables, which has been repaid during the year ended March 31, 2017.

Other loans from bank (unsecured) represent the commercial paper offering from HDFC bank taken during the year ended March 31, 2017.

## 13.2 Other financial liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current maturities of long-term debt*	5	5	5
Interest accrued but not due on borrowings*	-	1	1
Book overdraft	-	395	155
Unpaid dividends	9	7	5
Dividend payable (inclusive of dividend distribution tax)**	404	336	-
Employee benefits payable	1,188	1,239	1,595
Derivative liabilities	-	1	3
Liability towards acquisition of businesses	806	684	231
<b>Total</b>	<b>2,412</b>	<b>2,668</b>	<b>1,995</b>

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

\*\* Represents interim dividend declared on March 27, 2017 and March 23, 2016.

## 14. Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unearned income	407	230	226
Statutory dues (including provident fund and tax deducted at source)	330	368	281
Advances from customer	67	42	27
Gratuity payable (net)*	91	134	14
Others**	49	59	39
<b>Total other current liabilities</b>	<b>944</b>	<b>833</b>	<b>587</b>

\* Refer Note 18 for details of gratuity plan as per Ind AS 19.

\*\* Includes deferred revenue arising from Government grant as at March 31, 2017 ₹ 10 (As at March 31, 2016: ₹ 10 and April 1, 2015: ₹ 10)

## 15. Provisions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for post contract support services	8	7	5
Provision for discount	412	663	367
Provision for compensated absences	587	530	352
Provision for foreseeable losses on contracts	7	-	-
Provision for disputed dues*	81	76	68
<b>Total Provisions</b>	<b>1,095</b>	<b>1,276</b>	<b>792</b>

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

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

**Provision for post contract support services**

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	7	5
Provisions made during the year	1	2
Utilisations during the year	-	-
Released during the year	-	-
<b>Provision at the end of the year</b>	<b>8</b>	<b>7</b>

**Provision for discount**

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	663	367
Provisions made during the year	464	486
Utilisations during the year	(663)	(172)
Released during the year	(52)	(18)
<b>Provision at the end of the year</b>	<b>412</b>	<b>663</b>

**Provision for foreseeable losses on contracts**

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	-	-
Provisions made during the year	7	-
Utilisations during the year	-	-
Released during the year	-	-
<b>Provision at the end of the year</b>	<b>7</b>	<b>-</b>

**Provision for disputed dues**

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	76	68
Provisions made during the year	5	8
Utilisations during the year	-	-
Released during the year	-	-
<b>Provision at the end of the year</b>	<b>81</b>	<b>76</b>

**16. Income tax**

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>Current income tax:</b>		
In respect of the current year	1,531	1,836
<b>Deferred tax:</b>		
In respect of the current year	(105)	(137)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>1,426</b>	<b>1,699</b>
<b>Income tax recognised in other comprehensive income</b>		
- Current tax arising on income and expense recognised in other comprehensive income		
Net loss / (gain) on remeasurement of defined benefit plan	2	(6)
- Deferred tax arising on income and expense recognised in other comprehensive income		
Net loss / (gain) on investment in equity shares at FVTOCI	1	-
<b>Total</b>	<b>3</b>	<b>(6)</b>

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Profit before tax	6,317	7,509
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	2,186	2,599
<b>Effect of:</b>		
Income that is exempt from tax	(1,023)	(1,241)
Temporary differences reversed during the tax holiday period	16	31
Expenses that are not deductible in determining taxable profit	87	126
Different tax rates of branches operating in other jurisdictions	161	184
Income subject to different tax rates	(14)	(28)
Others	13	28
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>1,426</b>	<b>1,699</b>

The tax rates under Indian Income Tax Act, for the year ended March 31, 2017 and March 31, 2016 is 34.61% and 34.61% respectively.

#### Deferred tax

Deferred tax assets/ (liabilities) as at March 31, 2017 in relation to:

Particulars	As at April 1, 2016	Recognised in profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	As at March 31, 2017
Property, plant and equipment	250	73	-	-	323
Provision for doubtful debts	22	-	-	-	22
Provision for compensated absence	201	59	-	-	260
Provision for volume discount	73	(32)	-	-	41
Net gain on fair value of mutual funds	(56)	(8)	-	-	(64)
FVTOCI financial investments	(1)	-	1	-	-
MAT Credit entitlement	198	-	-	-	198
Others	47	13	-	-	60
<b>Total</b>	<b>734</b>	<b>105</b>	<b>1</b>	<b>-</b>	<b>840</b>

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

Particulars	As at April 1, 2015	Recognised in profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	As at March 31, 2016
Property, plant and equipment	205	45	-	-	250
Provision for doubtful debts	16	6	-	-	22
Provision for compensated absence	117	84	-	-	201
Provision for volume discount	39	34	-	-	73
Net gain on fair value of mutual funds	(49)	(7)	-	-	(56)
FVTOCI financial investments	(1)	-	-	-	(1)
MAT Credit entitlement	146	-	-	52	198
Others	72	(25)	-	-	47
<b>Total</b>	<b>545</b>	<b>137</b>	<b>-</b>	<b>52</b>	<b>734</b>

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unused tax losses (long term capital loss) which expire in:			
- FY 2016-17	2	2	2
- FY 2018-19	163	163	163
- FY 2019-20	34	34	34
- FY 2021-22	48	48	48
- FY 2022-23	28	28	-
- FY 2023-24	22	-	-
Unused tax losses of foreign jurisdiction	149	152	158

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.

A substantial portion of the profits of the Company's India operations are exempt from Indian income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the Special Economic Zone Act, 2005 scheme, units in designated Special Economic Zones providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions.

Dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax.

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

The Company is also subject to tax on income attributable to its permanent establishments in foreign jurisdictions due to operation of its foreign branches.

#### 17. Other income

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Dividend income from investments in mutual funds	8	73
Dividend income from subsidiaries	80	162
Net gain on sale of investments in mutual funds	177	32
Net gain on financial assets designated at fair value through profit and loss	146	117
Foreign exchange gain, net	-	365
Interest income on financial assets at amortised cost	103	201
Others*	119	23
<b>Total</b>	<b>633</b>	<b>973</b>

\* Includes net gain on disposal of property, plant and equipment for the year ended March 31, 2017 ₹ 9 and also includes income from government grants for the year ended March 31, 2017 ₹ 10 and March 31, 2016 ₹ 10.

#### 18. Employee benefits expense

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Salaries and wages	28,385	24,125
Contribution to provident and other funds*	1,592	1,341
Expense on employee stock based compensation (Refer note 9)	54	90
Staff welfare expenses	184	176
<b>Total</b>	<b>30,215</b>	<b>25,732</b>

\* Includes contribution to defined contribution plan for the year ended March 31, 2017 ₹ 1,491 (for the year ended March 31, 2016: ₹ 1,252).

#### Gratuity

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>Gratuity cost</b>		
Service cost	97	88
Net interest on net defined liability/ (asset)	4	1
Re-measurement - actuarial (gain)/ loss recognised in OCI	10	33
<b>Net gratuity cost</b>	<b>111</b>	<b>122</b>
<b>Assumptions</b>		
Interest rate	6.80%	7.80%
Salary increase	4.00%	6.00%

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

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Change in projected benefit obligations</b>			
Obligations at the beginning of the year	513	413	365
Service cost	97	91	81
Interest cost	36	29	29
Benefits settled	(69)	(50)	(55)
Actuarial (gain)/ loss - experience	13	30	(7)
Actuarial (gain)/ loss - demographic assumptions	3	-	-
Actuarial (gain)/ loss - financial assumptions	(2)	-	-
<b>Obligations at end of the year</b>	<b>591</b>	<b>513</b>	<b>413</b>

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Change in plan assets</b>			
Plan assets at the beginning of the year, at fair value	375	395	363
Interest income on plan assets	32	32	29
Re-measurement - actuarial gain/ (loss)	-	(6)	5
Return on plan assets greater/ (lesser) than discount rate	4	4	53
Contributions	154	-	-
Benefits settled	(65)	(50)	(55)
<b>Plan assets at the end of the year at fair value</b>	<b>500</b>	<b>375</b>	<b>395</b>

Historical information :

Particulars	As at	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	(591)	(513)	(413)	(365)	(324)
Fair value of plan assets	500	375	395	363	313
<b>Asset/ (liability) recognized</b>	<b>(91)</b>	<b>(138)</b>	<b>(18)</b>	<b>(2)</b>	<b>(11)</b>

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

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Experience adjustment on plan liabilities	14	30
Experience adjustment on plan assets	(4)	2

#### Sensitivity analysis

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

Particulars	As at		As at		As at	
	March 31, 2017		March 31, 2016		April 1, 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(29)	32	(26)	29	(21)	24
Future salary growth (1% movement)	31	(29)	28	(26)	23	(21)

Maturity profile of defined benefit obligation:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Within 1 year	98	77	68
1-2 years	104	86	77
2-3 years	110	95	85
3-4 years	119	101	96
4-5 years	129	117	108
5-10 years	605	603	565

The Company expects to contribute ₹ 110 to its defined benefit plans during the next fiscal year.

As at March 31, 2017, March 31, 2016 and April 1, 2015, 100% of the plan assets were invested in insurer managed funds.

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

#### 19. Finance costs

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Interest expense on financial instrument designated at		
- Fair value through profit and loss	182	157
- Amortised cost	8	2
<b>Total</b>	<b>190</b>	<b>159</b>

#### 20. Depreciation and amortization expense

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Depreciation of property, plant and equipment (note 3)	1,251	1,200
Amortization of other intangible assets (note 4)	80	118
<b>Total</b>	<b>1,331</b>	<b>1,318</b>

21. Other expenses

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Travel expenses	1,967	2,086
Communication expenses	721	615
Sub-contractor charges	2,790	2,599
Computer consumables	785	617
Legal and professional charges	452	478
Power and fuel	313	316
Lease rentals (Refer note 26)	808	793
Repairs and maintenance		
- Buildings	49	52
- Machinery	50	47
Insurance	85	57
Rates and taxes	151	156
Foreign exchange loss, net	154	-
Other expenses*	1,781	1,837
<b>Total</b>	<b>10,106</b>	<b>9,653</b>

\* Includes net loss on disposal of property, plant and equipment for the year ended March 31, 2016, ₹ 54.

22. Auditor's remuneration

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>As auditor:</b>		
Audit fee	18	18
Taxation matters	1	1
Other services	3	3
Reimbursement of expenses and levies	2	1
<b>Total</b>	<b>24</b>	<b>23</b>

23. Earnings per share (EPS)

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

Particulars	For the year ended			
	March 31, 2017		March 31, 2016	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	167,918,389	167,918,389	167,649,773	167,649,773
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	285,251	-	441,916
Weighted average number of equity shares for calculation of earnings per share	167,918,389	168,203,640	167,649,773	168,091,689

24. Government grants

a) 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 year ended	
	March 31, 2017	March 31, 2016
Grant towards workforce training	5	15
<b>Total</b>	<b>5</b>	<b>15</b>

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

25. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2017

Particulars	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	Total
(i) Items that will not be reclassified to profit or loss			
Remeasurement gains/ (losses) on defined benefit plans	-	(10)	(10)
Gain/ (loss) on equity instruments designated at FVTOCI	(4)	-	(4)
(ii) Income tax relating to items that will not be reclassified to profit or loss	1	2	3
<b>Total</b>	<b>(3)</b>	<b>(8)</b>	<b>(11)</b>



## During the year ended March 31, 2016

Particulars	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income	Total
(i) Items that will not be reclassified to profit or loss			
Remeasurement gains/ (losses) on defined benefit plans	-	(33)	(33)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	6	6
<b>Total</b>	-	<b>(27)</b>	<b>(27)</b>

## 26. Operating lease

The Company has various operating leases, mainly for office buildings including land. Lease rental expense under non-cancellable operating lease during the year ended March 31, 2017 amounted to ₹ 400 (for the year ended March 31, 2016: ₹ 460). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Payable – Not later than one year	236	308	401
Payable – Later than one year and not later than five years	411	359	583
Payable – Later than five years	305	258	286

Additionally, the Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the year ended March 31, 2017 is ₹ 408 (for the year ended March 31, 2016: ₹ 333).

## 27. Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

## As at March 31, 2017

Particulars	Carrying Value			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Financial assets</b>						
<b>Amortised cost</b>						
Loans	675	688	749	675	688	749
Trade receivable	8,061	8,825	6,798	8,061	8,825	6,798
Cash and cash equivalents	2,250	1,924	3,669	2,250	1,924	3,669
Other financial assets	2,214	2,594	1,311	2,214	2,594	1,311
Investment in debt securities (quoted)	150	150	-	150	150	-
Investment in term deposits	610	250	700	610	250	700
<b>FVTOCI</b>						
Investment in equity instruments (unquoted)	1	1	1	1	1	1
Investment in preference shares (unquoted)	7	11	11	7	11	11
<b>FVTPL</b>						
Investments in mutual fund	5,159	1,916	4,790	5,159	1,916	4,790
Derivative assets	37	53	24	37	53	24
<b>Total assets</b>	<b>19,164</b>	<b>16,412</b>	<b>18,053</b>	<b>19,164</b>	<b>16,412</b>	<b>18,053</b>
<b>Financial liabilities</b>						
<b>Amortised cost</b>						
Borrowings	960	423	28	960	423	28
Trade payables	1,326	1,432	1,379	1,326	1,432	1,379
Other financial liabilities	1,601	1,978	1,756	1,601	1,978	1,756
<b>FVTPL</b>						
Liability towards acquisition of business	1,001	1,431	458	1,001	1,431	458
Derivative liabilities	-	1	3	-	1	3
<b>Total liabilities</b>	<b>4,888</b>	<b>5,265</b>	<b>3,624</b>	<b>4,888</b>	<b>5,265</b>	<b>3,624</b>

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

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

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

- Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- The fair value of the quoted bonds and mutual funds are based on price quotations at reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also

sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

- iii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting year. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.
- iv) The fair values of the unquoted equity and preference shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- v) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2017, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

**28. Fair value hierarchy**

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

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

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2017, March 31, 2016 and April 1, 2015.

Quantitative disclosures of fair value measurement hierarchy for financial assets as at March 31, 2017:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value:</b>					
Derivative financial assets (Notes 27 & 7.5):					
Foreign exchange forward contracts	March 31, 2017	37	-	37	-
FVTOCI financial assets designated at fair value (Notes 27 & 5.1):					
Investment in equity instruments (unquoted)	March 31, 2017	1	-	-	1
Investment in preference shares (unquoted)	March 31, 2017	7	-	-	7
FVTPL financial assets designated at fair value (Notes 27 & 7.1):					
Investment in mutual funds (quoted)	March 31, 2017	5,159	5,159	-	-
<b>Financial liabilities measured at fair value:</b>					
Financial liabilities designated at FVTPL (Notes 27, 11.2 & 13.2):					
Liability towards acquisition of business	March 31, 2017	1,001	-	-	1,001

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

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

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value:</b>					
Derivative financial assets (Notes 27 & 7.5):					
Foreign exchange forward contracts	March 31, 2016	53	-	53	-
FVTOCI financial assets designated at fair value (Notes 27 & 5.1):					
Investment in equity instruments (unquoted)	March 31, 2016	1	-	-	1
Investment in preference shares (unquoted)	March 31, 2016	11	-	-	11
FVTPL financial assets designated at fair value (Notes 27 & 7.1):					
Investment in mutual funds (quoted)	March 31, 2016	1,916	1,916	-	-
<b>Financial liabilities measured at fair value:</b>					
Derivative financial liabilities (Notes 27 & 13.2):					
Foreign exchange forward contracts	March 31, 2016	1	-	1	-
Financial liabilities designated at FVTPL (Notes 27, 11.2 & 13.2):					
Liability towards acquisition of business	March 31, 2016	1,431	-	-	1,431

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

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

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value:</b>					
Derivative financial assets (Notes 27 & 7.5):					
Foreign exchange forward contracts	April 1, 2015	24	-	24	-
FVTOCI financial assets designated at fair value (Notes 27 & 5.1):					
Investment in equity instruments (unquoted)	April 1, 2015	1	-	-	1
Investment in preference shares (unquoted)	April 1, 2015	11	-	-	11
FVTPL financial assets designated at fair value (Notes 27 & 7.1):					
Investment in mutual funds (quoted)	April 1, 2015	4,790	4,790	-	-
<b>Financial liabilities measured at fair value:</b>					
Derivative financial liabilities (Notes 27 & 13.2):					
Foreign exchange forward contracts	April 1, 2015	3	-	3	-
Financial liabilities designated at FVTPL (Notes 27, 11.2 & 13.2):					
Liability towards acquisition of business	April 1, 2015	458	-	-	458

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

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening balance	11	11	11
Remeasurement recognised in OCI	(4)	-	-
Purchases	-	-	-
Sales	-	-	-
Closing balance	7	11	11

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening balance	1,431	458	458
Additions during the year	-	1,106	-
Fair value movement recognised in statement of profit and loss	137	157	-
Remeasurement recognised in statement of profit and loss	-	-	-
Translation adjustment	(100)	3	-
Payout during the year	(467)	(293)	-
Closing balance	1,001	1,431	458

Name of Financial Assets/ Liabilities	Valuation Techniques	Significant unobservable inputs	Sensitivity of the inputs to fair value
Liability towards acquisition of business	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Company arising from the liability towards acquisition of business	a) Discount rate determined using capital asset pricing model b) Revenue, operating margins and synergies from the acquired entities	a) Any increase in the discount rate would result in a decrease in the fair value b) Any increase in the probable revenue, operating margin and synergies would result in increase in the fair value

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

**Derivative financial instruments**

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

The following table presents the aggregate contracted principal amounts of the Company’s derivative contracts outstanding:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Non-designated derivative instruments (Sell):			
in USD millions	19	31	32
in EUR millions	1	3	5
in GBP millions	3	2	2

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Non-designated derivative instruments (Sell):			
Not later than 1 month			
in USD millions	9	12	13
in EUR millions	1	1	2
in GBP millions	1	1	1
Later than 1 month but not later than 3 months			
in USD millions	10	19	19
in EUR millions	-	2	3
in GBP millions	2	1	1

**29. Financial risk management**

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company’s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company’s policy that no trading in derivative for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**Credit risk**

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

*Trade and other receivables*

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

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Revenue from top customer	7,309	5,106
Revenue from top 5 customers	15,765	14,281

One customer accounted for more than 10% of the revenue for the year ended March 31, 2017, however none of the customers accounted for more than 10% of the receivables for the year ended March 31, 2017. One customer accounted for more than 10% of the revenue for the year ended March 31, 2016, however none of the customers accounted for more than 10% of the receivables for the year ended March 31, 2016.

#### Investments

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

#### Liquidity risk

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

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

The working capital position of the Company is given below:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Cash and cash equivalents	2,250	1,924	3,669
Investments in mutual funds (quoted)	5,159	1,916	4,790
Investment in non-convertible bonds (quoted)	100	100	-
Interest bearing deposits with corporates	610	250	700
<b>Total</b>	<b>8,119</b>	<b>4,190</b>	<b>9,159</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015.

Particulars	As at March 31, 2017		
	Less than 1 year	1-2 years	2 years and above
Borrowings	947	5	8
Trade payables	1,326	-	-
Other financial liabilities	2,407	195	-
Derivative liabilities	-	-	-

Particulars	As at March 31, 2016		
	Less than 1 year	1-2 years	2 years and above
Borrowings	405	5	13
Trade payables	1,432	-	-
Other financial liabilities	2,662	555	192
Derivative liabilities	1	-	-

Particulars	As at April 1, 2015		
	Less than 1 year	1-2 years	2 years and above
Borrowings	5	5	18
Trade payables	1,379	-	-
Other financial liabilities	1,987	227	-
Derivative liabilities	3	-	-

#### Foreign Currency risk

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

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

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

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

- an approximately ₹ 52 increase and ₹ 22 decrease in the Company's net profit as at March 31, 2017;
- an approximately ₹ 50 increase and ₹ 25 decrease in the Company's net profit as at March 31, 2016

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2017, March 31, 2016 and April 1, 2015.

**As at March 31, 2017**

Particulars	₹ in million				Total
	US\$	Euro	Pound Sterling	Other currencies*	
<b>Assets</b>					
Trade receivables	5,631	851	553	753	7,788
Unbilled revenue	1,134	111	220	167	1,632
Cash and cash equivalents	1,230	88	69	317	1,704
Other assets	96	30	39	21	186
<b>Liabilities</b>					
Trade payable	540	33	23	49	645
Other liabilities	1,184	31	529	27	1,771
<b>Net assets/ liabilities</b>	<b>6,367</b>	<b>1,016</b>	<b>329</b>	<b>1,182</b>	<b>8,894</b>

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

**As at March 31, 2016**

Particulars	₹ in million				Total
	US\$	Euro	Pound Sterling	Other currencies*	
<b>Assets</b>					
Trade receivables	6,304	870	723	673	8,570
Unbilled revenue	1,318	92	306	56	1,772
Cash and cash equivalents	1,088	65	24	329	1,506
Other assets	148	18	35	23	224
<b>Liabilities</b>					
Trade payable	261	1	2	2	266
Other liabilities	1,262	38	658	75	2,033
<b>Net assets/ liabilities</b>	<b>7,335</b>	<b>1,006</b>	<b>428</b>	<b>1,004</b>	<b>9,773</b>

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

**As at April 1, 2015**

Particulars	₹ in million				Total
	US\$	Euro	Pound Sterling	Other currencies*	
<b>Assets</b>					
Trade receivables	4,614	831	656	382	6,483
Unbilled revenue	669	128	138	29	964
Cash and cash equivalents	1,257	72	120	232	1,681
Other assets	155	6	39	19	219
<b>Liabilities</b>					
Trade payable	106	1	8	8	123
Other liabilities	282	30	64	109	485
<b>Net assets/ liabilities</b>	<b>6,307</b>	<b>1,006</b>	<b>881</b>	<b>545</b>	<b>8,739</b>

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

For the year ended March 31, 2017, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by 0.2%/ (0.3)%. For the year ended March 31, 2016, the impact on operating margins would be 0.2%/ (0.3)%.

**Interest rate risk**

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

**30. Capital management**

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

The capital structure is as follows:

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Total equity attributable to the equity share holders of the Company	27,578	24,641	21,257
As percentage of total capital	97%	98%	100%
Current borrowings	947	405	5
Non-current borrowings	13	18	23
Total borrowings	960	423	28
As a percentage of total capital	3%	2%	0%
<b>Total capital (borrowings and equity)</b>	<b>28,538</b>	<b>25,064</b>	<b>21,285</b>

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

### 31. Related party transactions

Name of related party	Nature of relationship	Country of incorporation
Mindtree Software (Shanghai) Co., Ltd ('MSSCL'), Republic of China	Subsidiary	China
Discoverture Solutions L.L.C.	Subsidiary with effect from February 13, 2015	United States
Discoverture Solutions U.L.C.*	Subsidiary with effect from February 13, 2015	Canada
Discoverture Solutions Europe Limited**	Subsidiary with effect from February 13, 2015	United Kingdom
Bluefin Solutions Limited	Subsidiary with effect from July 16, 2015	United Kingdom
Bluefin Solutions Inc.	Subsidiary with effect from July 16, 2015	United States
Bluefin Solutions Sdn Bhd	Subsidiary with effect from July 16, 2015	Malaysia
Blouvin (Pty) Limited	Subsidiary with effect from July 16, 2015	South Africa
Bluefin Solutions Pte Ltd	Subsidiary with effect from July 16, 2015	Singapore
Relational Solutions, Inc	Subsidiary with effect from July 16, 2015	United States
Magnet 360, LLC	Subsidiary with effect from January 19, 2016	United States
Reside, LLC	Subsidiary with effect from January 19, 2016	United States
M360 Investments, LLC	Subsidiary with effect from January 19, 2016	United States
Numerical Truth, LLC	Subsidiary with effect from January 19, 2016	United States
Janaagraha Centre for Citizenship & Democracy***	Entity with common key managerial person	
Mindtree Foundation	Entity with common key managerial person	
Coffee Day Global Limited	These entities are part of Coffee Day Group	
Tanglin Developments Limited ('TDL')	which through various entities and its promoters	
Mysore Amalgamated Coffee Estate Ltd	holds 19.96% equity stake in Mindtree.	

\* Dissolved with effect from November 19, 2015.

\*\* Dissolved with effect from July 5, 2016.

\*\*\* Upto October 21, 2016.

Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	For the year ended	
		March 31, 2017	March 31, 2016
Mindtree Software (Shanghai) Co., Ltd	Software services received	14	20
Relational Solutions, Inc	Software services rendered	36	-
	Software license fees paid	-	3
Discoverture Solutions L.L.C	Software services rendered	197	248
	Dividend received	80	68
	Software services received	160	92
Bluefin Solutions Limited	Software services rendered	10	4
	Software services received	41	7
	Dividend received	-	94
Bluefin Solutions Inc	Software services rendered	6	-
	Software services received	9	-
	Reimbursement of expenses	1	-
Magnet 360 LLC	Software services rendered	30	-
	Software services received	70	-
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	-	1
Mindtree Foundation	Donation paid	48	36
Coffee Day Global Limited	Procurement of supplies	25	23
	Software services rendered	37	27
Janaagraha Centre for Citizenship & Democracy	Donation paid	-	4
Tanglin Developments Limited	Leasing office buildings and land	417	375
	Advances/ deposits paid		
	- towards lease rentals	117	-
	Advance/ deposits received back		
	- towards electricity deposit/ charges	-	16
	- towards lease rentals	157	172

Balances payable to related parties are as follows:

Name of related party	Nature of balances	As at	As at	As at
		March 31, 2017	March 31, 2016	April 1, 2015
Mindtree Software (Shanghai) Co., Ltd	Trade payables	1	1	6
Discoverture Solutions L.L.C.	Trade payables	24	15	-
Bluefin Solutions Limited	Trade payables	11	4	-
Magnet 360 LLC	Trade payables	37	-	-
Coffee Day Global Limited	Trade payables	3	1	-

## Balances receivable from related parties are as follows:

Name of related party	Nature of balances	As at	As at	As at
		March 31, 2017	March 31, 2016	April 1, 2015
Discoverture Solutions L.L.C.	Trade receivables	34	98	22
Bluefin Solutions Limited	Trade receivables	5	4	-
Bluefin Solutions Inc.	Trade receivables	2	-	-
Relational Solutions Inc.	Trade receivables	26	-	-
Coffee Day Global Limited	Trade receivables	44	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	271	298	375

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

## Key Managerial Personnel:

Krishnakumar Natarajan <sup>1</sup>	Executive Chairman
N.S. Parthasarathy <sup>2</sup>	Executive Vice Chairman, President and Chief Operating Officer
Rostow Ravanan	CEO and Managing Director
Subroto Bagchi	Non-Executive Director
Dr. Albert Hieronimus <sup>3</sup>	Non-Executive Vice Chairman and Independent Director
Apurva Purohit	Independent Director
Manisha Girotra	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan <sup>4</sup>	Independent Director
V.G.Siddhartha	Non-Executive Director
Milind Sarwate <sup>5</sup>	Independent Director
Akshaya Bhargava <sup>6</sup>	Independent Director
Jagannathan Chakravarthi	Chief Financial Officer
Vedavalli Sridharan	Company Secretary

<sup>1</sup> The Board of Directors at their meeting held on January 19, 2017 have approved the extension of terms of employment of Mr. Krishnakumar Natarajan as Executive Chairman from July 01, 2017 to June 30, 2020.

<sup>2</sup> Appointed as Executive Vice Chairman with effect from October 21, 2016

<sup>3</sup> Retired with effect from April 01, 2017.

<sup>4</sup> Resigned with effect from October 21, 2016.

<sup>5</sup> Appointed with effect from July 19, 2016.

<sup>6</sup> Appointed with effect from December 12, 2016.

## Transactions with key management personnel

Dividends paid to directors during the year ended March 31, 2017 amounts to ₹ 222 and for the year ended March 31, 2016 amounts to ₹ 230. Further, during the year ended March 31, 2017, 44,340 shares were allotted to the key management personnel.

## Compensation of key management personnel of the Company

Particulars	For the year ended*	
	March 31, 2017	March 31, 2016
Short-term employee benefits	74	100
Share-based payment transactions	3	11
Others	28	23
<b>Total compensation paid to key management personnel</b>	<b>105</b>	<b>134</b>

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

32. The Company had 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. Pursuant to the notification of certain sections of the Companies Act, 2013 on amalgamation, the application has been transferred to the National Company Law Tribunal (NCLT). Pending requisite approvals, no effect has been given for the scheme in the financial statements.

The Board of Directors at its meeting held on January 19, 2017 has approved the proposal to transfer the business and net assets of its wholly owned subsidiary, Bluefin Solutions Limited ('Bluefin') to Mindtree against the cancellation and extinguishment of Mindtree's investment in Bluefin. This is subject to the approval of Reserve Bank of India (RBI) and other statutory authorities, as may be required.



### 33. Contingent liabilities

- a) The Company has received an income tax assessment order for the financial year 2008-09 wherein demand of ₹ 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 with Commissioner of Income Tax (Appeals) ('CIT(A)') 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'). The Company has received a favourable order from ITAT. The assessment was reopened under section 148 and order has been passed under section 147 wherein demand of ₹ 630 has been raised against the Company on account of certain disallowance made by the Income Tax department. The Company has filed for rectification application for arithmetical error in the computation of demand, once rectified there will be no demand. The Company has also filed a writ application with Honorable High Court of Karnataka against the order. During the year ended March 31, 2017 the Company has received the revised order giving effect for the above order, reducing the demand to Nil.

- b) The Company has received income tax assessment order for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to ₹ 11 and ₹ 10 respectively 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 ₹ 18 against these demands.

- c) The Company has received income tax assessment order 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 ₹ 215, ₹ 49, ₹ 61, ₹ 28, ₹ 58, ₹ 119, ₹ 214 and ₹ 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 ₹ 15 with the department against these demands. The department has adjusted pending refunds amounting to ₹ 563 against these demands.

The Company received a favourable order from the Commissioner of Income Tax (Appeals) for the year 2001-02 wherein 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 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 ₹ 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 filed an appeal with ITAT. Bengaluru.

The Company has received the order from ITAT for the FY 2006-07 and ITAT has remanded the matter back to the Assessing Officer for re-assessment. The Transfer pricing officer has passed the favorable order. Order giving effect to the ITAT order is yet to be received.

The Company has received revised order for the FY 2008-09 under section 263 from Assessing Officer raising an additional demand of ₹ 61, taking the total demand to ₹ 124. The Company has filed an appeal before ITAT. The order giving effect to the said order has been received and appeal is filed with Commissioner Appeals.

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 ₹ 39 on account of certain other disallowances/ transfer pricing adjustments made by Income Tax department. The 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 ₹ 33. The Company has deposited ₹ 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 ₹ 61 due to non-adjustment of brought forward losses and transfer pricing adjustments. The 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). Commissioner of Income Tax (Appeals) has passed the order in our favour.

During the quarter ended March 31, 2017 the Company has received the order giving effect to the said order and there is no demand. The Company has received the revised order under section 263 for financial year 2009-10 from Assessing Officer reducing the demand to ₹ 6. The Company has filed an appeal before ITAT. ITAT has dismissed the appeal. Order giving effect has been received. The Company has filed an appeal before 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 ₹ 15 on account of certain disallowances. The 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).

#### 34. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2017 is ₹ 242 (March 31, 2016: ₹ 262 and April 1, 2015: ₹ 508).

#### 35. Segmental reporting

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

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

Each segment item reported is measured at the measure used to report to the Chief Operating Decision Maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

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

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

CODM does not review assets and liabilities at reportable segments level hence segment disclosure relating to total assets and liabilities has not been provided.

Geographical information on revenue and industry revenue information is collated based on individual customer invoices or in relation to which the revenue is otherwise recognized.

#### Industry Segments:

Statement of income	For the year ended	
	March 31, 2017	March 31, 2016
<b>Segment revenue</b>		
RCM	9,683	9,345
BFSI	12,086	11,189
TMS	18,057	15,704
TH	7,700	7,160
<b>Total</b>	<b>47,526</b>	<b>43,398</b>
<b>Segment operating income</b>		
RCM	1,497	2,055
BFSI	1,084	1,545
TMS	3,893	3,151
TH	885	1,262
<b>Total</b>	<b>7,359</b>	<b>8,013</b>
Depreciation and amortization expense	(1,331)	(1,318)
<b>Profit for the year before finance expenses, other income and tax</b>	<b>6,028</b>	<b>6,695</b>
Finance costs	(190)	(159)
Other income	530	407
Interest income	103	201
Foreign exchange gain/ (loss)	(154)	365
<b>Net profit before taxes</b>	<b>6,317</b>	<b>7,509</b>
Income taxes	(1,426)	(1,699)
<b>Net profit after taxes</b>	<b>4,891</b>	<b>5,810</b>

Other information	For the year ended	
	March 31, 2017	March 31, 2016
Other significant non-cash expense (Allocable)		
RCM	21	15
BFSI	13	8
TMS	(2)	33
TH	10	8

### Geographical information

Revenues	For the year ended	
	March 31, 2017	March 31, 2016
America	32,871	29,132
Europe	9,356	9,717
India	1,641	1,409
Rest of World	3,658	3,140
<b>Total</b>	<b>47,526</b>	<b>43,398</b>

#### Note:

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

Please refer to Note No. 29 on Financial Instruments for information on revenue from major customers.

36. Total of expenditure incurred on Corporate Social Responsibility activities during the year ended March 31, 2017 is ₹ 109 (during the year ended March 31, 2016 is ₹ 94).

#### 37. 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, 2017 has been made in the financial statements based on information received and available with the Group. 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 Group has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	10	4
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 year;	Nil	Nil
The amount of interest due and payable for the year (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 year; and	Nil	Nil
The amount of further interest due and payable even in the succeeding year, 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

#### 38. Transition to Ind AS

The Company's financial statements for the year ended March 31, 2017 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the Ind AS financial statements for the year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Indian GAAP as at the transition date have been recognized directly in equity at the transition date.

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

##### a) Exceptions from full retrospective application:

- A. Estimates exception: Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.
- B. Government loans: In accordance with Ind AS 101, on application of Ind AS 20, "Accounting for Government Grants and Disclosure of Government Assistance", the Company has used its previous GAAP carrying amount at the date of transition to Ind ASs as the carrying amount in the opening Ind AS balance sheet.

##### b) Exemptions from retrospective application:

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

**c) Reconciliations:**

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

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

**Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016 and April 1, 2015**

	Note	March 31, 2016			April 1, 2015		
		Amount as per previous GAAP	Effect of transition to Ind AS	Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	vi, vii	4,304	(195)	4,109	4,507	(188)	4,319
Capital work in progress		232	-	232	354	-	354
Other intangible assets		92	-	92	119	1	120
<b>Financial assets</b>							
Investments	ii	9,052	(466)	8,586	1,113	(42)	1,071
Loans	vi	560	91	651	546	67	613
Other financial assets	v	259	(70)	189	-	-	-
Deferred tax assets (net)	vi	791	(57)	734	595	(50)	545
Other non-current assets		1,150	142	1,292	1,000	158	1,158
		<b>16,440</b>	<b>(555)</b>	<b>15,885</b>	<b>8,234</b>	<b>(54)</b>	<b>8,180</b>
<b>Current assets</b>							
<b>Financial assets</b>							
Investments	ii	2,101	165	2,266	5,342	148	5,490
Trade receivables		8,825	-	8,825	6,798	-	6,798
Cash and cash equivalents		1,924	-	1,924	3,669	-	3,669
Loans	vi	35	2	37	134	2	136
Others	v	2,471	(13)	2,458	1,335	-	1,335
Other current assets	vi	966	16	982	976	30	1,006
		<b>16,322</b>	<b>170</b>	<b>16,492</b>	<b>18,254</b>	<b>180</b>	<b>18,434</b>
<b>TOTAL ASSETS</b>		<b>32,762</b>	<b>(385)</b>	<b>32,377</b>	<b>26,488</b>	<b>126</b>	<b>26,614</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		1,678	-	1,678	837	-	837
Other equity		22,486	477	22,963	19,276	1,144	20,420
<b>Total equity</b>		<b>24,164</b>	<b>477</b>	<b>24,641</b>	<b>20,113</b>	<b>1,144</b>	<b>21,257</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
Borrowings		18	-	18	23	-	23
Other financial liabilities	i	990	(243)	747	227	-	227
Other non-current liabilities	vii	82	10	92	106	21	127
		<b>1,090</b>	<b>(233)</b>	<b>857</b>	<b>356</b>	<b>21</b>	<b>377</b>
<b>Current liabilities</b>							
<b>Financial liabilities</b>							
Borrowings		400	-	400	-	-	-
Trade payables		1,431	1	1,432	1,378	1	1,379
Other financial liabilities	i, iii	3,304	(636)	2,668	2,034	(39)	1,995
Other current liabilities	vii	827	6	833	579	8	587
Provisions	iii	1,276	-	1,276	1,801	(1,009)	792
Current tax liabilities (Net)		270	-	270	227	-	227
		<b>7,508</b>	<b>(629)</b>	<b>6,879</b>	<b>6,019</b>	<b>(1,039)</b>	<b>4,980</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,762</b>	<b>(385)</b>	<b>32,377</b>	<b>26,488</b>	<b>126</b>	<b>26,614</b>

## (i) Equity reconciliation

Particulars	Note	As at March 31, 2016	As at April 1, 2015
<b>Equity under previous GAAP</b>		<b>24,164</b>	<b>20,113</b>
Proposed dividend and tax thereon	iii	606	1,009
Fair valuation of investments	ii	112	101
Effect of discounting of security deposit and reclassification of land as operating lease	vi	20	16
Discounting of consideration receivable	v	(81)	-
Business combination	i	(198)	(9)
Others		18	27
<b>Equity as per Ind AS</b>		<b>24,641</b>	<b>21,257</b>

## (ii) Total comprehensive income reconciliation

Particulars	Note	For the year ended March 31, 2016
<b>Net income under previous GAAP</b>		<b>6,049</b>
Fair valuation of investments	ii	10
Employee benefits	iv	27
Effect of discounting of security deposit and reclassification of land as operating lease	vi	4
Business combination	i	(190)
Discounting of consideration receivable	v	(81)
Others		(9)
<b>Profit for the year under Ind AS</b>		<b>5,810</b>
Other comprehensive income	iv	(27)
<b>Total comprehensive income under Ind AS</b>		<b>5,783</b>

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

Notes:

1. Business combination:

Under Ind AS, contingent consideration payable on business combination is measured at fair value while under previous GAAP it is recognised at cost.

2. Fair valuation of investments:

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

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

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

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

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

6. Under Ind AS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. The lease rentals paid in advance are charged to the statement of profit and loss over the lease term.

Under Ind AS, financial instruments other than those designated at FVTPL and FVTOCI are measured at amortised cost. Under previous GAAP, they are recognised at cost. Security deposits are carried at amortised cost using effective interest method.

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

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 0080725

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

**N. Krishnakumar**  
Chairman

**Rostow Ramanan**  
CEO & Managing Director

**V. Balaji**  
Partner  
Membership No. 203685

**Jagannathan Chakravarthi**  
Chief Financial Officer

**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

Place: Bengaluru  
Date: April 20, 2017

# Independent Auditor's Report to the Members of Mindtree Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MINDTREE LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Ind AS and the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on March 31, 2017 from being appointed as a director in

terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's report of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent.
  - iv. The Parent has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities, as applicable. Based on audit procedures performed and the representations provided to us by the Management, we report that the disclosures are in accordance with the relevant books of account maintained by those entities for the purpose of preparation of the consolidated financial statements.

For **Deloitte Haskins & Sells**  
*Chartered Accountants*  
(Firm's Registration No. 008072S)

**V. Balaji**  
*Partner*  
(Membership No. 203685)

Bengaluru, April 20, 2017



## Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of MINDTREE LIMITED (hereinafter referred to as "the Parent"), as of that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**V. Balaji**  
Partner  
(Membership No. 203685)

Bengaluru, April 20, 2017

## Consolidated balance sheet

₹ in million

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	3,809	4,173	4,325
Capital work in progress		192	232	354
Goodwill	4	4,470	4,815	669
Other intangible assets	4	1,941	2,632	317
Financial assets	5			
Investments	5.1	58	62	12
Loans	5.2	667	655	614
Other financial assets	5.3	209	189	-
Deferred tax assets (Net)	16	624	409	547
Other non-current assets	6	1,326	1,328	1,158
		<b>13,296</b>	<b>14,495</b>	<b>7,996</b>
<b>Current assets</b>				
Financial assets	7			
Investments	7.1	5,869	2,266	5,490
Trade receivables	7.2	8,962	9,728	6,963
Cash and cash equivalents	7.3	2,508	2,332	3,763
Loans	7.4	12	38	136
Other financial assets	7.5	2,225	2,761	1,337
Other current assets	8	1,034	1,149	1,009
		<b>20,610</b>	<b>18,274</b>	<b>18,698</b>
<b>TOTAL ASSETS</b>		<b>33,906</b>	<b>32,769</b>	<b>26,694</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	9	1,680	1,678	837
Other equity	10	24,091	22,471	20,428
		<b>25,771</b>	<b>24,149</b>	<b>21,265</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities	11			
Borrowings	11.1	13	18	23
Other financial liabilities	11.2	230	767	227
Other non-current liabilities	12	71	91	128
		<b>314</b>	<b>876</b>	<b>378</b>
<b>Current liabilities</b>				
Financial liabilities	13			
Borrowings	13.1	978	415	-
Trade payables		1,651	1,890	1,418
Other financial liabilities	13.2	2,638	2,754	2,011
Other current liabilities	14	1,126	1,049	586
Provisions	15	1,105	1,289	797
Current tax liabilities (Net)		323	347	239
		<b>7,821</b>	<b>7,744</b>	<b>5,051</b>
		<b>8,135</b>	<b>8,620</b>	<b>5,429</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,906</b>	<b>32,769</b>	<b>26,694</b>

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 0080725

**V. Balaji**  
Partner  
Membership No. 203685

Place: Bengaluru  
Date: April 20, 2017

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

**N. Krishnakumar**  
Chairman  
**Jagannathan Chakravarthi**  
Chief Financial Officer

**Rostow Ramanan**  
CEO & Managing Director  
**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

## Consolidated statement of profit and loss

₹ in million, except per share data

	Note	For the year ended	
		March 31, 2017	March 31, 2016
Revenue from operations		52,364	46,730
Other income	17	553	839
<b>Total income</b>		<b>52,917</b>	<b>47,569</b>
<b>Expenses</b>			
Employee benefits expense	18	34,125	27,991
Finance costs	20	191	160
Depreciation and amortization expense	21	1,858	1,658
Other expenses	22	11,194	10,529
<b>Total expenses</b>		<b>47,368</b>	<b>40,338</b>
<b>Profit before tax</b>		<b>5,549</b>	<b>7,231</b>
Tax expense:			
Current tax	16	1,577	1,903
Deferred tax	16	(214)	(197)
<b>Profit for the year</b>		<b>4,186</b>	<b>5,525</b>
<b>Other comprehensive income</b>	26		
A (i) Items that will not be reclassified to profit or loss		(14)	(34)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3	6
B (i) Items that will be reclassified to profit or loss		(610)	(214)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>(621)</b>	<b>(242)</b>
<b>Total comprehensive income for the year</b>		<b>3,565</b>	<b>5,283</b>
Earnings per equity share:	24		
(1) Basic		24.93	32.95
(2) Diluted		24.89	32.87

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 0080725

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

**N. Krishnakumar**  
Chairman

**Rostow Ramanan**  
CEO & Managing Director

**V. Balaji**  
Partner  
Membership No. 203685

**Jagannathan Chakravarthi**  
Chief Financial Officer

**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

Place: Bengaluru  
Date: April 20, 2017

## Consolidated statement of cash flows

₹ in million, except per share data

	For the year ended March 31,	
	2017	2016
<b>Cash flow from operating activities</b>		
Profit for the year	4,186	5,525
<i>Adjustments for:</i>		
Income tax expense recognised in the statement of profit and loss	1,363	1,706
Depreciation and amortization expense	1,858	1,658
Expense on employee stock based compensation	54	90
Allowance for doubtful debt	(20)	43
Finance costs	191	160
Interest income on financial assets at amortised cost	(104)	(202)
Dividend income	(8)	(73)
Net gain on disposal of property, plant and equipment	(9)	54
Net gain on sale of investments in mutual funds	(177)	(36)
Net gain on financial assets designated at fair value through profit and loss	(146)	(113)
Reversal of liability towards acquisition of businesses recognised in the statement of profit and loss	(45)	-
Unrealised exchange difference on liability towards acquisition of businesses	(100)	3
Unrealised exchange difference on derivatives	14	(31)
Income from government grant	(10)	(10)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	42	(105)
<i>Changes in operating assets and liabilities</i>		
Trade receivables	670	(1,847)
Other assets	786	(1,008)
Trade payables	(271)	213
Other liabilities	215	(349)
Provisions	(183)	475
<b>Net cash provided by operating activities before taxes</b>	<b>8,306</b>	<b>6,153</b>
Income taxes paid	(1,771)	(1,939)
<b>Net cash (used in)/ provided by operating activities</b>	<b>6,535</b>	<b>4,214</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(871)	(1,584)
Proceeds from sale of property, plant and equipment	25	269
Payment towards acquisition of businesses	(467)	(293)
Purchase of business/ acquisition	-	(6,289)
Interest income on financial assets at amortised cost	51	244
Dividend income received	8	73
Purchase of financial instruments	(13,171)	(10,062)
Proceeds from sale of investment in mutual funds	9,892	13,385
<b>Net cash (used in)/ provided by investing activities</b>	<b>(4,533)</b>	<b>(4,257)</b>
<b>Cash flow from financing activities</b>		
Issue of share capital (net of issue expenses paid)	8	24
Finance costs paid	(2)	(3)
Repayment of short-term borrowings	(383)	(5)
Proceeds from short-term borrowings	935	415
Dividends paid (including distribution tax)	(1,934)	(2,151)
<b>Net cash (used in)/ provided by financing activities</b>	<b>(1,376)</b>	<b>(1,720)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(55)	92
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>571</b>	<b>(1,671)</b>
Cash and cash equivalents at the beginning of the year	1,937	3,608
<b>Cash and cash equivalents at the end of the year (Refer note 7.3)</b>	<b>2,508</b>	<b>1,937</b>

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No. 0080725

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

**N. Krishnakumar**  
Chairman

**Rostow Ramanan**  
CEO & Managing Director

**V. Balaji**  
Partner  
Membership No. 203685

**Jagannathan Chakravarthi**  
Chief Financial Officer

**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

Place: Bengaluru  
Date: April 20, 2017

## Consolidated statement of changes in equity for the year ended March 31, 2017

₹ in million

(a) Equity share capital	Amount
Balance as at April 1, 2015	837
Add: Shares issued on exercise of stock options and restricted shares	2
Add: Bonus shares issued	839
Balance as at March 31, 2016	1,678
Balance as at April 1, 2016	1,678
Add: Shares issued on exercise of stock options and restricted shares	2
Balance as at March 31, 2017	1,680

Particulars	Share application money pending allotment	Reserves and Surplus (refer note 10)				Items of Other Comprehensive Income (refer note 10)			Total other equity
		Capital reserve	Securities premium reserve	Share options outstanding account	General reserve	Foreign currency translation reserve (FCTR)	Equity instruments through Other comprehensive income	Other items of Other Comprehensive Income	
Balance as at April 1, 2015	4	87	1,860	78	1,542	16,854	-	3	20,428
Profit for the year	-	-	-	-	-	5,525	-	-	5,525
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(214)	-	(28)
Issue of equity shares (Note 9)	-	-	43	-	-	-	-	-	43
Amount utilised for bonus shares	-	-	(839)	-	-	-	-	-	(839)
Transferred to securities premium reserve	-	-	20	(20)	-	-	-	-	-
Compensation cost related to employee share based payment (Note 18)	-	-	-	49	-	-	-	-	49
Cash dividends (Note 10.1)	-	-	-	-	-	(2,095)	-	-	(2,095)
Dividend distribution tax (Note 10.1)	-	-	-	-	-	(394)	-	-	(394)
Share issued against share application money	(4)	-	-	-	-	-	-	-	(4)
Balance as at March 31, 2016	-	87	1,084	107	1,542	19,890	(214)	3	22,471
Balance as at April 1, 2016	-	87	1,084	107	1,542	19,890	(214)	3	22,471
Profit for the year	-	-	-	-	-	4,186	-	-	4,186
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(610)	(3)	(621)
Issue of equity shares (Note 9)	-	-	6	-	-	-	-	-	6
Amount utilised for bonus shares	-	-	-	-	-	-	-	-	-
Transferred to securities premium reserve	-	-	110	(110)	-	-	-	-	-
Compensation cost related to employee share based payment (Note 18)	-	-	-	54	-	-	-	-	54
Cash dividends (Note 10.1)	-	-	-	-	-	(1,679)	-	-	(1,679)
Dividend distribution tax (Note 10.1)	-	-	-	-	-	(326)	-	-	(326)
Share issued against share application money	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	87	1,200	51	1,542	22,071	(824)	-	24,091

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For Deloitte Haskins &amp; Sells

Chartered Accountants (Firm's Registration No. 0080725)

V. Balaji  
Partner (Membership No. 203685)

Place: Bengaluru

Date: April 20, 2017

N. Krishnakumar  
ChairmanJagannathan Chakravarthi  
Chief Financial Officer

Place: Bengaluru

Date: April 20, 2017

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

Rostow Ravanan  
CEO & Managing DirectorVedavalli Sridharan  
Company Secretary

**Significant accounting policies and notes to the accounts for the year ended March 31, 2017**  
 (₹ in millions, except share and per share data, unless otherwise stated)

**1. Company overview**

Mindtree Limited ('Mindtree' or 'the Company') together with its subsidiaries, Mindtree Software (Shanghai) Co. Ltd, Discoverture Solutions L.L.C., Discoverture Solutions Europe Limited (liquidated w.e.f. July 05, 2016), Bluefin Solutions Limited, Bluefin Solutions Inc., Bluefin Solutions Sdn Bhd, Blouvin (Pty) Limited, Bluefin Solutions Pte Ltd, Relational Solutions, Inc. and Magnet 360, LLC, Reside LLC, M360 Investments, LLC and Numerical Truth, LLC, collectively referred to as 'the Group' is an international Information Technology consulting and implementation Group that delivers business solutions through global software development. The Group is structured into four industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS) and Travel and Hospitality (TH). The Group offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, South Africa, UAE, Netherlands, Canada, Belgium, France, Ireland, Poland and Republic of China. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The consolidated financial statements were authorized for issuance by the Company's Board of Directors on April 20, 2017.

**2. Significant accounting policies**

**2.1 Basis of preparation and presentation**

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For all the periods upto the year ended March 31, 2016, the Group had earlier prepared and presented its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 (Indian GAAP). Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note 43.

**(b) Basis of measurement**

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- iii. Share based payment transactions and
- iv. Defined benefit and other long-term employee benefits

**(c) Use of estimates and judgment**

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

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

- i) *Revenue recognition*: The Group uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. As the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.
- ii) *Income taxes*: The Group's two major tax jurisdictions are India and the U.S., though the Groups also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to Note 16.
- iii) *Other estimates*: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

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

## 2.2 Basis of consolidation

### Subsidiaries

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

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

## 2.3 Summary of significant accounting policies

### (i) Functional and presentation currency

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

### (ii) Foreign currency transactions and balances

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

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

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

### (iii) Financial instruments

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

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

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

#### a) Non-derivative financial assets

##### (i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

(ii) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset's contractual cash flow represent SPPI

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

(iii) Equity instruments at FVTOCI

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

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

(iv) Financial assets at FVTPL

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

In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Group has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

b) *Non-derivative financial liabilities*

(i) Financial liabilities at amortised cost

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

(ii) Financial liabilities at FVTPL

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

c) *Derivative financial instruments*

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

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

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

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

(iv) **Property, plant and equipment**

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

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



Category	Useful life
Buildings	5 to 30 years
Leasehold improvements	5 years
Computers	2 to 3 years
Plant and machinery	3 to 4 years
Furniture and fixtures	3 to 7 years
Electrical installations	3 years
Office equipment	3 to 5 years
Vehicles	4 years

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

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

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

#### (v) Intangible assets

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

The estimated useful lives of intangibles are as follows:

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

#### (vi) Business combination, Goodwill and Intangible assets

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

Transaction costs incurred in connection with a business combination are expensed as incurred.

##### a) Goodwill

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

##### b) Intangible assets

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

#### (vii) Leases

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

#### (viii) Impairment

##### a) Financial assets

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

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

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

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

#### b) *Non-financial assets*

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

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

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

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

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's Cash Generating Units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in consolidated statement of profit and loss and is not reversed in the subsequent period.

#### (ix) **Employee Benefits**

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

actuarial and investment risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Group has the following employee benefit plans:

a) Social security plans

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

b) Gratuity

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

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

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

c) Compensated absences

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

(x) Share based payments

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

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

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

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

(xi) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

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

(xii) Revenue

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

a) Time and materials contracts

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

b) Fixed-price contracts

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

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

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

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

c) Maintenance contracts

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

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

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

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

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

**(xiii) Warranty provisions**

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

**(xiv) Finance income and expense**

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

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

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

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

**(xv) Income tax**

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

a) Current income tax

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

b) Deferred income tax

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

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

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

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

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

#### (xvi) Earnings per share

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

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

#### (xvii) Research and development costs

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

#### (xviii) Government grants

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

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

Government grants related to revenue are recognised on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance is provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

#### **New standards and interpretations not yet adopted**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

#### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

#### **Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance on measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

## 3. Property, plant and equipment

Particulars	Land	Buildings	Leasehold improvements	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
<b>Gross carrying value</b>										
<b>At April 1, 2015</b>	97	3,621	1,067	225	734	2,047	521	261	29	8,602
Additions	-	417	170	-	160	644	121	139	-	1,651
Acquisitions through business combinations	-	-	26	-	19	133	-	41	-	219
Translation adjustment	-	-	-	-	(1)	(4)	-	-	-	(5)
Disposals / adjustments	(13)	(993)	-	-	(78)	(69)	(32)	(49)	-	(1,234)
<b>At March 31, 2016</b>	84	3,045	1,263	225	834	2,751	610	392	29	9,233
<b>At April 1, 2016</b>	84	3,045	1,263	225	834	2,751	610	392	29	9,233
Additions	-	227	74	48	28	430	121	9	-	937
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	(2)	(17)	-	(3)	-	(22)
Disposals / adjustments	-	-	-	-	(6)	(125)	(29)	-	-	(160)
<b>At March 31, 2017</b>	84	3,272	1,337	273	854	3,039	702	398	29	9,988
<b>Accumulated depreciation</b>										
<b>At April 1, 2015</b>	8	1,105	574	218	492	1,404	319	152	5	4,277
Acquisitions through business combinations	-	-	13	-	16	99	-	27	-	155
Depreciation expense	1	216	157	-	119	565	111	44	9	1,222
Translation adjustment	-	-	-	-	(1)	(4)	-	(1)	-	(6)
Disposals / adjustments	(1)	(360)	-	-	(77)	(69)	(32)	(49)	-	(588)
<b>At March 31, 2016</b>	8	961	744	218	549	1,995	398	173	14	5,060
<b>At April 1, 2016</b>	8	961	744	218	549	1,995	398	173	14	5,060
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Depreciation expense	1	207	185	44	88	569	124	57	8	1,283
Translation adjustment	-	-	-	-	(2)	(14)	-	(4)	-	(20)
Disposals / adjustments	-	-	-	-	(6)	(109)	(29)	-	-	(144)
<b>At March 31, 2017</b>	9	1,168	929	262	629	2,441	493	226	22	6,179
<b>Net carrying value as at March 31, 2017</b>	75	2,104	408	11	225	598	209	172	7	3,809
<b>Net carrying value as at March 31, 2016</b>	76	2,084	519	7	285	756	212	219	15	4,173
<b>Net carrying value as at April 1, 2015</b>	89	2,516	493	7	242	643	202	109	24	4,325

4. **Goodwill and other intangible assets**  
a) **Goodwill and other intangible assets**

Particulars	Goodwill	Intellectual property	Business alliance relationships	Customer relationships	Non compete agreement	Vendor relationship	Tradename	Technology	Computer software	Total other intangible assets
<b>Gross carrying value</b>										
<b>At April 1, 2015</b>	669	67	72	111	24	-	-	-	935	1,209
Additions	-	-	-	-	-	-	-	-	88	88
Acquisitions through business combinations	4,279	-	-	1,346	30	739	327	257	16	2,715
Translation adjustment	(135)	-	-	(44)	-	(11)	(9)	11	-	(53)
Disposals / adjustments	-	-	-	-	-	-	-	-	(5)	(5)
<b>At March 31, 2016</b>	4,815	67	72	1,413	54	728	318	268	1,034	3,954
<b>At April 1, 2016</b>	4,815	67	72	1,413	54	728	318	268	1,034	3,954
Additions	-	-	-	-	-	-	-	-	40	40
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Translation adjustment	(345)	-	-	(151)	(1)	(47)	(32)	(6)	(1)	(238)
Disposals / adjustments	-	-	-	-	-	-	-	-	(3)	(3)
<b>At March 31, 2017</b>	4,470	67	72	1,262	53	681	286	262	1,070	3,753
<b>Accumulated depreciation</b>										
<b>At April 1, 2015</b>	-	65	3	6	1	-	-	-	817	892
Acquisitions through business combinations	-	-	-	-	-	-	-	-	8	8
Amortisation expense	-	2	18	205	6	50	19	19	117	436
Translation adjustment	-	-	-	(7)	-	(2)	(1)	1	-	(9)
Disposals / adjustments	-	-	-	-	-	-	-	-	(5)	(5)
<b>At March 31, 2016</b>	-	67	21	204	7	48	18	20	937	1,322
<b>At April 1, 2016</b>	-	67	21	204	7	48	18	20	937	1,322
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
Amortisation expense	-	-	18	306	11	99	33	26	82	575
Translation adjustment	-	-	-	(61)	-	(16)	(6)	-	1	(82)
Disposals / adjustments	-	-	-	-	-	-	-	-	(5)	(5)
<b>At March 31, 2017</b>	-	67	39	449	18	131	45	46	1,017	1,812
<b>Net carrying value as at March 31, 2017</b>	4,470	-	33	813	35	550	241	216	53	1,941
<b>Net carrying value as at March 31, 2016</b>	4,815	-	51	1,209	47	680	300	248	97	2,632
<b>Net carrying value as at April 1, 2015</b>	669	2	69	105	23	-	-	-	118	317
Estimated useful life (in years)	NA	-	4	3-5	5	5-10	10	10	2-3	
Estimated remaining useful life (in years)	NA	-	2.00	1-3.75	3-3.75	3.25-8.75	8.25-8.75	8.25	0.04-1.94	

The aggregate amount of research and development expense recognized in the statement of profit and loss for the year ended March 31, 2017 is ₹ 321 (₹ 313 for the year ended March 31, 2016).

#### 4. Goodwill and other intangible assets

##### b) Impairment

Following is a summary of changes in the carrying amount of goodwill:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying value at the beginning	4,815	669	-
Goodwill on acquisition of Discoverture Solutions LLC (Discoverture)	-	-	669
Goodwill on acquisition of Bluefin Solutions Limited (Bluefin)	-	2,152	-
Goodwill on acquisition of Relational Solutions Inc. (RSI)	-	339	-
Goodwill on acquisition of Magnet 360 LLC (Magnet)	-	1,788	-
Translation differences	(345)	(133)	-
<b>Carrying value at the end</b>	<b>4,470</b>	<b>4,815</b>	<b>669</b>

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Units (CGU) or groups of CGUs, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGUs.

The entire goodwill on acquisition of Discoverture is allocated to the operating segment 'BFSI' and of RSI to the operating segment "RCM".

The goodwill on acquisitions of Bluefin and Magnet has been allocated as follows:

Particulars	Bluefin	Magnet
RCM	1,749	757
BFSI	59	286
TMS	304	706
TH	40	39
<b>Total</b>	<b>2,152</b>	<b>1,788</b>

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre tax cash flow projections over a period of five years, based on financial budgets approved by management and an average of the range of each assumption mentioned below.

As of March 31, 2017, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

	As at March 31, 2017	As at March 31, 2016
Discount rate	15.6% - 19.6%	21.7%

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

##### Non-current assets

#### 5. Financial assets

##### 5.1 Investments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Investments in equity instruments (unquoted)</b>			
a) 2,400 (March 31, 2016: 2,400; April 1, 2015: 2,400) equity shares in Careercommunity.com Limited	-	-	-
b) 950,000 (March 31, 2016: 950,000; April 1, 2015: 950,000) equity shares of ₹ 1 each in NuvePro Technologies Private Limited	1	1	1
c) 12,640 (March 31, 2016: 12,640; April 1, 2015: 12,640) equity shares in Worldcast Technologies Private Limited	-	-	-
<b>Investments in preference shares (unquoted)</b>			
643,790 (March 31, 2016: 643,790; April 1, 2015: 643,790) Series A Convertible Preferred Stock at US\$ 0.0001 each fully paid at premium of US \$ 0.2557 each in 30 Second Software Inc.	7	11	11
<b>Investments in non-convertible bonds (quoted)</b>			
50 (March 31, 2016: 50; April 1, 2015: 50) secured redeemable non-convertible bonds of ₹ 1 million each in the nature of promissory notes in PNB Housing Finance Limited	50	50	-
<b>Total</b>	<b>58</b>	<b>62</b>	<b>12</b>



Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Aggregate amount of quoted investments	50	50	-
Aggregate market value of quoted investments	50	50	-
Aggregate amount of unquoted investments	8	12	12
Aggregate amount of impairment in value of investments	1	1	1

## 5.2 Loans

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<i>(Unsecured, considered good)</i>			
Security deposits*	667	655	614
<b>Total</b>	<b>667</b>	<b>655</b>	<b>614</b>

\* Includes balances from related parties ₹ 270 as at March 31, 2017 (As at March 31, 2016: ₹ 270 and April 1, 2015: ₹ 270). Refer Note 32 for related party balances.

## 5.3 Other financial assets

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Other receivable	209	189	-
<b>Total</b>	<b>209</b>	<b>189</b>	<b>-</b>

## 6. Other non-current assets

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Capital advances	27	42	108
Advance income-tax including tax deducted at source (net of provision for taxes)	1,130	963	834
Prepaid expenses	152	169	200
Service tax receivable	1	138	-
Others	16	16	16
<b>Total</b>	<b>1,326</b>	<b>1,328</b>	<b>1,158</b>

### Current assets

## 7. Financial assets

### 7.1 Investments

Particulars	As at		As at		As at	
	March 31, 2017		March 31, 2016		April 1, 2015	
<b>i) Investments in mutual funds (quoted)</b>						
<b>Name of the fund</b>	<b>No. of units</b>	<b>Amount</b>	<b>No. of units</b>	<b>Amount</b>	<b>No. of units</b>	<b>Amount</b>
ICICI Prudential Mutual Fund	20,337,960	475	17,401,890	325	28,722,324	487
IDFC Mutual Fund	30,177,703	483	16,285,532	198	37,530,726	439
UTI Mutual Fund	6,524,291	314	3,456,138	64	13,456,138	169
Birla Sun Life Mutual Fund	8,342,033	468	14,185,302	234	20,007,295	477
Reliance Mutual Fund	14,984,782	434	17,651,564	335	23,725,772	446
Axis Mutual Fund	6,136,034	184	-	-	100,840	104
Tata Mutual Fund	13,695,729	357	21,243,549	361	36,229,022	460
SBI Mutual Fund	5,703,787	331	5,597,950	98	13,787,278	368
Sundaram Mutual Fund	3,954,557	101	-	-	-	-
L & T Mutual Fund	13,259,434	315	-	-	98,576	100
HDFC Mutual Fund	33,595,174	692	3,635,659	191	27,872,023	425
Bank of India AXA Mutual Fund	15,346,945	226	10,000,000	110	10,000,000	101
Kotak Mutual Fund	9,497,288	230	-	-	5,681,936	58
JP Morgan India Mutual Fund	-	-	-	-	16,989,901	190
IDBI Mutual Fund	69,403	122	-	-	254,281	257
DSP Blackrock Mutual Fund	27,949,288	357	-	-	14,790,537	352
Franklin Templeton Mutual Fund	-	-	-	-	11,695,643	310
DHFL Pramerica Mutual Fund (DHFL)*	4,320,662	70	-	-	4,483,697	47
<b>Total</b>		<b>5,159</b>		<b>1,916</b>		<b>4,790</b>

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
<b>ii) Investment in non-convertible bonds (quoted)</b>						
Secured redeemable non-convertible debentures of ₹ 1 million each in Kotak Mahindra Prime Limited	-	-	50	50	-	-
Secured redeemable non-convertible debentures of ₹ 1 million each in Kotak Mahindra Investments Limited	100	100	50	50	-	-
<b>Total</b>	<b>100</b>		<b>100</b>		<b>-</b>	
<b>iii) Investments in term deposits (unquoted)</b>						
Interest bearing deposits with:-						
- IL&FS Limited	-	-	100	-	-	-
- Bajaj Finance Limited	360	-	50	-	-	-
- Kotak Mahindra Investments Limited	250	-	50	-	-	-
- LIC Housing Finance Limited	-	-	50	-	-	-
- HDFC Limited	-	-	-	-	-	700
<b>Total</b>	<b>610</b>		<b>250</b>		<b>700</b>	
<b>Grand Total</b>	<b>5,869</b>		<b>2,266</b>		<b>5,490</b>	
Aggregate carrying amount of quoted investments	5,259		2,016		4,790	
Aggregate market value of quoted investments	5,259		2,016		4,790	
Aggregate amount of unquoted investments	610		250		700	

\* DWS Mutual Fund merged with DHFL

## 7.2 Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<i>(Unsecured)</i>			
Considered good	8,962	9,728	6,963
Considered doubtful	106	126	83
Less: Allowance for doubtful debts	(106)	(126)	(83)
<b>Total</b>	<b>8,962</b>	<b>9,728</b>	<b>6,963</b>

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

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

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

### Movement in the expected credit loss allowance

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	126	83
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(20)	43
<b>Provision at the end of the year</b>	<b>106</b>	<b>126</b>

## 7.3 Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash on hand***	-	1	-
Balances with banks in current accounts and deposit accounts*	2,162	1,988	3,758
Other bank balances**	346	343	5
<b>Cash and cash equivalents as per balance sheet</b>	<b>2,508</b>	<b>2,332</b>	<b>3,763</b>
Book overdrafts used for cash management purposes (Refer Note 13.2)	-	(395)	(155)
<b>Cash and cash equivalents as per statement of cash flow</b>	<b>2,508</b>	<b>1,937</b>	<b>3,608</b>

\* 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.

\*\*\* The details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the Table below:

in ₹

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	63,000	1,435	64,435
Add: Permitted receipts	-	60,545	60,545
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	63,000	60,000	123,000
Closing cash in hand as on December 30, 2016	-	1,980	1,980

#### 7.4 Loans

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<i>(Unsecured, considered good)</i>			
Security deposits*	12	38	136
<b>Total</b>	<b>12</b>	<b>38</b>	<b>136</b>

\* Includes balances from related parties ₹ Nil as at March 31, 2017 (As at March 31, 2016: ₹ 28 and April 1, 2015: ₹ 121). Refer Note 32 for related party balances.

#### 7.5 Other financial assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances to employees	296	437	252
Less: Provision for doubtful advances to employees	(14)	(21)	(20)
	282	416	232
Unbilled revenue	1,885	2,132	982
Derivative assets	37	53	24
Accrued income	21	19	99
Other receivables	-	141	-
<b>Total</b>	<b>2,225</b>	<b>2,761</b>	<b>1,337</b>

#### 8. Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance to supplier*	39	94	249
Prepaid expenses	760	819	530
Others	235	236	230
<b>Total</b>	<b>1,034</b>	<b>1,149</b>	<b>1,009</b>

\* Includes balances from related parties ₹ Nil as at March 31, 2017 (As at March 31, 2016: ₹ Nil and April 1, 2015: ₹ 94). Refer Note 32 for related party balances.

#### 9. Equity share capital

a) Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Authorised</b>			
800,000,000 (March 31, 2016 : 800,000,000; April 1, 2015: 800,000,000) equity shares of ₹ 10 each	8,000	8,000	8,000
<b>Issued, subscribed and paid-up capital</b>			
168,025,546 (March 31, 2016 : 167,786,176; April 1, 2015: 83,732,372) equity shares of ₹ 10 each fully paid	1,680	1,678	837
<b>Total</b>	<b>1,680</b>	<b>1,678</b>	<b>837</b>

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
Number of shares outstanding at the beginning of the year	167,786,176	1,678	83,732,372	837	41,689,731	417
Add: Shares issued on exercise of stock options and restricted shares	239,370	2	160,716	2	276,980	2
Add: Bonus shares issued*	-	-	83,893,088	839	41,765,661	418
Number of shares outstanding at the end of the year	168,025,546	1,680	167,786,176	1,678	83,732,372	837

\* Refer note 9 (e).

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

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

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

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

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

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015*	
	Number of shares	%	Number of shares	%	Number of shares	%
1. Coffee Day Enterprises Limited	17,461,768	10.4%	17,461,768	10.4%	8,730,884	10.4%
2. Nalanda India Fund Limited	15,796,356	9.4%	15,796,356	9.4%	7,898,178	9.4%
3. Coffee Day Trading Limited	10,594,244	6.3%	10,594,244	6.3%	5,297,122	6.3%

\* Pre bonus issue

e) In the period of five years immediately preceding March 31, 2017:

i) The Group has allotted 83,893,088 and 41,765,661 fully paid up equity shares during the quarter ended March 31, 2016 and June 30, 2014 respectively, pursuant to 1:1 bonus share issue approved by shareholders. Consequently, options/ units granted under the various employee share based plans are adjusted for bonus share issue.

ii) The Group has not bought back any equity shares.

iii) The Group has not allotted any equity shares as fully paid up without payment being received in cash.

#### f) Employee stock based compensation

The Group instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors ('the Board').

The Group currently administers seven stock option programs, a restricted stock purchase plan and a phantom stock options plan.

##### Program 1 [ESOP 1999]

This plan was terminated on September 30, 2001 and there are no options outstanding as at March 31, 2017, March 31, 2016 and April 1, 2015.

##### Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of ₹ 50 per option (₹12.5 per option post bonus issue). All stock options have a four-year vesting term and vest and become fully exercisable at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant. Each option is entitled to 1 equity share of ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	18,360	12.50	32,976	21.25
Granted during the year	-	-	-	-
Exercised during the year	14,228	12.50	10,894	25.00
Lapsed during the year	2,452	12.50	3,722	20.14
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	1,680	12.50	18,360	12.50
Options vested and exercisable, end of the year	1,680	12.50	18,360	12.50

##### Program 3 [ESOP 2006 (a)]

This plan was terminated on October 25, 2006 and there are no options outstanding as at March 31, 2017, March 31, 2016 and April 1, 2015.

##### 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 ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	-	-	74,000	265.07
Granted during the year	-	-	-	-
Exercised during the year	-	-	74,000	265.07
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	-	-
Options vested and exercisable, end of the year	-	-	-	-

**Program 5 [ESOP 2008A]**

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

Particulars	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	152,336	106.50	159,244	163.19
Granted during the year	-	-	-	-
Exercised during the year	6,880	119.63	6,908	239.25
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	145,456	105.88	152,336	106.50
Options vested and exercisable, end of the year	145,456	105.88	152,336	106.50

**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 ₹ 10 each. The contractual life of each option is 4 years after the date of the grant.

Particulars	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	40,000	123.25	60,000	226.42
Granted during the year	-	-	-	-
Exercised during the year	40,000	123.25	20,000	309.50
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	40,000	123.25
Options vested and exercisable, end of the year	-	-	40,000	123.25

**Program 7 [ESOP 2010A]**

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) have been received by the Group from the BSE and NSE for 1,135,000 equity shares of ₹ 10 each. No options have been granted under the program as at March 31, 2017, March 31, 2016 and April 1, 2015.

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

ERSP 2012 was instituted with effect from July 16, 2012 to issue equity shares of nominal value of ₹ 10 each. Shares under this program are granted to employees at an exercise price of not less than ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	-	-	-	-
Granted during the year	178,262	10.00	48,914	10.00
Exercised during the year	178,262	10.00	48,914	10.00
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	-	-
Options vested and exercisable, end of the year	-	-	-	-

**Other Stock Based Compensation Arrangements**

The Group has also granted phantom stock options and letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the grant/issue as at March 31, 2017 are given below:

Particulars	Phantom stock options plan
Total no. of units/ shares	1,195,000
Vested units/ shares	-
Lapsed units/ shares	537,750
Forfeited units/ shares	-
Cancelled units/ shares	-
Outstanding units/shares as at the end of the year	657,250
Contractual life	2 years
Date of grant	Oct 21, 2015
Price per share/ unit	Grant price of ₹ 686

Particulars	ERSP 2012 plan**
Outstanding units/shares as at the beginning of the year	342,700
Number of units/shares covered under letters of intent	80,000
Vested units/ shares	143,030
Lapsed units/ shares	4,970
Forfeited units/ shares	74,500
Cancelled units/ shares	-
Outstanding units/shares as at the end of the year	200,200
Contractual life	1-4 years
Date of grant*	Jul 18, 2013; May 12, 2015; Oct 21, 2015; Oct 27, 2015; Feb 25, 2016; Aug 24, 2016
Price per share/ unit*	Exercise price of ₹ 10

\* Based on Letter of Intent

\*\* Does not include direct allotment of shares

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2017, March 31, 2016 and April 1, 2015 respectively:

Particulars	As at March 31, 2017		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 2	1,680	0.50	12.50
Program 5	145,456	0.33	105.88

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

Particulars	As at April 1, 2015*		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 2	23,072	0.70	25.00
Program 4	74,000	0.32	265.07
Program 5	83,076	2.32	215.18
DSOP 2006	40,000	1.10	278.00

\* Pre bonus issue. Refer note 9(e).

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year ended was ₹ 501.21 using the Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2017
Weighted average grant date share price	526.23
Weighted average exercise price	₹ 10
Dividend yield %	2.62%
Expected life	1-2 years
Risk free interest rate	6.75%
Volatility	89.10%

## 10. Other equity

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Capital reserve</b>			
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	87	87	87
<b>b) Securities premium reserve</b>			
Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.	1,200	1,084	1,860
<b>c) General reserve</b>			
This represents appropriation of profit by the Company.	1,542	1,542	1,542
<b>d) Retained earnings</b>			
Retained earnings comprise of the prior years' undistributed earnings after taxes.	22,071	19,890	16,854
<b>e) Share option outstanding account</b>			
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	51	107	78
<b>f) Equity Instruments through other comprehensive income</b>			
Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within equity.	-	3	3
<b>g) Foreign currency translation reserve</b>			
Exchange difference relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.	(824)	(214)	-
<b>h) Other items of other comprehensive income</b>			
Other items of other comprehensive income consist of currency translation, FVTOCI financial assets and financial liabilities and re-measurement of net defined benefit liability/asset.	(36)	(28)	-
<b>i) Share application money pending allotment</b>			
	-	-	4
<b>Total</b>	<b>24,091</b>	<b>22,471</b>	<b>20,428</b>

## 10.1 Distributions made and proposed

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2017, year ended March 31, 2016 and March 31, 2015 was ₹ 10, ₹ 23 and ₹ 17 respectively.

The Board of Directors at its meeting held on April 18, 2016 had recommended a final dividend of 30% (₹ 3 per equity share of par value ₹ 10 each). The proposal was approved by shareholders at the Annual General Meeting held on July 19, 2016, this has resulted in a cash outflow of ₹ 589, inclusive of dividend distribution tax of ₹ 86. Also, the Board of Directors at its meeting held on October 21, 2016, January 19, 2017 and March 27, 2017 had declared an interim dividend of 30% (₹ 3 per equity share of par value of ₹ 10 each) for the quarter ended September 30, 2016, 20% (₹ 2 per equity share of par value of ₹ 10 each) for the quarter ended December 31, 2016 and 20% (₹ 2 per equity share of par value of ₹ 10 each) for the quarter ended March 31, 2017. Further, the Board of Directors at its meeting held on April 20, 2017 have recommended a final dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately ₹ 607, inclusive of dividend distribution tax.

## Non-current liabilities

## 11. Financial liabilities

## 11.1 Borrowings

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<i>(Unsecured)</i>			
Other loans*	13	18	23
<b>Total</b>	<b>13</b>	<b>18</b>	<b>23</b>

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

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

The loan carries an effective interest rate of 3% p.a and is repayable in full in June 2021. There is no default in the repayment of the principal loan and interest amounts.

## 11.2 Other financial liabilities

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Liability towards acquisition of businesses	195	747	227
Employee benefits payable	35	20	-
<b>Total</b>	<b>230</b>	<b>767</b>	<b>227</b>

## 12. Other non-current liabilities

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Other liabilities*	71	91	128
<b>Total</b>	<b>71</b>	<b>91</b>	<b>128</b>

\* Includes deferred revenue arising from Government grant amounting to ₹ Nil as at March 31, 2017 (As at March 31, 2016: ₹ 11 and April 1, 2015: ₹ 21)

## Current liabilities

## 13. Financial liabilities

## 13.1 Borrowings

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<i>(Secured)</i>			
Loans from bank	36	415	-
<i>(Unsecured)</i>			
Other loans from bank	942	-	-
<b>Total</b>	<b>978</b>	<b>415</b>	<b>-</b>

Loans from bank (secured) represent the packing credit loan from bank secured against receivables, which has been repaid during the year ended March 31, 2017.

Other loans from bank (unsecured) represent the commercial paper offering from HDFC bank taken during the year ended March 31, 2017.

## 13.2 Other financial liabilities

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Current maturities of long-term debt*	5	5	5
Interest accrued but not due on borrowings*	-	1	1
Book overdraft	-	395	155
Unpaid dividends	9	7	5
Dividend payable (inclusive of dividend distribution tax)**	404	336	-
Employee benefits payable	1,414	1,325	1,611
Derivative liabilities	-	1	3
Liability towards acquisition of businesses	806	684	231
<b>Total</b>	<b>2,638</b>	<b>2,754</b>	<b>2,011</b>

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

\*\* Represents interim dividend declared on March 27, 2017 and March 23, 2016.

## 14. Other current liabilities

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Unearned income	505	344	225
Statutory dues (including provident fund and tax deducted at source)	413	468	281
Advance from customers	67	44	27
Gratuity payable (net)*	91	135	14
Others**	50	58	39
<b>Total</b>	<b>1,126</b>	<b>1,049</b>	<b>586</b>

\* Refer Note 19 for details of gratuity plan as per Ind AS 19.

\*\* Includes deferred revenue arising from Government grant amounting to ₹ 10 as at March 31, 2017 (As at March 31, 2016: ₹ 10 and April 1, 2015: ₹ 10)

## 15. Provisions

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Provision for post contract support services	8	7	5
Provision for discount	414	668	367
Provision for foreseeable losses on contracts	7	-	-
Provision for compensated absences	595	538	357
Provision for disputed dues*	81	76	68
<b>Total</b>	<b>1,105</b>	<b>1,289</b>	<b>797</b>

\* Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Group has preferred an appeal with the relevant authority. In respect of the provisions of Ind AS 37, the disclosures required have not been provided in accordance with paragraph 92 of Ind AS 37.



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

#### Provision for post contract support services

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	7	5
Provisions made during the year	1	2
Utilisations during the year	-	-
Released during the year	-	-
<b>Provision at the end of the year</b>	<b>8</b>	<b>7</b>

#### Provision for discount

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	668	367
Provisions made during the year	461	491
Utilisations during the year	(663)	(172)
Released during the year	(52)	(18)
<b>Provision at the end of the year</b>	<b>414</b>	<b>668</b>

#### Provision for foreseeable losses on contracts

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	-	-
Provisions made during the year	7	-
Utilisations during the year	-	-
Released during the year	-	-
<b>Provision at the end of the year</b>	<b>7</b>	<b>-</b>

#### Provision for disputed dues

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	76	68
Provisions made during the year	5	8
Utilisations during the year	-	-
Released during the year	-	-
<b>Provision at the end of the year</b>	<b>81</b>	<b>76</b>

## 16. Income tax

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>Current income tax:</b>		
In respect of the current year	1,577	1,903
<b>Deferred tax:</b>		
In respect of the current year	(214)	(197)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>1,363</b>	<b>1,706</b>
<b>Income tax expense recognised in other comprehensive income:</b>		
- Current tax arising on income and expense recognised in other comprehensive income		
Net loss / (gain) on remeasurement of defined benefit plan	2	6
- Deferred tax arising on income and expense recognised in other comprehensive income		
Net loss / (gain) on investment in equity shares at FVTOCI	1	-
<b>Total</b>	<b>3</b>	<b>6</b>

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Profit before tax	5,549	7,231
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	1,921	2,503
<b>Effect of:</b>		
Income exempt from tax	(1,024)	(1,241)
Temporary difference reversed during the tax holiday period	16	31
Expenses that are not deductible in determining taxable profit	87	139
Differential tax rates of branches/subsidiaries operating in other jurisdictions	364	242
Income subject to different tax rates	(14)	(28)
Others	13	60
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>1,363</b>	<b>1,706</b>

The tax rates under Indian Income Tax Act, for the year ended March 31, 2017 and March 31, 2016 is 34.61% and 34.61% respectively.

#### Deferred tax

Deferred tax assets/ (liabilities) as at March 31, 2017 in relation to:

Particulars	As at April 1, 2016	Recognised in profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	As at March 31, 2017
Property, plant and equipment	254	72	-	-	326
Provision for doubtful debts	22	(8)	-	-	14
Provision for compensated absence	203	59	-	-	262
Provision for volume discount	73	(31)	-	-	42
Intangible assets	(337)	98	-	-	(239)
Net gain on fair value of mutual funds	(56)	(8)	-	-	(64)
Others	53	32	-	-	85
FVTOCI financial investments	(1)	-	1	-	-
MAT Credit entitlement	198	-	-	-	198
<b>Total</b>	<b>409</b>	<b>214</b>	<b>1</b>	<b>-</b>	<b>624</b>

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

Particulars	As at April 1, 2015	Recognised in profit and loss	Recognised in Other Comprehensive Income	Recognised directly in equity	As at March 31, 2016
Property, plant and equipment	205	49	-	-	254
Provision for doubtful debts	16	6	-	-	22
Provision for compensated absence	117	86	-	-	203
Provision for volume discount	39	34	-	-	73
Intangible assets	2	48	-	(387)	(337)
Net gain on fair value of mutual funds	(49)	(7)	-	-	(56)
Others	72	(19)	-	-	53
FVTOCI financial investments	(1)	-	-	-	(1)
MAT Credit entitlement	146	-	-	52	198
<b>Total</b>	<b>547</b>	<b>197</b>	<b>-</b>	<b>(335)</b>	<b>409</b>

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unused tax losses (long term capital loss) which expire in:			
-FY 2016-17	2	2	2
-FY 2018-19	163	163	163
-FY 2019-20	34	34	34
-FY 2021-22	48	48	48
-FY 2022-23	28	28	-
-FY 2023-24	22	-	-
Unused tax losses of foreign jurisdiction	149	152	158

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

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

A substantial portion of the profits of the Group's India operations are exempt from Indian income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the Special Economic Zone Act, 2005 scheme, units in designated Special Economic Zones providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of

profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions.

Dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax.

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

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

## 17. Other income

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Dividend income from investments in mutual funds	8	73
Net gain on sale of investments in mutual funds	177	36
Net gain on financial assets designated at fair value through profit and loss	146	113
Interest income on financial asset at amortised cost	104	202
Foreign exchange gain/ (loss)	-	392
Others*	118	23
<b>Total</b>	<b>553</b>	<b>839</b>

\* Includes net gain on disposal of property, plant and equipment for the year ended March 31, 2017, ₹ 9. Also includes income from government grants for the year ended March 31, 2017, ₹ 10. (For the year ended March 31, 2016, ₹ 10).

## 18. Employee benefits expense

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Salaries and wages	31,992	26,128
Contribution to provident and other funds*	1,882	1,588
Expense on employee stock based compensation (Refer note 9)	54	90
Staff welfare expenses	197	185
<b>Total</b>	<b>34,125</b>	<b>27,991</b>

\* Includes contribution to defined contribution plans for the year ended March 31, 2017, ₹ 1,781 (For the year ended March 31, 2016: ₹ 1,499).

## 19. Gratuity

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>Gratuity cost</b>		
Service cost	97	88
Net interest on net defined liability/(asset)	4	1
Re-measurement - actuarial (gain)/loss recognised in OCI	10	33
<b>Net gratuity cost</b>	<b>111</b>	<b>122</b>
<b>Assumptions</b>		
Interest rate	6.80%	7.80%
Salary increase	4.00%	6.00%

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

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Change in projected benefit obligations</b>			
Obligations at the beginning of the year	513	413	365
Service cost	97	91	81
Interest cost	36	29	29
Benefits settled	(69)	(50)	(55)
Actuarial (gain) /loss – experience	13	30	(7)
Actuarial (gain)/ loss – demographic assumptions	3	-	-

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Actuarial (gain)/ loss – financial assumptions	(2)	-	-
<b>Obligations at end of the year</b>	<b>591</b>	<b>513</b>	<b>413</b>
<b>Change in plan assets</b>			
Plan assets at the beginning of the year, at fair value	375	395	363
Interest income on plan assets	32	32	29
Re-measurement - actuarial gain/ (loss)	-	(6)	5
Return on plan assets greater/ (lesser) than discount rate	4	4	53
Contributions	154	-	-
Benefits settled	(65)	(50)	(55)
<b>Plan assets at the end of the year, at fair value</b>	<b>500</b>	<b>375</b>	<b>395</b>

Historical information:

Particulars	As at	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	(591)	(513)	(413)	(365)	(324)
Fair value of plan assets	500	375	395	363	313
<b>Asset/ (liability) recognized</b>	<b>(91)</b>	<b>(138)</b>	<b>(18)</b>	<b>(2)</b>	<b>(11)</b>

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

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Experience adjustment on plan liabilities	14	30
Experience adjustment on plan assets	(4)	2

#### Sensitivity analysis

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

Particulars	As at		As at		As at	
	March 31, 2017		March 31, 2016		April 1, 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(29)	32	(26)	29	(21)	29
Future salary growth (1% movement)	31	(29)	28	(26)	23	(26)

Maturity profile of defined benefit obligation:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Within 1 year	98	77	68
1-2 years	104	86	77
2-3 years	110	95	85
3-4 years	119	101	96
4-5 years	129	117	108
5-10 years	605	603	565

The Group expects to contribute ₹ 110 to its defined benefit plans during the next fiscal year.

As at March 31, 2017, March 31, 2016 and April 1, 2015, 100% of the plan assets were invested in insurer managed funds.

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

## 20. Finance costs

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Interest expense on financial instruments designated at		
- Fair value through profit and loss	182	157
- Amortised cost	9	3
<b>Total</b>	<b>191</b>	<b>160</b>

## 21. Depreciation and amortization expense

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Depreciation on property, plant and equipment (note 3)	1,283	1,222
Amortization of intangible assets (note 4)	575	436
<b>Total</b>	<b>1,858</b>	<b>1,658</b>

## 22. Other expenses

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Travel expenses	2,208	2,249
Communication expenses	752	634
Sub-contractor charges	3,071	2,969
Computer consumables	825	651
Legal and professional charges	512	510
Power and fuel	313	316
Lease rentals (Refer note 27)	981	796
Repairs and maintenance		
- Buildings	57	58
- Machinery	50	47
Insurance	99	67
Rates and taxes	152	159
Exchange loss, net	136	-
Other expenses*	2,038	2,073
<b>Total</b>	<b>11,194</b>	<b>10,529</b>

\* Includes net loss on disposal of property, plant and equipment for the year ended March 31, 2016 ₹ 54.

## 23. Auditor's remuneration

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>As auditor:</b>		
Audit fee	18	18
Taxation matters	1	1
Other services	3	3
Reimbursement of expenses and levies	2	1
<b>Total</b>	<b>24</b>	<b>23</b>

## 24. Earnings per share (EPS)

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

Particulars	For the year ended			
	March 31, 2017		March 31, 2016	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	167,918,389	167,918,389	167,649,773	167,649,773
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	285,251	-	441,916
Weighted average number of equity shares for calculation of earnings per share	167,918,389	168,203,640	167,649,773	168,091,689

## 25. Government grants

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

Nature of expenses	For the year ended	
	March 31, 2017	March 31, 2016
Grant towards workforce training	5	15
<b>Total</b>	<b>5</b>	<b>15</b>

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

c) 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:

Nature of expenses	For the year ended	
	March 31, 2017	March 31, 2016
Grant towards R & D credit	48	59
<b>Total</b>	<b>48</b>	<b>59</b>

The grant recognized in the balance sheet is ₹ 33 as at March 31, 2017 (As at March 31, 2016: ₹ 59, as at April 1, 2015: ₹ Nil)

## 26. Other Comprehensive Income (OCI)

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

### During the year ended March 31, 2017

Particulars	Equity instruments through Other Comprehensive Income	FCTR	Other items of Comprehensive Income	Total
A (i) Items that will not be reclassified to profit or loss				
Remeasurement gains/ (losses) on defined benefit plans	-	-	(10)	(10)
Gain/(loss) on equity instruments designated at FVTOCI	(4)	-	-	(4)
(ii) Income tax relating to items that will not be reclassified to profit or loss	1	-	2	3
	(3)	-	(8)	(11)
B (i) Items that will be reclassified to profit or loss				
Foreign exchange translation differences	-	(610)	-	(610)
<b>Total</b>	<b>(3)</b>	<b>(610)</b>	<b>(8)</b>	<b>(621)</b>

### During the year ended March 31, 2016

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

## 27. Operating lease

The Group has various operating leases, mainly for office buildings including land. Lease rental expense under such non-cancellable operating lease during the year ended March 31, 2017 amounted to ₹ 467 (for the year ended March 31, 2016 amounted to ₹ 488).

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Payable – Not later than one year	297	372	414
Payable – Later than one year and not later than five years	513	475	585
Payable – Later than five years	313	258	286

Additionally, the Group leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during year ended March 31, 2017 amounted to ₹ 514 (for the year ended March 31, 2016 amounted to ₹ 305).

## 28. Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

As at March 31, 2017

Particulars	Carrying Value			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Financial assets</b>						
<b>Amortised cost</b>						
Loans	679	693	750	679	693	750
Trade receivable	8,962	9,728	6,963	8,962	9,728	6,963
Cash and cash equivalents	2,508	2,332	3,763	2,508	2,332	3,763
Other assets	2,397	2,897	1,313	2,397	2,897	1,313
Investment in term deposit (unquoted)	610	250	700	610	250	700
Investment in debt securities (quoted)	150	150	-	150	150	-
<b>FVTOCI</b>						
Investment in equity instruments (unquoted)	1	1	1	1	1	1
Investment in preference shares (unquoted)	7	11	11	7	11	11
<b>FVTPL</b>						
Investments in mutual fund (quoted)	5,159	1,916	4,790	5,159	1,916	4,790
Derivative assets	37	53	24	37	53	24
<b>Total assets</b>	<b>20,510</b>	<b>18,031</b>	<b>18,315</b>	<b>20,510</b>	<b>18,031</b>	<b>18,315</b>
<b>Financial liabilities</b>						
<b>Amortised cost</b>						
Loans and borrowings	996	438	28	996	438	28
Trade payables	1,651	1,890	1,418	1,651	1,890	1,418
Other liabilities	1,862	2,084	1,772	1,862	2,084	1,772
<b>FVTPL</b>						
Derivative liabilities	-	1	3	-	1	3
Liability towards acquisition of business	1,001	1,431	458	1,001	1,431	458
<b>Total liabilities</b>	<b>5,510</b>	<b>5,844</b>	<b>3,679</b>	<b>5,510</b>	<b>5,844</b>	<b>3,679</b>

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

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

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

- i) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- ii) The fair value of the quoted bonds and mutual funds are based on price quotations at reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- iii) Fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.
- iv) The fair values of the unquoted equity and preference shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility/ the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- v) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts are valued using valuation techniques, which employs the

use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2017 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

## 29. Fair value hierarchy

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

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

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2017, March 31, 2016 and April 1, 2015.

Quantitative disclosures of fair value measurement hierarchy for financial assets as at March 31, 2017:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value:</b>					
Derivative financial assets (Notes 28 & 7.5):					
Foreign exchange forward contracts	March 31, 2017	37	-	37	-
FVTOCI financial assets designated at fair value (Notes 28 & 5.1):					
Investment in equity instruments (unquoted)	March 31, 2017	1	-	-	1
Investment in preference shares (unquoted)	March 31, 2017	7	-	-	7
FVTPL financial assets designated at fair value (Notes 28 & 7.1):					
Investment in mutual funds (quoted)	March 31, 2017	5,159	5,159	-	-
<b>Financial liabilities measured at fair value:</b>					
Financial liabilities designated at FVTPL (Note 28, 11.2 & 13.2):					
Liability towards acquisition of business	March 31, 2017	1,001	-	-	1,001

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

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

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

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



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

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

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

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Opening balance	11	11	11
Remeasurement recognised in OCI	(4)	-	-
Purchases	-	-	-
Sales	-	-	-
Closing balance	7	11	11

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Opening balance	1,431	458	458
Additions during the year	-	1,106	-
Fair value movement recognised in statement of profit and loss	137	157	-
Remeasurement recognised in statement of profit and loss	-	-	-
Translation adjustment	(100)	3	-
Payout during the year	(467)	(293)	-
Closing balance	1,001	1,431	458

Name of Financial Assets/ Liabilities	Valuation Techniques	Significant unobservable inputs	Sensitivity of the inputs to fair value
Liability towards acquisition of business	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the liability towards acquisition of business.	a) Discount rate determined using capital asset pricing model b) Revenue, operating margins and synergies from the acquired entities.	a) Any increase in the discount rate would result in a decrease in the fair value. b) Any increase in the probable revenue, operating margin and synergies would result in increase in the fair value.

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

#### Derivative financial instruments

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

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Non-designated derivative instruments (Sell):			
in USD millions	19	31	32
in EUR millions	1	3	5
in GBP millions	3	2	2

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Non-designated derivative instruments (Sell):			
Not later than 1 month			
in USD millions	9	12	13
in EUR millions	1	1	2
in GBP millions	1	1	1
Later than 1 month but not later than 3 months			
in USD millions	10	19	19
in EUR millions	-	2	3
in GBP millions	2	1	1

### 30. Financial risk management

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

#### Credit risk

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

#### Trade and other receivables

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

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Revenue from top customer	7,309	5,106
Revenue from top 5 customers	15,765	14,281

One customer accounted for more than 10% of the revenue for the year ended March 31, 2017, however none of the customers accounted for more than 10% of the receivables for the year ended March 31, 2017. One customer accounted for more than 10% of the revenue for the year ended March 31, 2016, however none of the customers accounted for more than 10% of the receivables for the year ended March 31, 2016.

#### Investments

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

#### Liquidity risk

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

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

The working capital position of the Group is given below:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Cash and cash equivalents	2,508	2,332	3,763
Investments in mutual funds (quoted)	5,159	1,916	4,790
Investments in non-convertible bonds (quoted)	100	100	-
Investment in term deposit (unquoted)	610	250	700
<b>Total</b>	<b>8,377</b>	<b>4,598</b>	<b>9,253</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015:

Particulars	As at March 31, 2017		
	Less than 1 year	1-2 years	2 years and above
Borrowings	983	5	8
Trade payables	1,651	-	-
Other financial liabilities	2,633	230	-
Derivative liabilities	-	-	-

Particulars	As at March 31, 2016		
	Less than 1 year	1-2 years	2 years and above
Borrowings	420	5	13
Trade payables	1,890	-	-
Other financial liabilities	2,748	575	192
Derivative liabilities	1	-	-

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

#### Foreign currency risk

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

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

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

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

- an approximately ₹ 52 increase and ₹ 22 decrease in the Group's net profit as at March 31, 2017;
- an approximately ₹ 50 increase and ₹ 25 decrease in the Group's net profit as at March 31, 2016

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2017, March 31, 2016 and April 1, 2015.

As at March 31, 2017					₹ in million
Particulars	US\$	Euro	Pound Sterling	Other currencies*	Total
<b>Assets</b>					
Trade receivables	6,068	851	991	774	8,684
Unbilled revenue	1,204	111	325	179	1,819
Cash and cash equivalents	1,375	88	171	328	1,962
Other assets	95	30	39	23	187
<b>Liabilities</b>					
Borrowings	36	-	-	-	36
Trade payable	782	33	220	70	1,105
Other liabilities	1,439	31	535	27	2,032
<b>Net assets/ liabilities</b>	<b>6,485</b>	<b>1,016</b>	<b>771</b>	<b>1,207</b>	<b>9,479</b>

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

As at March 31, 2016

₹ in million

Particulars	US\$	Euro	Pound Sterling	Other currencies*	Total
<b>Assets</b>					
Trade receivables	6,704	875	1,320	672	9,571
Unbilled revenue	1,385	95	542	58	2,080
Cash and cash equivalents	1,270	70	231	341	1,912
Other assets	148	18	39	25	230
<b>Liabilities</b>					
Borrowings	15	-	-	-	15
Trade payable	387	1	113	2	503
Other liabilities	1,385	38	912	76	2,411
<b>Net assets/liabilities</b>	<b>7,720</b>	<b>1,019</b>	<b>1,107</b>	<b>1,018</b>	<b>10,864</b>

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

As at April 1, 2015

₹ in million

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

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

For the year ended March 31, 2017, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by 0.2%/(0.2)%. For the year ended March 31, 2016, the impact on operating margins would be 0.4%/(0.2)%.

#### Interest rate risk

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

### 31. Capital management

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

The capital structure is as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total equity attributable to the equity share holders of the Group	25,771	24,149	21,265
As percentage of total capital	96%	98%	100%
Current loans and borrowings	983	420	5
Non-current loans and borrowings	13	18	23
Total loans and borrowings	996	438	28
As a percentage of total capital	4%	2%	0%
<b>Total capital (loans and borrowings and equity)</b>	<b>26,767</b>	<b>24,587</b>	<b>21,293</b>

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

### 32. Related party transactions

Name of related party	Nature of relationship
Janaagraha Centre for Citizenship & Democracy*	Entity with common key managerial person
Mindtree Foundation	Entity with common key managerial person
Coffee Day Global Limited	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.96% equity stake in Mindtree.
Tanglin Developments Limited ('TDL')	
Mysore Amalgamated Coffee Estate Ltd	

\* Upto October 21, 2016

## Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	For the year ended	
		March 31, 2017	March 31, 2016
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	-	1
Janaagraha Centre for Citizenship & Democracy	Donation paid	-	4
Mindtree Foundation	Donation paid	48	36
Coffee Day Global Limited	Procurement of supplies	25	23
	Software services rendered	37	27
Tanglin Developments Limited	Leasing office buildings and land	417	375
	Advances/ deposits paid		
	- towards lease rentals	117	-
	Advance/ deposits received back		
	- towards electricity deposit/ charges	-	16
	- towards lease rentals	157	172

## Balances payable to related parties are as follows:

Name of related party	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Coffee Day Global Limited	3	1	-

## Balances receivable from related parties are as follows:

Name of related party	Nature of balance	As at	As at	As at
		March 31, 2017	March 31, 2016	April 1, 2015
Coffee Day Global Limited	Trade receivables	44	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	271	298	375

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

## Key Managerial Personnel:

Krishnakumar Natarajan <sup>1</sup>	Executive Chairman
Rostow Ravanan	CEO and Managing Director
N.S. Parthasarathy <sup>2</sup>	Executive Vice Chairman, President and Chief Operating Officer
Subroto Bagchi	Non-Executive Director
Dr. Albert Hieronimus <sup>3</sup>	Non-Executive Vice Chairman and Independent Director
Apurva Purohit	Independent Director
Manisha Girotra	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan <sup>4</sup>	Independent Director
V.G.Siddhartha	Non-Executive Director
Milind Sarwate <sup>5</sup>	Independent Director
Akshaya Bhargava <sup>6</sup>	Independent Director
Jagannathan Chakravarthi	Chief Financial Officer
Vedavalli Sridharan	Company Secretary

<sup>1</sup> The Board of Directors at their meeting held on January 19, 2017 have approved the extension of terms of employment of Mr. Krishnakumar Natarajan as Executive Chairman from July 01, 2017 to June 30, 2020.

<sup>2</sup> Appointed as Executive Vice Chairman with effect from October 21, 2016.

<sup>3</sup> Retired with effect from April 01, 2017.

<sup>4</sup> Resigned with effect from October 21, 2016.

<sup>5</sup> Appointed with effect from July 19, 2016.

<sup>6</sup> Appointed with effect from December 12, 2016.

## Transactions with key management personnel

Dividends paid to directors during the year ended March 31, 2017 amounts to ₹ 222 and for the year ended March 31, 2016 amounts to ₹ 230. Further, during the year ended March 31, 2017, 44,340 shares were allotted to the key management personnel.

## Compensation of key management personnel of the Group

Particulars	For the year ended*	
	March 31, 2017	March 31, 2016
Short-term employee benefits	74	100
Share-based payment transactions	3	11
Others	28	24
<b>Total compensation paid to key management personnel</b>	<b>105</b>	<b>135</b>

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

## 33. Contingent liabilities

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

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

The Group has received a favourable order from the Commissioner of Income tax (Appeals) for majority of grounds and considering the order passed, there will not be any demand on the Group. On the other grounds which are not favourable, the Group has filed an appeal before the Income Tax Appellate Tribunal ('ITAT'). The Group has received a favourable order from ITAT. The assessment was reopened under section 148 and order has been passed under section 147 wherein demand of ₹ 630 has been raised against the Group on account of certain disallowance made by the Income Tax department. The Group has filed for rectification application for arithmetical error in the computation of demand, once rectified there will be no demand. The Group has also filed a writ application with Honorable High Court of Karnataka against the order. During the quarter the Group has received the revised order giving effect for the above order, reducing the demand to Nil.

- b) The Group has received income tax assessment order for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to ₹ 11 and ₹ 10 respectively 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 ₹ 18 against these demands.
- c) The Group has received income tax assessment order 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 ₹ 215, ₹ 49, ₹ 61, ₹ 28, ₹ 58, ₹ 119, ₹ 214 and ₹ 63 respectively has been raised against the Group. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Group has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Group has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Group has deposited ₹ 15 with the department against these demands. The department has adjusted pending refunds amounting to ₹ 563 against these demands.

The Group received a favourable order from the Commissioner of Income Tax (Appeals) for the year 2001-02 where in the Commissioner of Income Tax (Appeals) accepted the Group's contentions and quashed the demand raised. The Income Tax department appealed against the above mentioned order with ITAT. ITAT 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 ₹ 202 due to transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals).

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

The Group has received the order from ITAT for the FY 2006-07 and ITAT has remanded the matter back to the Assessing Officer for re-assessment. The Transfer pricing officer has passed the favorable order. Order giving effect to the ITAT order is yet to be received.

The Group has received revised order for the FY 2008-09 under section 263 from Assessing Officer raising an additional demand of ₹ 61, taking the total demand to ₹ 124. The Group has filed an appeal before ITAT. The order giving effect to the said order has been received and appeal is filed with Commissioner Appeals.

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 ₹ 39 on account of certain other disallowances/ transfer pricing adjustments made by Income Tax department. The 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 ₹ 33. The Group has deposited ₹ 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 ₹ 61 due to non-adjustment of brought forward losses and transfer pricing adjustments. The 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). Commissioner of Income Tax (Appeals) has passed the order in our favour.

During the quarter ended March 31, 2017 the Group has received the order giving effect to the said order and there is no demand. The Group has received the revised order under section 263 for financial year 2009-10 from Assessing Officer reducing the demand to ₹ 6. The Group has filed an appeal before ITAT. ITAT has dismissed the appeal. Order giving effect has been received. The Group has filed an appeal before Commissioner of Income Tax (Appeals).

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

#### 34. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2017 is ₹ 242 (As at March 31, 2016: ₹ 262 and April 1, 2015: ₹ 508).

#### 35. Acquisition of Bluefin Solutions Limited ('Bluefin')

On July 16, 2015, the Group acquired 100% of equity interest in Bluefin, thereby obtaining control. Bluefin provides SAP based business and technology consulting services. It offers SAP implementation and integration services; and business advisory services in areas of business growth strategy, operational excellence, business change management and information technology excellence. The acquisition of Bluefin will enable the Group to increase its footprint in SAP implementation and integration space.

The acquisition was executed through stock purchase agreement to acquire 100% of the equity interest in Bluefin.

The fair value of purchase consideration of ₹ 3,981 comprised upfront cash consideration of ₹ 3,379 and contingent consideration of ₹ 602.

The details are provided below:

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

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

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

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

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

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

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

The goodwill amounting to ₹ 2,152 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

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

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

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

### 36. Acquisition of Relational Solutions, Inc ('RSI')

On July 16, 2015, the Group acquired 100% of equity interest in RSI, thereby obtaining control. RSI develops data warehouses and business intelligence solutions. The acquisition of RSI will enable the Group to increase its footprint in development of data warehouses and business intelligence solutions space.

The acquisition was executed through common stock purchase agreement to acquire 100% of equity interest in RSI.

The fair value of purchase consideration of ₹ 522 comprised upfront cash consideration of ₹ 454 and contingent consideration of ₹ 68.

The details are provided below:

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

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

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

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

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

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

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

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

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

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

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

### 37. Acquisition of Magnet 360 LLC ('Magnet')

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

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

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

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



The details are provided below:

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

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

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

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

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

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

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

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

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

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

38. The Company had 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. Pursuant to the notification of certain sections of the Companies Act, 2013 on amalgamation, the application has been transferred to the National Company Law Tribunal (NCLT). Pending requisite approvals, no effect has been given for the scheme in the financial statements.

The Board of Directors at its meeting held on January 19, 2017 have approved the proposal to transfer the business and net assets of its wholly owned subsidiary, Bluefin Solutions Limited ("Bluefin") to Mindtree against the cancellation and extinguishment of Mindtree's investment in Bluefin. This is subject to the approval of Reserve Bank of India (RBI) and other statutory authorities, as may be required.

### 39. Segmental information

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

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

Each segment item reported is measured at the measure, used to report to the Chief Operating Decision Maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

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

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

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

## Industry Segments:

Statement of income	For the year ended	
	March 31, 2017	March 31, 2016
<b>Segment revenue from external customers</b>		
RCM	12,476	11,394
BFSI	12,882	11,970
TMS	19,235	16,116
TH	7,771	7,250
<b>Total</b>	<b>52,364</b>	<b>46,730</b>
<b>Segment operating income</b>		
RCM	1,493	2,183
BFSI	1,153	1,627
TMS	3,671	3,153
TH	864	1,247
<b>Total</b>	<b>7,181</b>	<b>8,210</b>
Depreciation and Amortization expense	(1,858)	(1,658)
<b>Profit for the year before finance expenses, other income and tax</b>	<b>5,323</b>	<b>6,552</b>
Finance costs	(191)	(160)
Other income	449	245
Interest income	104	202
Foreign exchange gain/ (loss)	(136)	392
<b>Net profit before taxes</b>	<b>5,549</b>	<b>7,231</b>
Income taxes	(1,363)	(1,706)
<b>Net profit after taxes</b>	<b>4,186</b>	<b>5,525</b>
<b>Other information</b>	<b>For the year ended</b>	
	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Other significant non-cash expense (Allocable)		
RCM	26	15
BFSI	6	29
TMS	1	33
TH	10	8

## Geographical information

Revenues	For the year ended	
	March 31, 2017	March 31, 2016
America	35,705	29,727
Europe	11,281	12,343
India	1,641	1,408
Rest of world	3,737	3,252
<b>Total</b>	<b>52,364</b>	<b>46,730</b>

## Note:

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

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

40. Total of expenditure incurred on Corporate Social Responsibility activities during the year ended March 31, 2017 is ₹ 109 (during the year ended March 31, 2016 is ₹ 94).

## 41. 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, 2017 has been made in the financial statements based on information received and available with the Group. 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 Group has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	10	4
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 year;	Nil	Nil
The amount of interest due and payable for the year (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 year; and	Nil	Nil
The amount of further interest due and payable even in the succeeding year, 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

#### 42. 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, 2017		Share in other comprehensive income for the year ended March 31, 2017		Share in total comprehensive income for the year ended March 31, 2017	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
Mindtree Limited*	95.61%	24,640	105.54%	4,417	80.35%	(499)	109.93%	3,918
<b>Foreign subsidiaries</b>								
Mindtree Software (Shanghai) Co. Ltd	0.05%	12	0.00%	-	0.00%	-	-	-
Discovery Solutions LLC	0.25%	64	0.67%	28	0.00%	-	0.79%	28
Relational Solutions Inc.	-0.05%	(13)	-0.47%	(20)	0.00%	-	-0.56%	(20)
Bluefin Solutions Limited (consolidated)	2.30%	594	-1.90%	(78)	18.52%	(115)	-5.43%	(193)
Magnet 360 LLC (consolidated)	1.84%	474	-3.84%	(161)	1.13%	(7)	-4.72%	(168)

\* After adjusting inter company transactions and balances and includes goodwill and intangible assets arising on account of acquisition.

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

The Group's consolidated financial statements for the year ended March 31, 2017 are prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the Ind AS Consolidated Financial Statements for the year ended March 31, 2017, be applied consistently and retrospectively for all fiscal years presented.

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

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

##### (a) Exceptions from full retrospective application:

- Estimates exception: Upon an assessment of the estimates made under previous GAAP, the management is of the opinion that there was no need to revise such estimates under Ind AS, except where estimates were required by Ind ASs and not required by previous GAAP.
- Government loans: In accordance with Ind AS 101, on application of Ind AS 20, "Accounting for Government Grants and Disclosure of Government Assistance", the Company has used its previous GAAP carrying amount at the date of transition to Ind ASs as the carrying amount in the opening Ind AS Balance Sheet.

##### (b) Exemptions from retrospective application:

- Share-based payment exemption: The Group has availed exemption available under Ind AS 101 on application of Ind AS 102, "Share Based Payment", to equity instruments that vested before the date of transition to Ind ASs.
- Business combination exemption: The Group has applied the exemption as provided in Ind AS 101 from application of Ind AS 103, "Business Combinations" to business combinations made prior to April 1, 2014.

##### (c) Reconciliations:

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

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

## Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016 and April 1, 2015

	Note	March 31, 2016			April 1, 2015		
		Amount as per previous GAAP	Effect of transition to Ind AS	Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	6, 7	4,367	(194)	4,173	4,513	(188)	4,325
Capital work in progress		232	-	232	354	-	354
Goodwill	1	7,766	(2,951)	4,815	922	(253)	669
Other intangible assets	1	98	2,534	2,632	120	197	317
<b>Financial assets</b>							
Investments	2	58	4	62	8	4	12
Loans	6	564	91	655	547	67	614
Other financial assets	5	260	(71)	189	-	-	-
Deferred tax assets (net)		803	(394)	409	595	(48)	547
Other non-current assets	6	1,187	141	1,328	1,000	158	1,158
		<b>15,335</b>	<b>(840)</b>	<b>14,495</b>	<b>8,059</b>	<b>(63)</b>	<b>7,996</b>
<b>Current assets</b>							
<b>Financial assets</b>							
Investments	2	2,101	165	2,266	5,342	148	5,490
Trade receivables		9,728	-	9,728	6,963	-	6,963
Cash and cash equivalents		2,332	-	2,332	3,763	-	3,763
Loans	6	37	1	38	134	2	136
Other financial assets	5	2,773	(12)	2,761	1,337	-	1,337
Other current assets	6	1,133	16	1,149	979	30	1,009
		<b>18,104</b>	<b>170</b>	<b>18,274</b>	<b>18,518</b>	<b>180</b>	<b>18,698</b>
<b>TOTAL ASSETS</b>		<b>33,439</b>	<b>(670)</b>	<b>32,769</b>	<b>26,577</b>	<b>117</b>	<b>26,694</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		1,678	-	1,678	837	-	837
Other equity		22,279	192	22,471	19,291	1,137	20,428
<b>Equity attributable to owners of the company</b>		<b>23,957</b>	<b>192</b>	<b>24,149</b>	<b>20,128</b>	<b>1,137</b>	<b>21,265</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
Borrowings		18	-	18	23	-	23
Other financial liabilities	1	1,010	(243)	767	227	-	227
Other non-current liabilities	7	81	10	91	108	20	128
		<b>1,109</b>	<b>(233)</b>	<b>876</b>	<b>358</b>	<b>20</b>	<b>378</b>
<b>Current liabilities</b>							
<b>Financial liabilities</b>							
Borrowings		415	-	415	-	-	-
Trade payables		1,889	1	1,890	1,417	1	1,418
Other financial liabilities	1, 3	3,390	(636)	2,754	2,050	(39)	2,011
Other current liabilities	7	1,043	6	1,049	579	7	586
Provisions	3	1,289	-	1,289	1,806	(1,009)	797
Current tax liabilities (Net)		347	-	347	239	-	239
		<b>8,373</b>	<b>(629)</b>	<b>7,744</b>	<b>6,091</b>	<b>(1,040)</b>	<b>5,051</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,439</b>	<b>(670)</b>	<b>32,769</b>	<b>26,577</b>	<b>117</b>	<b>26,694</b>

## (i) Equity reconciliation

₹ in million

Particulars	Note	As at March 31, 2016	As at April 1, 2015
<b>Equity under previous GAAP attributable to:</b>			
Mindtree Limited		23,957	20,128
Non-controlling interests		-	-
<b>Equity under previous GAAP</b>		<b>23,957</b>	<b>20,128</b>
Proposed dividend and tax thereon	3	606	1,009
Fair valuation of investments	2	112	101
Effect of discounting of security deposit and reclassification of land as operating lease	6	20	16
Discounting of consideration receivable	5	(81)	-
Business combination	1	(482)	(16)
Others		17	27
<b>Equity as per Ind AS</b>		<b>24,149</b>	<b>21,265</b>

## (ii) Total comprehensive income reconciliation

₹ in million

Particulars	Note	As at March 31, 2016
<b>Net income under previous GAAP attributable to :</b>		
Mindtree Limited		6,033
Non-controlling interests		-
<b>Net income under previous GAAP</b>		<b>6,033</b>
Fair valuation of investments	2	10
Employee benefits	4	28
Effect of discounting of security deposit and reclassification of land as operating lease	6	4
Business combination	1	(460)
Discounting of consideration receivable	5	(81)
Others		(9)
<b>Profit for the year under Ind AS</b>		<b>5,525</b>
Other comprehensive income		(242)
<b>Total comprehensive income under Ind AS</b>		<b>5,283</b>

## Notes:

## 1. Business combination:

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

Further, under Ind AS, contingent consideration payable on business combination is measured at fair value while under previous GAAP it is recognised at cost.

## 2. Fair valuation of investments:

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

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

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

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

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

6. Under Ind AS, leases of land are classified as operating leases unless the title to the leasehold land is expected to be transferred to the Company at the end of the lease term. Lease rentals paid in advance and lease deposits are recognized as other assets. Under previous GAAP, the lease rentals paid in advance and lease deposits are recognized in property, plant and equipment. The lease rentals paid in advance are charged to the statement of profit and loss over the lease term.

Under Ind AS, financial instruments other than those designated at FVTPL and FVTOCI are measured at amortised cost. Under previous GAAP, they are recognised at cost. Security deposits are carried at amortised cost using effective interest method.

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

**(iii) Cash flow statement:**

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

As per our report of even date attached

For **Deloitte Haskins & Sells**  
*Chartered Accountants*  
Firm's Registration No. 008072S

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

**N. Krishnakumar**  
Chairman

**Rostow Ramanan**  
CEO & Managing Director

**V. Balaji**  
*Partner*  
Membership No. 203685

**Jagannathan Chakravarthi**  
Chief Financial Officer

**Vedavalli Sridharan**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

Place: Bengaluru  
Date: April 20, 2017

# Independent Auditor's Report to the Board of Directors of Mindtree Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MINDTREE LIMITED ("the Parent") and its subsidiaries (the Parent and its subsidiaries constitute "the Group"), which comprise the Consolidated Statement of Financial Position as at March 31, 2017, the Consolidated Statements of Income and Comprehensive Income for the year ended March 31, 2017, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with IFRS, of the consolidated financial position of the Group as at March 31, 2017, and its consolidated financial performance for the year then ended, consolidated changes in equity and consolidated cash flows for the year then ended.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)

V. Balaji  
Partner  
(Membership No. 203685)

Bengaluru, April 20, 2017

## Consolidated statement of financial position

₹ in million, except share data

	Note	As at		
		March 31, 2017	March 31, 2016	April 1, 2015
<b>Assets</b>				
Goodwill	5b	4,470	4,815	740
Property, plant and equipment	4	3,991	4,383	4,651
Intangible assets	5a	1,941	2,632	316
Investments	6	58	62	12
Deferred tax assets	17	624	435	493
Non-current tax assets		1,130	962	834
Other non-current assets	9	1,072	1,212	934
<b>Total non-current assets</b>		<b>13,286</b>	<b>14,501</b>	<b>7,980</b>
Trade receivables	7	8,962	9,728	6,963
Other current assets	9	1,349	1,767	1,452
Unbilled revenues		1,885	2,132	982
Investments	6	5,869	2,266	5,490
Derivative assets		37	53	24
Cash and cash equivalents	8	2,508	2,332	3,763
<b>Total current assets</b>		<b>20,610</b>	<b>18,278</b>	<b>18,674</b>
<b>Total assets</b>		<b>33,896</b>	<b>32,779</b>	<b>26,654</b>
<b>Equity</b>				
Share capital		1,680	1,678	837
Share premium		1,444	1,376	2,152
Retained earnings		23,308	21,156	18,107
Other components of equity		(657)	(31)	184
Equity attributable to owners of the company		25,775	24,179	21,280
<b>Total equity</b>		<b>25,775</b>	<b>24,179</b>	<b>21,280</b>
<b>Liabilities</b>				
Loans and borrowings	13	13	14	18
Other non-current liabilities	15	301	851	337
<b>Total non-current liabilities</b>		<b>314</b>	<b>865</b>	<b>355</b>
Loans and borrowings	13	983	420	5
Trade payables and accrued expenses	14	1,651	1,889	1,709
Unearned revenue		505	344	225
Current tax liabilities		323	346	239
Derivative liabilities		-	1	3
Employee benefit obligations	16	686	672	371
Other current liabilities	15	3,149	3,313	2,027
Provisions	15	510	750	440
<b>Total current liabilities</b>		<b>7,807</b>	<b>7,735</b>	<b>5,019</b>
<b>Total liabilities</b>		<b>8,121</b>	<b>8,600</b>	<b>5,374</b>
<b>Total equity and liabilities</b>		<b>33,896</b>	<b>32,779</b>	<b>26,654</b>

The accompanying notes form an integral part of these consolidated financial statements



## Consolidated statement of profit or loss

₹ in million, except share data

	Note	Year ended March 31,	
		2017	2016
Revenues		52,364	46,730
Cost of revenues	19	(36,500)	(31,591)
<b>Gross profit</b>		<b>15,864</b>	<b>15,139</b>
Selling, general and administrative expenses	19	(10,531)	(8,577)
<b>Results from operating activities</b>		<b>5,333</b>	<b>6,562</b>
Foreign exchange gain/(loss)		(136)	392
Finance expenses		(191)	(161)
Finance and other income	18	543	439
<b>Profit before tax</b>		<b>5,549</b>	<b>7,232</b>
Income tax expense	17	(1,389)	(1,694)
<b>Profit for the year</b>		<b>4,160</b>	<b>5,538</b>
<b>Attributable to:</b>			
Owners of the Company		4,160	5,538
Non-controlling interests		-	-
		<b>4,160</b>	<b>5,538</b>
<b>Earnings per equity share:</b>	21		
Basic		24.77	33.03
Diluted		24.73	32.94
Weighted average number of equity shares used in computing earnings per equity share:			
Basic		167,918,389	167,649,773
Diluted		168,203,640	168,091,689

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated statement of comprehensive income

₹ in million, except share data

	Year ended March 31,	
	2017	2016
Profit for the year	4,160	5,538
Other comprehensive income, net of taxes		
Items that will not be reclassified to profit or loss		
- Defined benefit plan actuarial gains/ (losses)	(8)	(27)
Items that may be reclassified subsequently to profit or loss		
- Foreign currency translation difference relating to foreign operations	(610)	(217)
- Net change in fair value of Investments	(3)	-
Total other comprehensive income, net of taxes	(621)	(244)
<b>Total comprehensive income for the year</b>	<b>3,539</b>	<b>5,294</b>
<b>Attributable to:</b>		
Owners of the Company	3,539	5,294
Non-controlling interests	-	-
	<b>3,539</b>	<b>5,294</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated statement of changes in equity

₹ in million, except share data

Particulars	No. of shares	Share capital	Share premium	Retained earnings	Other components of equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity
					Share based payment reserve	Other reserves	Foreign Currency Translation Reserve			
Balance as at April 1, 2015	83,732,372	837	2,152	18,107	30	154	-	21,280	-	21,280
Issue of equity shares on exercise of options/ restricted shares	160,716	2	43	-	-	-	-	45	-	45
Issue of Bonus shares	83,893,088	839	-	-	-	-	-	839	-	839
Amount utilised for bonus shares	-	-	(839)	-	-	-	-	(839)	-	(839)
Profit for the year	-	-	-	5,538	-	-	-	5,538	-	5,538
Other comprehensive income	-	-	-	-	-	(27)	-	(27)	-	(27)
Transferred to securities premium reserve	-	-	20	-	(20)	-	-	-	-	-
Compensation cost related to employee share based payment transaction	-	-	-	-	49	-	-	49	-	49
Cash dividend paid (including dividend tax thereon)	-	-	-	(2,489)	-	-	-	(2,489)	-	(2,489)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(217)	(217)	-	(217)
<b>As at March 31, 2016</b>	<b>167,786,176</b>	<b>1,678</b>	<b>1,376</b>	<b>21,156</b>	<b>59</b>	<b>127</b>	<b>(217)</b>	<b>24,179</b>	<b>-</b>	<b>24,179</b>
Balance as at April 1, 2016	167,786,176	1,678	1,376	21,156	59	127	(217)	24,179	-	24,179
Issue of equity shares on exercise of options/restricted shares	239,370	2	6	-	-	-	-	8	-	8
Profit for the year	-	-	-	4,160	-	-	-	4,160	-	4,160
Other comprehensive income	-	-	-	-	-	(11)	-	(11)	-	(11)
Transferred to securities premium reserve	-	-	62	-	(62)	-	-	-	-	-
Compensation cost related to employee share based payment transaction	-	-	-	-	54	-	-	54	-	54
Cash dividend paid (including dividend tax thereon)	-	-	-	(2,005)	-	-	-	(2,005)	-	(2,005)
Other adjustments	-	-	-	(3)	-	-	3	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(610)	(610)	-	(610)
<b>As at March 31, 2017</b>	<b>168,025,546</b>	<b>1,680</b>	<b>1,444</b>	<b>23,308</b>	<b>51</b>	<b>116</b>	<b>(824)</b>	<b>25,775</b>	<b>-</b>	<b>25,775</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Consolidated statement of cash flow

₹ in million, except share data

	Year ended March 31,	
	2017	2016
<b>Cash flow from operating activities</b>		
Profit for the year	4,160	5,538
Adjustments for :		
Depreciation of property, plant and equipment	1,273	1,339
Amortisation of intangibles	575	309
Amortisation of stock compensation	54	90
Finance expenses	191	161
Income tax expense	1,389	1,694
Interest/ dividend income	(111)	(277)
Loss/ (gain) on sale of property, plant and equipment	(9)	54
Gain on sale of Investments	(177)	(36)
Net gain on financial assets designated at fair value through profit and loss	(146)	(113)
Reversal of liability towards acquisition of businesses recognised in the statement of profit and loss	(45)	-
Unrealised exchange difference on liability towards acquisition of businesses	(100)	-
Unrealised exchange difference on derivatives	14	(31)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	42	(105)
<i>Changes in operating assets and liabilities</i>		
Trade receivables	650	(1,804)
Unbilled revenues	247	(1,150)
Other assets	538	131
Trade payables and accrued expenses	(271)	(126)
Unearned revenues	161	119
Other liabilities	(129)	379
<b>Net cash provided by operating activities before taxes</b>	<b>8,306</b>	<b>6,172</b>
Income taxes paid	(1,771)	(1,972)
<b>Net cash provided by operating activities</b>	<b>6,535</b>	<b>4,200</b>
<b>Cash flow from investing activities</b>		
Expenditure on property, plant and equipment	(871)	(1,584)
Proceeds from sale of property, plant and equipment	25	269
Payment of deferred consideration liabilities	(467)	(293)
Purchase of business/ acquisition	-	(6,285)
Interest income received from Investments	51	254
Dividend income received	8	73
Purchase of Investments	(13,171)	(10,062)
Proceeds from sale of mutual funds	9,892	13,385
<b>Net cash used in/ provided by investing activities</b>	<b>(4,533)</b>	<b>(4,243)</b>
<b>Cash flow from financing activities</b>		
Issue of share capital (net of issue expenses paid)	8	24
Finance expenses	(2)	(3)
Repayment of loans and borrowings	(383)	(5)
Proceeds from short-term borrowings	935	415
Dividends paid (including distribution tax)	(1,934)	(2,151)
<b>Net cash used in financing activities</b>	<b>(1,376)</b>	<b>(1,720)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(55)	92
<b>Net (decrease) /increase in cash and cash equivalents</b>	<b>571</b>	<b>(1,671)</b>
Cash and cash equivalents at the beginning of the year	1,937	3,608
<b>Cash and cash equivalents at the end of the year (Note 8)</b>	<b>2,508</b>	<b>1,937</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Notes to the consolidated financial statement

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

### 1. Company overview

Mindtree Limited ('Mindtree' or 'the Company') together with its subsidiaries Mindtree Software (Shanghai) Co. Ltd, Discoverture Solutions L.L.C., Discoverture Solutions Europe Limited (liquidated w.e.f July 05, 2016), Bluefin Solutions Limited, Bluefin Solutions Inc., Bluefin Solutions Sdn Bhd, Blouvin (Pty) Limited, Bluefin Solutions Pte Ltd, Relational Solutions, Inc. and Magnet 360, LLC, Reside LLC, M360 Investments, LLC and Numerical Truth, LLC, collectively referred to as 'the Group' is an international Information Technology consulting and implementation Group that delivers business solutions through global software development. The Group is structured into four industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS), Travel and Hospitality (TH). The Group offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, South Africa, UAE, Netherlands, Canada, Belgium, France, Ireland, Poland and Republic of China. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The consolidated financial statements were authorized for issuance by the Company's Board of Directors on April 20, 2017.

### 2. Basis of preparation of financial statements

#### (a) Statement of compliance

The consolidated financial statements as at and for the year ended March 31, 2017 have been prepared in accordance with International Financial Reporting Standards and its interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

#### (b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant IFRS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- iii. Share based payment transactions;
- iv. Defined benefit and other long-term employee benefits

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest million except share and per share data.

#### (d) Use of estimates and judgment

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

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

- i) *Revenue recognition:* The Group uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the year in which the loss becomes probable.
- ii) *Income taxes:* The Group's two major tax jurisdictions are India and the U.S., though the Group also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to Note 15.
- iii) *Other estimates:* The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

### 3. Significant accounting policies

#### (i) Basis of consolidation

##### *Subsidiaries*

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

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

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

#### (ii) Functional and presentation currency

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

#### (iii) Foreign currency transactions and balances

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

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

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

#### (iv) Financial instruments

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

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

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

##### *a) Non-derivative financial assets*

###### *(i) Financial assets at amortised cost*

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI)

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

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

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

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

(ii) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the asset's contractual cash flow represent SPPI

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

(iii) Equity instruments at FVTOCI

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

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

(iv) Financial assets at FVTPL

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

In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The Group has not designated any financial asset as FVTPL.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

*b) Non-derivative financial liabilities*

- (i) Financial liabilities at amortised cost: Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
- (ii) Financial liabilities at FVTPL: Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit or loss.

*c) Derivative financial instruments*

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

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost.

- (i) Cash flow hedges: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction.
- (ii) Others: Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the statement of profit or loss and reported within foreign exchange gains/ (losses), net under results from operating activities.

**(v) Property, plant and equipment***a) Recognition and measurement:*

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

*b) Depreciation:*

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

Category	Useful life
Buildings	5 to 30 years
Computer systems	2 to 3 years
Furniture, fixtures and equipment	3 to 7 years
Vehicles	4 years

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit or loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit or loss.

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

**(vi) Business combination, Goodwill and Intangible assets**

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

Transaction costs incurred in connection with a business combination are expensed as incurred.

*a) Goodwill*

The excess of the cost of acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized immediately in the statement of profit or loss.

*b) Intangible assets*

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



The estimated useful lives of intangibles are as follows:

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

#### (vii) Leases

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

#### (viii) Impairment

##### a) Financial assets

In accordance with IFRS 9, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

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

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

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

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

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

##### b) Non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs

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

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

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's Cash Generating Units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in statement of profit or loss and is not reversed in the subsequent period.

#### (ix) Employee Benefits

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

The Group has the following employee benefit plans:

##### *a) Social security plans*

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

##### *b) Gratuity*

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company and SBI Life Insurance Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Group has applied IAS 19 (as revised in June 2011) Employee Benefits ('IAS 19R') and the related consequential amendments effective April 1, 2013. As a result, all actuarial gains or losses are immediately recognized in other comprehensive income and permanently excluded from profit or loss. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

##### *c) Compensated absences*

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

**(x) Share based payment transaction**

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

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

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

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

**(xi) Provisions**

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

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

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

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

**(xii) Revenue**

The Group derives revenue primarily from software development and related services.

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

*a) Time and materials contracts*

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

*b) Fixed-price contracts*

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

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

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

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

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

*c) Maintenance contracts*

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

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

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

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

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

#### (xiii) Finance income and expense

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

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

Finance expenses consist of interest expense on loans and borrowings and impairment losses recognized on financial assets (other than trade receivables). Borrowing costs are recognized in the statement of profit or loss using the effective interest method.

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

#### (xiv) Income tax

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

##### a) Current income tax

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

##### b) Deferred income tax

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

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

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

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

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

#### (xv) Earnings per share

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

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

#### (xvi) Research and development costs

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

During the period of development, the asset is tested for impairment annually.

**(xvii) Government grants**

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

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

Government grants related to revenue are recognised on a systematic basis in the statement of profit or 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 fair value.

**New standards and interpretations adopted****IFRS 9 Financial Instruments:**

The Group has elected to early adopt IFRS 9. IFRS 9 has introduced new requirements for classification, measurement and derecognition of financial assets, liabilities and hedge accounting. The impairment model of financial instruments in IFRS 9 is based on the premise of providing for expected losses.

The Group has applied the changes retrospectively and has restated the comparatives in accordance with the transition provisions under IFRS 9. Refer note 6 for impact on account of adoption of IFRS 9.

**New standards and interpretations not yet adopted****a) IFRS 15 Revenue from Contracts with Customers:**

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services.

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS. The Group is currently evaluating the requirements of IFRS 15, and has not yet determined the impact on the consolidated interim financial statements.

**b) IFRS 16 Leases:**

On January 13, 2016, the International Accounting Standards Board issued the final version of IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers. The Group is yet to evaluate the requirements of IFRS 16 and the impact on the consolidated financial statements.

## 4. Property, plant and equipment

Particulars	Land	Buildings	Computer Systems	Furniture, fixtures and equipment	Vehicles	Total
<b>Gross carrying value:</b>						
As at April 1, 2015	97	2,839	2,041	3,535	29	8,541
Additions	-	417	644	586	-	1,647
Disposal/ adjustments	13	993	69	159	-	1,234
Translation Adjustment Loss/ (Gain)	-	-	4	1	-	5
Acquisition through business combination	-	-	133	86	-	219
<b>As at March 31, 2016</b>	<b>84</b>	<b>2,263</b>	<b>2,745</b>	<b>4,047</b>	<b>29</b>	<b>9,168</b>
<b>Accumulated depreciation/ impairment:</b>						
As at April 1, 2015	7	497	1,397	2,338	5	4,244
Depreciation	1	216	567	419	9	1,212
Disposal/ adjustments	1	360	69	158	-	588
Translation Adjustment Loss/ (Gain)	-	-	4	2	-	6
Acquisition through business combination	-	-	99	56	-	155
<b>As at March 31, 2016</b>	<b>7</b>	<b>353</b>	<b>1,990</b>	<b>2,653</b>	<b>14</b>	<b>5,017</b>
Capital work-in-progress						232
<b>Net carrying value as at March 31, 2016</b>	<b>77</b>	<b>1,910</b>	<b>755</b>	<b>1,394</b>	<b>15</b>	<b>4,383</b>
<b>Gross carrying value:</b>						
As at April 1, 2016	84	2,263	2,745	4,047	29	9,168
Additions	-	227	430	280	-	937
Disposal/ adjustments	-	-	125	35	-	160
Translation Adjustment Loss/ (Gain)	-	-	16	5	-	21
<b>As at March 31, 2017</b>	<b>84</b>	<b>2,490</b>	<b>3,034</b>	<b>4,287</b>	<b>29</b>	<b>9,924</b>
<b>Accumulated depreciation/ impairment:</b>						
As at April 1, 2016	7	353	1,990	2,653	14	5,017
Depreciation	1	207	569	488	8	1,273
Disposal/ adjustments	-	-	109	35	-	144
Translation Adjustment Loss/ (Gain)	-	-	14	7	-	21
<b>As at March 31, 2017</b>	<b>8</b>	<b>560</b>	<b>2,436</b>	<b>3,099</b>	<b>22</b>	<b>6,125</b>
Capital work-in-progress						192
<b>Net carrying value as at March 31, 2017</b>	<b>76</b>	<b>1,930</b>	<b>598</b>	<b>1,188</b>	<b>7</b>	<b>3,991</b>

The depreciation expense for the year ended March 31, 2017 and March 31, 2016 is included in the following line items in the statement of profit or loss.

Particulars	Year ended March 31,	
	2017	2016
Cost of revenues	1,172	1,075
Selling, general and administrative expenses	101	137
<b>Total</b>	<b>1,273</b>	<b>1,212</b>

## 5. Intangible assets and Goodwill

## a) Intangible assets

Particulars	Intellectual Property	Computer Software	Business Alliance Relationships	Customer Relationships	Non compete agreement	Vendor Relationship	Trade Name	Technology	Total
<b>Gross carrying value:</b>									
As at April 1, 2015	67	922	71	111	24	-	-	-	1,195
Additions	-	90	-	-	-	-	-	-	90
Disposal/ adjustments	-	5	-	-	-	-	-	-	5
Translation Adjustment Loss/ (Gain)	-	-	-	44	-	11	9	(11)	53
Acquisition through business combination	-	16	-	1,346	30	739	327	257	2,715
As at March 31, 2016	67	1,023	71	1,413	54	728	318	268	3,942
<b>Accumulated amortisation/ impairment:</b>									
As at April 1, 2015	65	804	3	6	1	-	-	-	879
Amortisation	1	118	18	205	6	50	19	19	436
Disposal/ adjustments	-	5	-	-	-	-	-	-	5
Translation Adjustment Loss/ (Gain)	-	-	-	7	-	2	1	(1)	9
Acquisition through business combination	-	9	-	-	-	-	-	-	9
As at March 31, 2016	66	926	21	204	7	48	18	20	1,310
Net carrying value as at March 31, 2016	1	97	50	1,209	47	680	300	248	2,632
<b>Gross carrying value:</b>									
As at April 1, 2016	67	1,023	71	1,413	54	728	318	268	3,942
Additions	-	40	-	-	-	-	-	-	40
Disposal/ adjustments	-	3	-	-	-	-	-	-	3
Translation Adjustment Loss/ (Gain)	-	1	-	151	1	47	32	6	238
As at March 31, 2017	67	1,059	71	1,262	53	681	286	262	3,741
<b>Accumulated amortisation/ impairment:</b>									
As at April 1, 2016	66	926	21	204	7	48	18	20	1,310
Amortisation	-	82	18	306	11	99	33	26	575
Disposal/ adjustments	-	3	-	-	-	-	-	-	3
Translation Adjustment Loss/ (Gain)	-	(1)	-	61	-	16	6	-	82
As at March 31, 2017	66	1,006	39	449	18	131	45	46	1,800
Net carrying value as at March 31, 2017	1	53	32	813	35	550	241	216	1,941
Estimated useful life (in years)	-	2-3	4	3-5	5	5-10	10	10	
Estimated remaining useful life (in years)	-	0.04-1.94	2	1-3.75	3-3.75	3.25-8.75	8.25-8.75	8.25	

The amortisation expense for the year ended March 31, 2017 and March 31, 2016 is included in the following line items in the statement of profit or loss.

Particulars	Year ended March 31,	
	2017	2016
Cost of revenues	528	396
Selling, general and administrative expenses	47	40
<b>Total</b>	<b>575</b>	<b>436</b>

The aggregate amount of research and development expense recognized in the statement of profit and loss for year ended March 31, 2017 is ₹ 321 (₹ 313 for the year ended March 31, 2016)

## b) Goodwill

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year	4,815	740	740
Translation Adjustment Loss/ (Gain)	345	204	-
Acquisition through business combination	-	4,279	-
<b>Balance at the end of the year</b>	<b>4,470</b>	<b>4,815</b>	<b>740</b>

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Units (CGU) or groups of CGUs, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGUs.

The entire goodwill on acquisition of Discoverture is allocated to the operating segment "BFSI" and of RSI to the operating segment "RCM".

The goodwill on acquisitions of Bluefin and Magnet has been allocated as follows:

Particulars	Bluefin	Magnet
RCM	1,749	757
BFSI	59	286
TMS	304	706
TH	40	39
<b>Total</b>	<b>2,152</b>	<b>1,788</b>

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections over a period of five years, based on financial budgets approved by management and an average of the range of each assumption mentioned below.

As of March 31, 2017, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Discount rate	15.6% - 19.6%	21.7%

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

## 6. Investments

Investments in liquid and short term mutual fund units, non-convertible bonds, term deposits, unlisted equity securities and preference shares are classified as Investments.

Cost and fair value of the above are as follows:

As at March 2017

Particulars	As at March 31, 2017
<b>Non-current</b>	
Investment in non-convertible bonds, unlisted equity securities	
Cost	59
Gross unrealised holding gains (losses)	(1)
Fair value	58
<b>Current</b>	
Investment in non-convertible bonds, term deposits, liquid and short term mutual funds	
Cost	5,683
Gross unrealised holding gains	186
Gross unrealised holding (losses)	-
Fair value	5,869
<b>Total Investments</b>	<b>5,927</b>



As at March 2016 and April 1, 2015

Particulars	As at March 31, 2016	As at April 1, 2015
<b>Non-current</b>		
Investment in non-convertible bonds, unlisted equity securities and preference shares		
Cost	59	9
Gross unrealised holding gains	3	3
Fair value	62	12
<b>Current</b>		
Investment in non-convertible bonds, term deposits, liquid and short term mutual funds		
Cost	2,105	5,346
Gross unrealised holding gains	164	148
Gross unrealised holding (losses)	(3)	(4)
Fair value	2,266	5,490
<b>Total Investments</b>	<b>2,328</b>	<b>5,502</b>

**Impact on account of adoption of IFRS 9**

Certain investments which were earlier carried at fair value through other comprehensive income under IAS 39, Financial Instruments: Recognition and measurement are now carried at fair value through profit or loss and amortised cost under IFRS 9.

Details showing the changes in the classification and the corresponding differences on transition, in carrying amounts as of March 31, 2016:

Instrument	As per IAS 39		As per IFRS 9	
	Category	Carrying Value	Category	Carrying Value
<b>(i) Current</b>				
Investment in mutual funds (quoted)	Available for sale financial assets*	1,916	Fair value through profit or loss	1,916
Investment in non-convertible bonds (quoted)	Available for sale financial assets*	100	Amortised cost	100
Investments in term deposits (unquoted)	Amortised cost	250	Amortised cost	250
<b>Total</b>		<b>2,266</b>		<b>2,266</b>
<b>(ii) Non-current</b>				
Investments in equity instruments (unquoted)	Available for sale financial assets*	1	Fair value through other comprehensive income	1
Investments in preference shares (unquoted)	Available for sale financial assets*	11	Fair value through other comprehensive income	11
Investments in non-convertible bonds (quoted)	Available for sale financial assets*	50	Amortised cost	50
<b>Total</b>		<b>62</b>		<b>62</b>
<b>Total Investments</b>		<b>2,328</b>		<b>2,328</b>

\* Fair value changes through other comprehensive income

Details showing the changes in the classification and the corresponding differences on transition, in carrying amounts as of April 1, 2015.

Instrument	As per IAS 39		As per IFRS 9	
	Category	Carrying Value	Category	Carrying Value
<b>(i) Current</b>				
Investment in mutual funds (quoted)	Available for sale financial assets*	4,790	Fair value through profit or loss	4,790
Investment in non-convertible bonds (quoted)	Available for sale financial assets*	-	Amortised cost	-
Investments in term deposits (unquoted)	Amortised cost	700	Amortised cost	700
<b>Total</b>		<b>5,490</b>		<b>5,490</b>
<b>(ii) Non-current</b>				
Investments in equity instruments (unquoted)	Available for sale financial assets*	1	Fair value through other comprehensive income	1
Investments in preference shares (unquoted)	Available for sale financial assets*	11	Fair value through other comprehensive income	11
Investments in non-convertible bonds (quoted)	Available for sale financial assets*	-	Amortised cost	-
<b>Total</b>		<b>12</b>		<b>12</b>
<b>Total Investments</b>		<b>5,502</b>		<b>5,502</b>

\* Fair value changes through other comprehensive income

## 7. Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables	9,068	9,854	7,046
Allowance for doubtful trade receivable	(106)	(126)	(83)
<b>Total</b>	<b>8,962</b>	<b>9,728</b>	<b>6,963</b>

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

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

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

Movement in the expected credit loss allowance:

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	126	83
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(20)	43
<b>Provision at the end of the year</b>	<b>106</b>	<b>126</b>

## 8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash balances	-	1	-
Current and time deposits with banks #	2,508	2,331	3,763
<b>Cash and cash equivalents on statement of financial position</b>	<b>2,508</b>	<b>2,332</b>	<b>3,763</b>
Book overdrafts used for cash management purposes (Refer note 15)	-	(395)	(155)
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>2,508</b>	<b>1,937</b>	<b>3,608</b>

# Balance with banks amounting to ₹ 346, ₹ 343 and ₹ 5 as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively includes unpaid dividends and dividends payable

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

## 9. Other assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current</b>			
Capital advances	27	42	107
Security deposits	667	655	614
Prepaid expenses	152	171	196
Service tax credit receivable	1	138	-
Others	225	206	17
	<b>1,072</b>	<b>1,212</b>	<b>934</b>
<b>Current</b>			
Prepaid expenses	760	820	526
Advance to employees	282	417	232
Advance to suppliers	39	94	249
Interest accrued and not due	21	19	99
Deposits	12	38	136
Others	235	379	210
	<b>1,349</b>	<b>1,767</b>	<b>1,452</b>
<b>Total</b>	<b>2,421</b>	<b>2,979</b>	<b>2,386</b>

## 10. Equity

### a) Share capital and share premium

The Group has only one class of equity shares. The authorized share capital of the Group is 800,000,000 equity shares of ₹ 10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of the par value is classified as share premium

The Issued, subscribed and paid-up capital of the Group is 168,025,546 equity shares of ₹ 10 each amounting to ₹ 1,680.

The Group has only one class of shares referred to as equity shares having a par value of ₹ 10.

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. A final dividend, including tax thereon, on common stock is recorded as a liability on the date of approval by the shareholders.

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.

An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

Indian law mandates that any dividend be declared out of distributable profits only. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable taxes.

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2017, year ended March 31, 2016 and March 31, 2015 was ₹ 10, ₹ 23 and ₹ 17 respectively.

The Board of Directors at its meeting held on April 18, 2016 had recommended a final dividend of 30% (₹ 3 per equity share of par value ₹ 10 each). The proposal was approved by shareholders at the Annual General Meeting held on July 19, 2016, this has resulted in a cash outflow of ₹ 589, inclusive of dividend tax of ₹ 86. Also, the Board of Directors at its meeting held on October 21, 2016, January 19, 2017 and March 27, 2017 had declared an interim dividend of 30% (₹ 3 per equity share of par value of ₹ 10 each) for the quarter ended September 30, 2016, 20% (₹ 2 per equity share of par value of ₹ 10 each) for the quarter ended December 31, 2016 and 20% (₹ 2 per equity share of par value of ₹ 10 each) for the quarter ended March 31, 2017. Further, the Board of Directors at its meeting held on April 20, 2017 have recommended a final dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately ₹ 607, inclusive of dividend tax.

### b) Retained earnings

Retained earnings comprises of the prior years' undistributed earnings after taxes. A portion of these earnings amounting to ₹ 87 is not freely available for distribution.

### c) Share based payment reserve

The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share based payment reserve are transferred to share premium upon exercise of stock options by employees.

### d) Other reserve

Changes in the fair value of equity instruments is recognized in other comprehensive income (net of taxes), and presented within equity in other reserve.

### e) Foreign currency translation reserve

Exchange difference relating to the translation of the results and net assets of the company's foreign operations from their functional currencies to the Group's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

11. The Group has allotted 83,893,088 and 41,765,661 fully paid up equity shares during the quarter ended March 31, 2016 and June 30, 2014 respectively, pursuant to 1:1 bonus share issue approved by shareholders. Consequently, options/ units granted under the various employee share based plans are adjusted for bonus share issue. The Group has not bought back any equity shares. The Group has not allotted any equity shares as fully paid up without payment being received in cash.

## 12. Employee stock incentive plans

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

### Program 1 [ESOP 1999]

This plan was terminated on September 30, 2001 and there are no options outstanding as at March 31, 2017, March 31, 2016 and April 1, 2015.

**Program 2 [ESOP 2001]**

Options under this program have been granted to employees at an exercise price of ₹ 50 per option (₹ 12.5 per option post bonus issue). All stock options have a four-year vesting term and vest and become fully exercisable at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant. Each option is entitled to 1 equity share of ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	18,360	12.50	32,976	21.25
Granted during the year	-	-	-	-
Exercised during the year	14,228	12.50	10,894	25.00
Lapsed during the year	2,452	12.50	3,722	20.14
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	1,680	12.50	18,360	12.50
Options vested and exercisable, end of the year	1,680	12.50	18,360	12.50

**Program 3 [ESOP 2006 (a)]**

This plan was terminated on October 25, 2006 and there are no options outstanding as at March 31, 2017, March 31, 2016 and April 1, 2015.

**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 ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	-	-	74,000	265.07
Granted during the year	-	-	-	-
Exercised during the year	-	-	74,000	265.07
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	-	-
Options vested and exercisable, end of the year	-	-	-	-

**Program 5 [ESOP 2008A]**

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

Particulars	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	152,336	106.50	159,244	163.19
Granted during the year	-	-	-	-
Exercised during the year	6,880	119.63	6,908	239.25
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	145,456	105.88	152,336	106.50
Options vested and exercisable, end of the year	145,456	105.88	152,336	106.50

**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 ₹ 10 each. The contractual life of each option is 4 years after the date of the grant.

Particulars	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	40,000	123.25	60,000	226.42
Granted during the year	-	-	-	-
Exercised during the year	40,000	123.25	20,000	309.50
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	40,000	123.25
Options vested and exercisable, end of the year	-	-	40,000	123.25

#### Program 7 [ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) have been received by the Group from the BSE and NSE for 1,135,000 equity shares of ₹ 10 each. No options have been granted under the program as at March 31, 2017, March 31, 2016 and April 1, 2015.

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

ERSP 2012 was instituted with effect from July 16, 2012 to issue equity shares of nominal value of ₹ 10 each. Shares under this program are granted to employees at an exercise price of not less than ₹ 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	Year ended March 31,			
	2017		2016	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding options, beginning of the year	-	-	-	-
Granted during the year	178,262	10.00	48,914	10.00
Exercised during the year	178,262	10.00	48,914	10.00
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding options, end of the year	-	-	-	-
Options vested and exercisable, end of the year	-	-	-	-

#### Other stock based compensation arrangements

The Group has also granted phantom stock options and letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the grant/issue as at March 31, 2017 are given below:

Particulars	Phantom stock options plan
Total no. of units/ shares	1,195,000
Vested units/ shares	-
Lapsed units/ shares	537,750
Forfeited units/ shares	-
Cancelled units/ shares	-
Outstanding units/shares as at the end of the year	657,250
Contractual life	2 years
Date of grant	Oct 21, 2015
Price per share/ unit	Grant price of ₹ 686
Particulars	ERSP 2012 Plan**
Outstanding units/shares as at the beginning of the year	342,700
Number of units/shares covered under letters of intent issued	80,000
Vested units/ shares	143,030
Lapsed units/ shares	4,970
Forfeited units/ shares	74,500
Cancelled units/ shares	-
Outstanding units/shares as at the end of the year	200,200
Contractual life	1-4 years
Date of grant*	July 18, 2013; May 12, 2015; Oct 21, 2015; Oct 27, 2015; Feb 25, 2016; Aug 24, 2016
Price per share/ unit*	Exercise price of ₹ 10

\* Based on Letter of Intent

\*\* Excludes direct allotment of shares

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2017, March 31, 2016 and April 1, 2015.

Particulars	As at March 31, 2017		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 2	1,680	0.50	12.50
Program 5	145,456	0.33	105.88

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

Particulars	As at April 1, 2015*		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 2	23,072	0.70	25.00
Program 4	74,000	0.32	265.07
Program 5	83,076	2.32	215.18
DSOP 2006	40,000	1.10	278.00

\* Pre bonus issue. Refer note 11

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year ended was ₹ 501.21 using the Black-Scholes model with the following assumptions:

Particulars	As at March 31, 2017
Weighted average grant date share price	526.23
Weighted average exercise price	₹ 10
Dividend yield %	2.62%
Expected life	1-2 years
Risk free interest rate	6.75%
Volatility	89.10%

### 13. Loans and borrowings

A summary of loans and borrowings is as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current</b>			
Unsecured long-term loans and borrowings	13	14	18
	<b>13</b>	<b>14</b>	<b>18</b>
<b>Current</b>			
Current portion of unsecured long-term loans and borrowings	5	5	5
Secured bank loans	36	415	-
Short term borrowings	942	-	-
	<b>983</b>	<b>420</b>	<b>5</b>
<b>Total</b>	<b>996</b>	<b>434</b>	<b>23</b>

Unsecured 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 Non-current 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 commencing from June 2011. The project implementation period was a moratorium period ended May 2011 and the Group was not liable for repayment of installments and interest during the said period. However, the interest accrued during the period is amortized and is payable in 3 equal annual installments commencing from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay.

Secured bank loans represent the packing credit loan from bank secured against receivables, which has been repaid during the year ended March 31, 2017.

Short term borrowings represent the commercial paper offering from HDFC bank taken during the year ended March 31, 2017.

#### 14. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Trade payables	699	734	753
Accrued expenses	952	1,155	956
<b>Total</b>	<b>1,651</b>	<b>1,889</b>	<b>1,709</b>

#### 15. Other liabilities and provisions

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non-current</b>			
Others	301	851	337
	<b>301</b>	<b>851</b>	<b>337</b>
<b>Current</b>			
Book overdraft	-	395	155
Advances from customers	67	44	27
Dividend payable (including dividend tax)**	404	336	-
Employee and other liabilities	1,300	1,173	1,438
Statutory dues payable	409	469	249
Other liabilities	969	896	158
	<b>3,149</b>	<b>3,313</b>	<b>2,027</b>
<b>Total</b>	<b>3,450</b>	<b>4,164</b>	<b>2,364</b>
<b>Current</b>			
<b>Provisions</b>			
Provision for discount	414	667	367
Provision for disputed dues*	81	76	68
Provision for post contract support services	8	7	5
Provision for foreseeable losses on contracts	7	-	-
<b>Total</b>	<b>510</b>	<b>750</b>	<b>440</b>

\* 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

\*\* Represents interim dividend declared on March 27, 2017 and on March 23, 2016

##### Provision for discount

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	667	367
Provisions made during the year	462	490
Utilisations during the year	(663)	(172)
Released during the year	(52)	(18)
Provision at the end of the year	414	667

##### Provision for post contract support services

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	7	5
Provisions made during the year	1	2
Released during the year	-	-
Provision at the end of the year	8	7

##### Provision for disputed dues

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	76	68
Provisions made during the year	5	8
Released during the year	-	-
Provision at the end of the year	81	76

**Provision for foreseeable losses on contracts**

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Balance at the beginning of the year	-	-
Provisions made during the year	7	-
Released during the year	-	-
Provision at the end of the year	7	-

**16. Employee benefit obligations**

Employee benefit obligations comprises of following:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Gratuity	91	134	15
Compensated absences	595	538	356
<b>Total</b>	<b>686</b>	<b>672</b>	<b>371</b>

**17. Income tax expense**

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>Current taxes:</b>		
In respect of the current period	1,577	1,896
<b>Deferred taxes:</b>		
In respect of the current period	(188)	(202)
<b>Grand Total</b>	<b>1,389</b>	<b>1,694</b>

Income tax expense has been allocated as follows:

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Income tax expense as per the statement of profit or loss	1,389	1,694
Income tax included in other comprehensive income on:		
- Net loss/ (gain) on investment in equity shares at FVTOCI	1	-
- Net loss/ (gain) on remeasurement of defined benefit plan	2	6
	3	6
<b>Total</b>	<b>1,386</b>	<b>1,688</b>

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Profit before tax	5,549	7,232
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	1,921	2,503
<b>Effect of:</b>		
Income exempt from tax	(1,024)	(1,241)
Temporary differences reversed during the tax holiday period	16	13
Expenses that are not deductible in determining taxable profit	113	237
Different tax rates of branches operating in other jurisdictions	364	143
Income subject to different tax rates	(14)	(28)
Others	13	67
<b>Total income tax expense</b>	<b>1,389</b>	<b>1,694</b>

The tax rates under Indian Income Tax Act, for the year ended March 31, 2017 and March 31, 2016 is 34.61% and 34.61% respectively.



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

Particulars	As at March 31, 2017	As at March 31, 2016
Unused tax losses (long term capital loss) which expire in		
- FY 2016-17	2	2
- FY 2018-19	163	163
- FY 2019-20	34	34
- FY 2021-22	48	48
- FY 2022-23	28	28
- FY 2023-24	22	-
Unused tax losses of foreign jurisdiction	149	152

The components of deferred tax assets are as follows:

Deferred tax assets/ (liabilities) as at March 31, 2017 in relation to:

Particulars	As at April 1, 2016	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at March 31, 2017
Property, plant and equipment	254	72	-	-	326
Provision for doubtful debts	22	(8)	-	-	14
Provision for compensated absence	203	59	-	-	262
Intangibles	(337)	98	-	-	(239)
Others	126	1	-	-	127
Net gain on fair value of mutual funds	(30)	(34)	-	-	(64)
FVTOCI financial investments	(1)	-	1	-	-
Deferred tax related to net loss/ (gain) on remeasurements of defined benefit plans recognised in OCI during the year	-	-	-	-	-
MAT credit entitlement	198	-	-	-	198
<b>Total</b>	<b>435</b>	<b>188</b>	<b>1</b>	<b>-</b>	<b>624</b>

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

Particulars	As at April 1, 2015	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at March 31, 2016
Property, plant and equipment	205	49	-	-	254
Provision for doubtful debts	16	6	-	-	22
Provision for compensated absence	117	86	-	-	203
Intangibles	(67)	49	-	(319)	(337)
Others	111	15	-	-	126
Net gain on fair value of mutual funds	(27)	(3)	-	-	(30)
FVTOCI financial investments	(1)	-	-	-	(1)
Deferred tax related to net loss/ (gain) on remeasurements of defined benefit plans recognised in OCI during the year	(6)	-	6	-	-
MAT credit entitlement	145	-	-	53	198
<b>Total</b>	<b>493</b>	<b>202</b>	<b>6</b>	<b>(266)</b>	<b>435</b>

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

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

A substantial portion of the profits of the Group's India operations are exempt from Indian income taxes being profits attributable to export operations from undertakings situated in Special Economic Zone (SEZ). Under the Special Economic Zone Act, 2005 scheme, units in designated Special Economic Zones providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions.

Dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax.

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

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

#### 18. Finance and other income

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Interest income on financial assets at amortised cost	104	204
Net gain on sale of investments in mutual funds	177	36
Gain on sale of property, plant and equipment	8	-
Dividend income from investments in mutual funds	8	73
Net gain on financial assets designated at fair value through profit and loss	146	113
Others	100	13
<b>Total</b>	<b>543</b>	<b>439</b>

#### 19. Expenses by nature

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Employee benefits	34,125	27,992
Travel expenses	2,208	2,249
Communication expenses	752	634
Sub-contractor charges	3,071	2,969
Computer consumables	825	651
Legal and professional charges	512	510
Power and fuel	313	316
Rent	981	796
Repairs to buildings	57	58
Repairs to machinery	50	47
Insurance	99	67
Rates and taxes	152	159
Other expenses	2,038	2,072
Depreciation charges - PPE	1,273	1,212
Impairment loss on goodwill and amortisation charges	575	436
<b>Total cost of revenues, selling, general and administrative expenses</b>	<b>47,031</b>	<b>40,168</b>

#### 20. Employee benefits

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Salaries and wages	31,992	26,128
Contribution to provident and other funds	1,882	1,589
Expense on employee stock based compensation	54	90
Staff welfare expenses	197	185
<b>Total</b>	<b>34,125</b>	<b>27,992</b>

The employee benefit cost is recognized in the following line items in the statement of profit or loss:

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Cost of revenues	28,438	23,867
Selling, general and administrative expenses	5,687	4,125
<b>Total</b>	<b>34,125</b>	<b>27,992</b>

#### Defined benefit plans

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
<b>Gratuity cost</b>		
Service cost	97	88
Net interest on net defined liability/ (asset)	4	1
Re-measurement - actuarial gain/ (loss) recognised in OCI	10	33
<b>Net gratuity cost</b>	<b>111</b>	<b>122</b>
<b>Assumptions</b>		
Interest rate	6.80%	7.80%
Salary increase	4.00%	6.00%

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

The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Change in projected benefit obligations</b>			
Obligations at the beginning of the year	517	411	365
Service cost	97	91	79
Interest cost	36	29	29
Benefits settled	(73)	(50)	(55)
Actuarial (gain)/loss - Experience	13	60	(31)
Actuarial (gain)/loss - demographic assumptions	3	-	3
Actuarial (gain)/loss - financial assumptions	(2)	(24)	21
<b>Obligations at end of the year</b>	<b>591</b>	<b>517</b>	<b>411</b>
<b>Change in plan assets</b>			
Plan assets at the beginning of the year, at fair value	376	396	363
Interest income on plan assets	32	29	32
Re-measurement - actuarial gain/ (loss)	-	(2)	3
Return on plan assets greater/ (lesser) than discount rate	4	3	53
Contributions	154	-	-
Benefits settled	(66)	(50)	(55)
<b>Plan assets at the end of the year, at fair value</b>	<b>500</b>	<b>376</b>	<b>396</b>

Historical Information :-

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Present value of defined benefit obligation	(591)	(517)	(411)	(365)	(324)
Fair value of plan assets	500	376	396	363	313
<b>Asset/ (liability) recognised</b>	<b>(91)</b>	<b>(141)</b>	<b>(15)</b>	<b>(2)</b>	<b>(11)</b>

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

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Experience adjustment on plan liabilities	14	36
Experience adjustment on plan assets	(4)	(1)

### Sensitivity Analysis

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(29)	32	(26)	29	(21)	29
Future salary growth (1% movement)	31	(29)	28	(26)	23	(26)

Maturity profile of defined benefit obligation:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Within 1 year	98	77	68
1-2 years	104	86	77
2-3 years	110	95	85
3-4 years	119	101	96
4-5 years	129	117	108
5-10 years	605	603	565

The Group expects to contribute ₹ 110 to its defined benefit plans during the next fiscal year.

As at March 31, 2017, March 31, 2016 and April 1, 2015, 100% of the plan assets were invested in insurer managed funds.

The Group has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan.

The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

## 21. Earnings per equity share

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

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	167,918,389	167,918,389	167,649,773	167,649,773
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	285,251	-	441,916
Weighted average number of equity shares for calculation of earnings per share	167,918,389	168,203,640	167,649,773	168,091,689

22. 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 year ended	
	March 31, 2017	March 31, 2016
Grant towards workforce training	5	15
<b>Total</b>	<b>5</b>	<b>15</b>

The Group had availed a 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.

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.

Nature of expenses	For the year ended	
	March 31, 2017	March 31, 2016
Grant towards R & D credit	48	59
<b>Total</b>	<b>48</b>	<b>59</b>

As at March 31, 2017, the grant recognized in the balance sheet is ₹ 33. (As at March 31, 2016: ₹ 59 and April 1, 2015: ₹ Nil)

## 23. Operating leases

The Group has various operating leases, mainly for office buildings including land. Lease rental expense under such non-cancellable operating lease during the year ended March 31, 2017 and March 31, 2016 amounted to ₹ 467 and ₹ 488 respectively.

Future minimum lease payments under non-cancellable operating lease as at March 31, 2017 is as below:

Minimum lease payments	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Payable -- Not later than one year	297	372	414
Payable -- Later than one year and not later than five years	513	475	585
Payable -- Later than five years	313	258	286

Additionally, the Group leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the year ended March 31, 2017 and March 31, 2016 amounted to ₹ 514 and ₹ 378 respectively.

## 24. Financial instruments

### Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

#### As at March 31, 2017

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities measured at amortised cost	Financial assets at fair value through OCI	Total carrying amount	Fair value
<b>Assets</b>					
Trade receivables	-	8,962	-	8,962	8,962
Unbilled revenue	-	1,885	-	1,885	1,885
Investments	5,159	760	8	5,927	5,927
Cash and cash equivalents	-	2,508	-	2,508	2,508
Derivative assets	37	-	-	37	37
Other assets	-	1,191	-	1,191	1,191
<b>Total assets</b>	<b>5,196</b>	<b>15,306</b>	<b>8</b>	<b>20,510</b>	<b>20,510</b>

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities measured at amortised cost	Financial assets at fair value through OCI	Total carrying amount	Fair value
<b>Liabilities</b>					
Loans and borrowings	-	996	-	996	996
Trade payables and accrued expenses	-	1,651	-	1,651	1,651
Derivative liabilities	-	-	-	-	-
Contingent consideration	1,001	-	-	1,001	1,001
Other liabilities	-	1,862	-	1,862	1,862
<b>Total liabilities</b>	<b>1,001</b>	<b>4,509</b>	<b>-</b>	<b>5,510</b>	<b>5,510</b>

**As at March 31, 2016**

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities measured at amortised cost	Financial assets at fair value through OCI	Total carrying amount	Fair value
<b>Assets</b>					
Trade receivables	-	9,728	-	9,728	9,728
Unbilled revenue	-	2,132	-	2,132	2,132
Investments	1,916	400	12	2,328	2,328
Cash and cash equivalents	-	2,332	-	2,332	2,332
Derivative assets	53	-	-	53	53
Other assets	-	1,460	-	1,460	1,460
<b>Total assets</b>	<b>1,969</b>	<b>16,052</b>	<b>12</b>	<b>18,033</b>	<b>18,033</b>
<b>Liabilities</b>					
Loans and borrowings	-	434	-	434	434
Trade payables and accrued expenses	-	1,889	-	1,889	1,889
Derivative liabilities	1	-	-	1	1
Contingent consideration	1,431	-	-	1,431	1,431
Other liabilities	-	1,748	-	1,748	1,748
<b>Total liabilities</b>	<b>1,432</b>	<b>4,071</b>	<b>-</b>	<b>5,503</b>	<b>5,503</b>

**As at April 1, 2015**

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities measured at amortised cost	Financial assets at fair value through OCI	Total carrying amount	Fair value
<b>Assets</b>					
Trade receivables	-	6,963	-	6,963	6,963
Unbilled revenue	-	982	-	982	982
Investments	4,790	700	12	5,502	5,502
Cash and cash equivalents	-	3,763	-	3,763	3,763
Derivative assets	24	-	-	24	24
Other assets	-	1,099	-	1,099	1,099
<b>Total assets</b>	<b>4,814</b>	<b>13,507</b>	<b>12</b>	<b>18,333</b>	<b>18,333</b>
<b>Liabilities</b>					
Loans and borrowings	-	23	-	23	23
Trade payables and accrued expenses	-	1,709	-	1,709	1,709
Derivative liabilities	3	-	-	3	3
Contingent consideration	458	-	-	458	458
Other liabilities	-	1,507	-	1,507	1,507
<b>Total liabilities</b>	<b>461</b>	<b>3,239</b>	<b>-</b>	<b>3,700</b>	<b>3,700</b>

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

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

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

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

- ii) The fair value of the quoted bonds and mutual funds are based on price quotations at reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- iii) Fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2017 was assessed to be insignificant.
- iv) The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility / the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- v) The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.
- vi) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves etc. As at March 31, 2017 the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

#### Fair Value

The fair value of cash and cash equivalent, trade receivables, unbilled revenue, trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to short term nature of these instruments.

#### Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017, March 31, 2016 and April 1, 2015:

#### As at March 31, 2017

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in mutual fund units	5,159	5,159	-	-
Investments in unlisted equity securities and preference shares	8	-	-	8
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	37	-	37	-
<b>Liabilities</b>				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	-	-	-	-
Contingent consideration	1,001	-	-	1,001

There have been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2017.

## As at March 31, 2016

Particulars	As at March 31, 2016	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in mutual fund units	1,916	1,916	-	-
Investments in unlisted equity securities and preference shares	12	-	-	12
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	53	-	53	-
<b>Liabilities</b>				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	1	-	1	-
Contingent consideration	1,431	-	-	1,431

## As at April 1, 2015

Particulars	As at April 1, 2015	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in mutual fund units	4,790	4,790	-	-
Investments in unlisted equity securities and preference shares	12	-	-	12
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	24	-	24	-
<b>Liabilities</b>				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	3	-	3	-
Contingent consideration	458	-	-	458

There have been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2016 and April 1, 2015.

A reconciliation of changes in the fair value measurement of investments in unlisted securities in level 3 of the fair value hierarchy is given below:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Balance at the beginning of the year	12	12	12
Remeasurement recognised in OCI	(4)	-	-
Balance at the end of the year	8	12	12

Details of income and interest expense are as follows:

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Income from Investments in mutual funds	331	222
Interest income on financial asset at amortised cost	104	204
Interest expense	(191)	(161)

**Derivative financial instruments**

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

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non-designated derivative instruments (Sell)</b>			
In US \$ millions	19	31	32
In Euro millions	1	3	5
In GBP millions	3	2	2

As at March 31, 2017 and March 31, 2016 there were no significant gains or losses on derivative transactions or portions thereof that have become ineffective as hedges, or associated with an underlying exposure that did not occur.

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

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non-designated derivative instruments (Sell)</b>			
Not later than 1 month			
In US \$ millions	9	12	13
In Euro millions	1	1	2
In GBP millions	1	1	1
Later than 1 month but not later than 3 months			
In US \$ millions	10	19	19
In Euro millions	-	2	3
In GBP millions	2	1	1

### Financial risk management

The Group's activities expose it to a variety of financial risks: Credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

#### Trade and other receivables

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

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

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Revenue from top customer	7,309	5,106
Revenue from top 5 customers	15,765	14,281

One customer accounted for more than 10% of the revenue during year ended March 31, 2017 and March 31, 2016; however, none of the customers accounted for more than 10% of the receivables for the year ended March 31, 2017 and March 31, 2016.

#### Investments

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

#### Liquidity risk

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

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

The working capital position of the Group is given below:

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Cash and cash equivalents	2,508	2,332	3,763
Investments in mutual funds (quoted)	5,159	1,916	4,790
Investments in non-convertible bonds	100	100	-
Interest bearing deposits with corporates	610	250	700
<b>Total</b>	<b>8,377</b>	<b>4,598</b>	<b>9,253</b>



The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015:

Particulars	As at March 31, 2017		
	Less than 1 year	1-2 years	2 years and above
Loans and borrowings	983	5	8
Trade payables and accrued expenses	1,651	-	-
Derivative liabilities	-	-	-
Other liabilities	2,633	230	-

Particulars	As at March 31, 2016		
	Less than 1 year	1-2 years	2 years and above
Loans and borrowings	420	5	9
Trade payables and accrued expenses	1,889	-	-
Derivative liabilities	1	-	-
Other liabilities	2,748	575	192

Particulars	As at April 1, 2015		
	Less than 1 year	1-2 years	2 years and above
Loans and borrowings	5	-	18
Trade payables and accrued expenses	1,709	-	-
Derivative liabilities	3	-	-
Other liabilities	1,810	-	-

#### Foreign Currency risk

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

The Group has a foreign currency advisory committee which meets on a periodic basis to formulate the strategy for foreign currency risk management.

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

The Group has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

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

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

- an approximately ₹ 52 increase and ₹ 22 decrease in the Group's net profit as at March 31, 2017;
- an approximately ₹ 50 increase and ₹ 25 decrease in the Group's net profit as at March 31, 2016;

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2017, March 31, 2016 and April 1, 2015.

#### As at March 31, 2017

Particulars	US \$	Euro	Pound Sterling	Other currencies*	Total
<b>Assets</b>					
Trade receivables	6,068	851	991	774	8,684
Unbilled revenue	1,204	111	325	179	1,819
Cash and cash equivalents	1,375	88	171	328	1,962
Other assets	95	30	39	23	187
<b>Liabilities</b>					
Loans and borrowings	36	-	-	-	36
Trade payables and accrued expenses	782	33	220	70	1,105
Other liabilities	1,439	31	535	27	2,032
<b>Net assets/ liabilities</b>	<b>6,485</b>	<b>1,016</b>	<b>771</b>	<b>1,207</b>	<b>9,479</b>

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

## As at March 31, 2016

Particulars	US \$	Euro	Pound Sterling	Other currencies*	Total
<b>Assets</b>					
Trade receivables	6,704	875	1,320	672	9,571
Unbilled revenue	1,385	95	542	58	2,080
Cash and cash equivalents	1,270	70	231	341	1,912
Other assets	148	18	39	25	230
<b>Liabilities</b>					
Loans and borrowings	15	-	-	-	15
Trade payables and accrued expenses	387	1	113	2	503
Other liabilities	1,385	38	912	76	2,411
<b>Net assets/ liabilities</b>	<b>7,720</b>	<b>1,019</b>	<b>1,107</b>	<b>1,018</b>	<b>10,864</b>

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

## As at April 1, 2015

Particulars	US \$	Euro	Pound Sterling	Other currencies*	Total
<b>Assets</b>					
Trade receivables	4,791	831	656	392	6,670
Unbilled revenue	693	128	138	29	988
Cash and cash equivalents	1,335	72	124	236	1,767
Other assets	161	6	39	19	225
<b>Liabilities</b>					
Trade payables and accrued expenses	167	1	8	8	184
Other liabilities	299	30	67	110	506
<b>Net assets/ liabilities</b>	<b>6,514</b>	<b>1,006</b>	<b>882</b>	<b>558</b>	<b>8,960</b>

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

For the year ended March 31, 2017 and 2016, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by 0.2%/(0.2)% and 0.4%/(0.2)% respectively.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with fixed interest rates and investments.

The Group's borrowings and investments are primarily short-term, which do not expose it to significant interest rate risk.

For details of the Group's borrowings and investments, refer to note 6 and 13 above.

**Capital Management**

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

The capital structure is as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total equity attributable to the equity share holders of the company	25,775	24,179	21,280
As percentage of total capital	96%	97%	99%
Current loans and borrowings	983	420	5
Non-current loans and borrowings	13	14	18
Total loans and borrowings	996	434	23
As percentage of total capital	4%	2%	0%
<b>Total capital (loans and borrowings and equity)</b>	<b>26,771</b>	<b>24,613</b>	<b>21,303</b>

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

## 25. Related party relationships and transactions

Name of related party	Nature of relationship
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 19.96% equity stake in Mindtree
Janaagraha Centre for Citizenship & Democracy*	Entity with common key managerial person
Mindtree Foundation	Entity with common key managerial person

\* Upto October 21, 2016

Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	Year ended	
		March 31, 2017	March 31, 2016
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	-	1
Janaagraha Centre for Citizenship & Democracy	Donation paid	-	4
Mindtree Foundation	Donation paid	48	36
Coffee Day Global Limited	Procurement of supplies	25	23
	Software services rendered	37	27
Tanglin Developments Limited	Leasing office buildings and land	417	375
	Advances/deposits paid:		
	- towards lease rentals	117	-
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	-	16
	- towards lease rentals	157	172

Balances payable to related parties are as follows:

Name of related party	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Coffee Day Global Limited	3	1	-

Balances receivable from related parties are as follows:

Name of related party	Nature of transaction	As at	As at	As at
		March 31, 2017	March 31, 2016	April 1, 2015
Coffee Day Global Limited	Trade Receivables	44	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	271	298	375

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

#### Key Managerial Personnel:

Krishnakumar Natarajan <sup>1</sup>	Executive Chairman
Rostow Ravanan	CEO and Managing Director
N.S. Parthasarathy <sup>2</sup>	Executive Vice Chairman, President and Chief Operating Officer
Subroto Bagchi	Non-Executive Director
Dr. Albert Hieronimus <sup>3</sup>	Non-Executive Vice Chairman and Independent Director
Apurva Purohit	Independent Director
Manisha Girotra	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan <sup>4</sup>	Independent Director
V.G.Siddhartha	Non-Executive Director
Milind Sarwate <sup>5</sup>	Independent Director
Akshaya Bhargava <sup>6</sup>	Independent Director
Jagannathan Chakravarthi	Chief Financial Officer
Vedavalli Sridharan	Company Secretary

<sup>1</sup> The Board of Directors at their meeting held on January 19, 2017 have approved the extension of terms of employment of Mr. Krishnakumar Natarajan as Executive Chairman from July 01, 2017 to June 30, 2020

<sup>2</sup> Appointed as Executive Vice Chairman with effect from October 21, 2016

<sup>3</sup> Retired with effect from April 01, 2017

<sup>4</sup> Resigned with effect from October 21, 2016

<sup>5</sup> Appointed with effect from July 19, 2016

<sup>6</sup> Appointed with effect from December 12, 2016

**Transactions with key management personnel are as given below:**

Key management personnel comprise directors and members of the executive council. Particulars of remuneration and other benefits paid to key management personnel during the year ended March 31, 2017 and March 31, 2016 have been detailed below:

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Whole-time directors and executive officers		
Salaries	38	48
Contribution to Provident fund	1	2
Bonus and Incentives	34	49
Reimbursement of expenses	1	1
Share-Based payments as per IFRS 2	3	11
<b>Total Remuneration</b>	<b>77</b>	<b>111</b>
Non-whole-time directors		
Commission	28	24
<b>Total Remuneration</b>	<b>28</b>	<b>24</b>
<b>Total</b>	<b>105</b>	<b>135</b>

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 year ended March 31, 2017 and March 31, 2016 amounts to ₹ 222 and ₹ 230 respectively. Further, during the year ended March 31, 2017, 44,340 shares were allotted to the key management personnel.

**26. Contingent liabilities**

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

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

The Group has received a favourable order from the Commissioner of Income Tax (Appeals) for majority of grounds and considering the order passed, there will not be any demand on the Group. On the other grounds which are not favourable, the Group has filed an appeal before the Income Tax Appellate Tribunal ('ITAT'). The Group has received a favourable order from ITAT. The assessment was reopened under section 148 and order has been passed under section 147 wherein demand of ₹ 630 has been raised against the Group on account of certain disallowance made by the Income Tax department. The Group has filed for rectification application for arithmetical error in the computation of demand, once rectified there will be no demand. The Group has also filed a writ application with Honorable High Court of Karnataka against the order. During the quarter, the group has received the revised order giving effect for the above year, reducing the demand to NIL.

- b) The Group has received income tax assessment order for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to ₹ 11 and ₹ 10 respectively 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 ₹ 18 against these demands.
- c) The Group has received income tax assessment order 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 ₹ 215, ₹ 49, ₹ 61, ₹ 28, ₹ 58, ₹ 119, ₹ 214 and ₹ 63 respectively has been raised against the Group. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Group has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Group has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Group has deposited ₹ 15 with the department against these demands. The department has adjusted pending refunds amounting to ₹ 563 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 ₹ 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 filed an appeal with ITAT, Bengaluru.

The Group has received the order from ITAT for the FY 2006-07 and ITAT has remanded the matter back to the Assessing Officer for re-assessment. The Transfer pricing officer has passed the favorable order. Order giving effect to the ITAT order is yet to be received.

The Group has received revised order for the FY 2008-09 under section 263 from Assessing Officer raising an additional demand of ₹ 61, taking the total demand to ₹ 124. The Group has filed an appeal before ITAT. The order giving effect to the said order has been received and appeal is filed with Commissioner Appeals.

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 ₹ 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 ₹ 33. The Group has deposited ₹ 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 ₹ 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). Commissioner of Income Tax (Appeals) has passed the order in our favour.

During the quarter ended March 31, 2017, the group has received the order giving effect to the said order and there is no demand.

The Group has received the revised order under section 263 for financial year 2009-10 from Assessing Officer reducing the demand to ₹ 6. The Group has filed an appeal before ITAT. ITAT has dismissed the appeal. Order giving effect has been received. The group has filed an appeal before Commissioner of Income Tax (Appeals).

- f) The group has received a final assessment order for financial year 2012-13 from the Deputy Commissioner of Income Tax with a demand amounting to ₹ 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).

27. Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2017 is ₹ 242 (March 31, 2016: ₹ 262 and April 1, 2015: ₹ 508).

## 28. Acquisition of Bluefin Solutions Limited ('Bluefin')

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

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

The acquisition was executed through stock purchase agreement to acquire 100% of the equity interest in Bluefin.

The fair value of purchase consideration of ₹ 3,981 comprised upfront cash consideration of ₹ 3,379 and contingent consideration of ₹ 602.

The details are provided below:

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

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

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

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

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

The transaction costs related to the acquisition amounting to ₹ 21 have been included under Selling, general and administrative expenses in the statement of income for the year ended March 31, 2016.

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

The goodwill amounting to ₹ 2,152 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc.

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

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

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

## 29. Acquisition of Relational Solutions, Inc ('RSI')

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

RSI develops data warehouses and business intelligence solutions. The acquisition of RSI will enable the Group to increase its footprint in development of data warehouses and business intelligence solutions space. The acquisition was executed through common stock purchase agreement to acquire 100% of equity interest in RSI.

The fair value of purchase consideration of ₹ 522 comprised upfront cash consideration of ₹ 454 and contingent consideration of ₹ 68.

The details are provided below:

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

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

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

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

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net current assets	(0.3)	-	(0.3)
Intangible assets	-	281	281
Deferred tax liabilities on intangible assets	-	(98)	(98)
<b>Total</b>	<b>(0.3)</b>	<b>183</b>	<b>183</b>
Goodwill			339
<b>Total purchase price</b>			<b>522</b>

The transaction costs related to the acquisition amounting to ₹ 11 have been included under Selling, general and administrative expenses

in the statement of income for the year ended March 31, 2016.

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

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

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

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

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

### 30. Acquisition of Magnet 360 LLC ('Magnet')

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

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

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

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

The details are provided below:

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

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

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

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

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

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

The goodwill amounting to ₹ 1,788 comprises value of benefits of expected synergies, future revenue, future market developments, assembled workforce, etc. and is expected to be deductible for tax purposes.

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

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

### 31. Segment information

The CEO & MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by IFRS 8 Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The Group is structured into four reportable business segments – RCM, BFSI, TMS and TH. During the year, the Group has restructured its

verticals and accordingly, as required by accounting standards, comparatives have been restated and presented in line with the current segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

Each segment item reported is measured at the measure, used to report to the Chief Operating Decision Maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

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

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

CODM does not review assets and liabilities at reportable segments level, hence segment disclosure relating to total assets and liabilities has not been provided. 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.

Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognized.

#### Industry segments:

Statement of income	For the year ended	
	March 31, 2017	March 31, 2016
<b>Segment revenue</b>		
RCM	12,476	11,394
BFSI	12,882	11,970
TMS	19,235	16,116
TH	7,771	7,250
<b>Total</b>	<b>52,364</b>	<b>46,730</b>
<b>Segment operating income</b>		
RCM	1,493	2,183
BFSI	1,153	1,627
TMS	3,671	3,153
TH	864	1,247
<b>Total</b>	<b>7,181</b>	<b>8,210</b>
Depreciation and Amortization expense	(1,848)	(1,648)
<b>Profit for the year before finance expenses, other income and tax</b>	<b>5,333</b>	<b>6,562</b>
Finance costs	(191)	(161)
Other income	439	235
Interest income	104	204
Foreign exchange gain/(loss)	(136)	392
<b>Net profit before taxes</b>	<b>5,549</b>	<b>7,232</b>
Income taxes	(1,389)	(1,694)
<b>Net profit after taxes</b>	<b>4,160</b>	<b>5,538</b>

Other information	For the year ended	
	March 31, 2017	March 31, 2016
Other significant non-cash expense (Allocable)		
RCM	26	15
BFSI	6	29
TMS	1	33
TH	10	8

#### Geographical information

Revenues	For the year ended	
	March 31, 2017	March 31, 2016
America	35,705	29,727
Europe	11,281	12,343
India	1,641	1,408
Rest of World	3,737	3,252
<b>Total</b>	<b>52,364</b>	<b>46,730</b>

Refer Note no. 24 on Financial Instruments for information on revenue from major customers.



# Global Presence

## AMERICA

### CALIFORNIA

Mindtree Ltd.  
2001 Gateway Place  
Suite 700 W  
San Jose, CA 95110  
USA  
Ph: +1 408 986 1000  
Fax: +1 408 986 0005

### CANADA

Mindtree Ltd.  
1004-3601 Highway 7 East,  
Markham, ON L3R 0M3,  
Canada

### FLORIDA

Mindtree Ltd.  
720 SW 2nd Avenue  
South Tower  
Gainesville, FL 32601  
USA  
Ph: +1 352 702 4565  
Fax: +1 352 433 4080

### ILLINOIS

Mindtree Ltd.  
1901 N. Roselle Road  
Suite 800  
Schaumburg, IL 60195  
USA  
Ph: +1 847 592 7044  
Fax: +1 847 592 7043

### NEW JERSEY

Mindtree Ltd.  
25 Independence Blvd.  
Suite 401  
Warren, NJ 07059  
USA  
Ph: +1 908 604 8080  
Fax: +1 908 604 7887

### TEXAS

Mindtree Ltd.  
5000 Quorum Drive  
Ste 401 Dallas  
Texas 75254  
USA

### WASHINGTON

Mindtree Ltd.  
5010 148th Avenue NE  
Suite B-200 & B-250  
Redmond, WA 98052  
USA  
Ph: +1 425 867 3900  
Fax: +1 425 861 8151

## ASIA PACIFIC

### AUSTRALIA

Mindtree Ltd.  
Level 6, 68 Harrington Street  
The Rocks, Sydney NSW 2000  
Australia

Mindtree Ltd.  
Level 40, 140 William Street  
Melbourne, VIC 3000

### JAPAN

Mindtree Ltd.  
2-21-7-703 Kiba, Koto-ku  
Tokyo 135-0042, Japan  
Ph: +81 3 5809 8444  
Fax: +81 3 5809 8445

### MALAYSIA

Mindtree Consulting Ltd.  
Level 16,  
1 Sentral Jalan Stesan  
5, KL Sentral 50470  
Kuala Lumpur  
Malaysia

### SINGAPORE

Mindtree Ltd.  
17 Changi Business Park Central 1  
#05 - 03 Honeywell Building  
Changi Business Park  
Singapore 486073  
Singapore  
Ph: +65 6323 8135  
Fax: +65 6323 1795

### UAE

Mindtree Ltd.  
248, Block B, 5W  
DAFZA  
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Dubai, UAE  
Ph: +971 4260 2400  
Fax: +971 4260 2401

# Global Presence

## EUROPE

### BELGIUM

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Pegasuslaan 5  
1831, Diegem  
Belgium  
Ph: +32 2709 2055  
Fax: +32 2709 2222

### FRANCE

Mindtree Ltd.  
La Grande Arche  
Paroi Nord  
92044, Paris  
France  
Ph: +33 (0)1 7329 4524  
Fax: +33 (1) 7329 4500

### GERMANY

Mindtree Ltd.  
Richmodstrasse 6  
50667, Cologne  
Germany  
Ph: +49 221 9204 2233  
Fax: +49 221 9204 2200

Mindtree Ltd.  
Josephspitalstraße 15  
Munich, Bayern 80331  
Germany  
Ph: +49 172 6186 540

### IRELAND

Mindtree Ltd.  
3rd Floor, Kilmore House,  
Park Lane, Spencer Dock,  
Dublin 1  
Ireland  
Ph: +353 1 614 6240

### NETHERLANDS

Mindtree Ltd.  
Lange Dreef 11, Vianen  
4131 NJ, The Netherlands  
Netherlands  
Ph: +31 34 771 5021

### POLAND

Mindtree Limited (spółka z ograniczoną  
odpowiedzialnością) oddział w Polsce  
Al. Jerozolimskie 65/79 lok. 1724  
00-697 Warszawa  
Poland

### SWEDEN

Mindtree Ltd.  
Svetsarvägen 15 2tr  
17141, Solna (Stockholm)  
Sweden  
Ph: +46 8 5787 7020  
Fax: +46 8 5787 7010

### SWITZERLAND

Mindtree Ltd.  
c/o Paramis AG  
Christoph Merian-Ring 31  
CH-4153 Reinach BL  
Switzerland  
Ph: +41 5 2269 1400  
Fax: +41 5 1269 1401

### UNITED KINGDOM

Mindtree Ltd.  
3 Sheldon Square  
W2 6PR, London  
United Kingdom  
Ph: +44 020 37633300

Mindtree Ltd.  
Atrium Court, Bracknell  
RG12 1BW  
United Kingdom  
+44 (0) 1344 397 000

## INDIA

### BENGALURU

Mindtree (MTW)  
Global Village, RVCE Post  
Mysore Road  
Bengaluru - 560 059  
Karnataka, India  
Ph: +91 80 6706 4000

Mindtree (MTE)  
EPIP Second Phase  
KIADB Industrial Area  
Hoody Village, Whitefield  
Bengaluru - 560 066  
Karnataka, India  
Ph: +91 80 6747 0000

### BHUBANESWAR

Mindtree Ltd.  
Plot No-1  
Chandaka Industrial Estate,  
Chandrasekharpur Post Office  
Khurda - 751015  
Bhubaneswar

### CHENNAI

Mindtree Ltd.  
10th, 11th and 12th Floor,  
TRIL Infopark Ltd., Neville Block  
Ramanujan IT City SEZ  
Taramani, Chennai - 600 113  
Tamil Nadu, India  
Ph: +91 44 66711100

Mindtree Ltd.  
5th and 6th Floor  
TRIL Infopark Ltd.  
Hardy Block  
Ramanujan IT City SEZ  
Taramani, Chennai - 600 113  
Tamil Nadu, India  
Ph: +91 44 66711100

# Global Presence

## HYDERABAD

Mindtree Ltd.  
Divyasree Orion SEZ,  
12th Floor, Block #6, North Tower  
Survey #66/1, Raidurga  
Ranga Reddy District  
Gachibowli, Hyderabad - 500 032  
Andhra Pradesh, India  
Ph: +91 40 672 30000

## PUNE

Mindtree Ltd.  
Rajiv Gandhi Infotech and Biotech Park  
Plot No. 37, Phase 1 MIDC  
Hinjewadi, Pune - 411 057  
Maharashtra, India  
Ph: +91 20 3915 6000

## MINDTREE SUBSIDIARIES

### BLUEFIN SOLUTIONS LIMITED

Building 4, Chiswick Park  
566 Chiswick High Road  
London, W4 5YE  
United Kingdom  
Ph: +44 (0)870 233 0404

### BLUEFIN SOLUTIONS INC

200 S Wacker Drive  
Floor 31, Chicago, IL 60606  
USA

### BLUEFIN SOLUTIONS SDN. BHD.

Suite 9.07, Level 9  
The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
Kuala Lumpur 59200  
Malaysia  
Ph: +603 2289 2003

Lot 6.05, Level 6, KPMG Tower  
8 First Avenue, Bandar Utama  
47800 Petaling Jaya Selangor  
Darul Ehsun, Malaysia

### BLUEFIN SOLUTIONS PTE. LTD.

17 Changi Business Park Central 1  
#05 - 03 Honeywell Building  
Changi Business Park  
Singapore 486073  
Singapore  
Ph: +65 6323 8135  
Fax: +65 6323 1795

38 South Beach Road  
# 29-11, South Beach Tower  
Singapore 189767

### BLOUVIN (PROPRIETARY) LIMITED

11 Lansdown Road  
Claremont 7708  
South Africa

### DISCOVERTURE SOLUTIONS, LLC

16100 North 71st Street  
Suite 250  
Scottsdale, AZ 85254  
USA  
Toll Free: +1 (877) 841-0962  
Ph: +1 (480) 269-8100

### MAGNET 360, LLC AND SUBSIDIARIES

121, West Wacker Drive  
Suite 1250  
Chicago, IL 60601

5792 West Jefferson Blvd.  
Suite 1177 Los Angeles, CA 90016

5757 Wayzata Boulevard  
Minneapolis, MN 55416

17 State Street, Second Floor  
New York, NY 10004

### MINDTREE SOFTWARE (SHANGHAI) CO., LTD, BEIJING BRANCH

Room 303, 3/F  
Tower B, B28  
Building 55, No. 10  
Jiuxianqiao Road  
Chaoyang District  
Beijing, Post Code: 100015  
Ph: +86-10-59756345

### MINDTREE SOFTWARE (SHANGHAI) CO., LTD

Room 541,  
Standard Chartered Tower  
No. 201, Century Avenue  
Pudong, Shanghai  
China  
Ph: +86-21-6182 6987  
Fax: +86-21-61826777

### RELATIONAL SOLUTIONS INC

24601 Center Ridge Rd.  
Westlake, OH 44145  
United States  
Ph: +1 440-899-3296

## Mindtree Limited

Registered Office: Global Village, RVCE Post, Mysore Road, Bengaluru 560 059, Karnataka, India.

Corporate Identity Number (CIN): L72200KA1999PLC025564

Ph: + 91 80 6706 4000 Fax: + 91 80 6706 4100 E-mail: [investors@mindtree.com](mailto:investors@mindtree.com) Website: [www.mindtree.com](http://www.mindtree.com)

## Notice of the Eighteenth Annual General Meeting

NOTICE is hereby given that the Eighteenth Annual General Meeting (AGM) of the Members of Mindtree Limited will be held on Tuesday, July 18, 2017 at 10.30 AM at Hotel 'Radisson Blu Atria Bengaluru', No. 1, Palace Road, Bengaluru 560 001, Karnataka, to transact the following businesses:

### Ordinary business:

1. To receive, consider, approve and adopt the Audited Financial Statements and Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017 together with Reports of the Directors and Auditors thereon.
2. To confirm the payment of the first interim dividend of 30%, second interim dividend of 20% and third interim dividend of 20% aggregating to ₹ 7/- per equity share of ₹ 10/- each, already paid and to approve a final dividend of 30% per equity share of ₹ 10/- each, for the Financial Year 2016-17.
3. To appoint a Director in place of Mr. Subroto Bagchi (DIN 00145678), who retires by rotation and being eligible, offers himself for reappointment.
4. **To ratify the appointment of Auditors**

To ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) as the Auditors of the Company to hold office from the conclusion of Eighteenth Annual General Meeting upto the conclusion of the Nineteenth Annual General Meeting and to authorize the Board of Directors or Committee thereof to fix their remuneration, in consultation with the Auditors.

**To consider and, if thought fit, to pass with or without modification(s), the following as an "ORDINARY RESOLUTION":**

*"RESOLVED THAT, pursuant to the provisions of Section 139, 142 and such other applicable provisions of the Companies Act, 2013 and relevant rules thereof (including statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), pursuant to the recommendation of the Audit Committee and that of the Board of Directors and pursuant to the approval of the Members at the Sixteenth Annual General Meeting held on June 22, 2015, the consent of the Members of the Company be and is hereby accorded to ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), as Auditors of the Company, to hold office from the conclusion of Eighteenth Annual General meeting until the conclusion of the Nineteenth Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors or Committee of the Board in consultation with the Auditors of the Company".*

### Special business:

5. **Reappointment of Mr. Krishnakumar Natarajan (DIN 00147772) as Executive Chairman**

**To consider and if thought fit, to pass with or without modification(s), the following as an "ORDINARY RESOLUTION":**

*"RESOLVED THAT, pursuant to Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the relevant rules, circulars and notifications made thereunder (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any, subject to regulations/guidelines issued by the Securities and Exchange Board of India (SEBI) and such other consents and permissions as may be necessary and subject to such modifications, variations as approved and acceptable to Mr. Krishnakumar Natarajan (DIN 00147772) and the Company, the consent and approval of the Members of the Company be and is hereby accorded for the reappointment of Mr. Krishnakumar Natarajan (DIN 00147772) as Executive Chairman of the Company for a period commencing from July 01, 2017 to June 30, 2020 and the payment of remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any Financial Year) for the aforesaid period on the terms and conditions approved by the Nomination and Remuneration Committee and the reappointment be upon terms and conditions as stated in the Explanatory Statement annexed to this notice.*

*RESOLVED FURTHER THAT, all actions taken by the Board of Directors (including any Committee thereof) and all matters related thereto are specifically approved.*

*RESOLVED FURTHER THAT, wherever in any Act, Articles, Contract or otherwise it has been provided that any item relating to above matters shall have express approval of the Shareholders of the Company or the Company could carry out that transaction/activity only if the Shareholders so authorizes, then and in that case this resolution hereby expressly authorizes and approves those transactions and it shall be deemed that such transactions/activities have been approved and permitted without any further action from the Shareholders.*

*RESOLVED FURTHER THAT, the Board of Directors (including any Committee thereof) be and is hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and all things incidental and ancillary thereto including but not limited to the power to alter or amend or revise or vary the terms of remuneration from time to time and obtaining the Central Government's approval if any and to do all things incidental and ancillary thereto".*

6. **To approve change in the place of maintenance of the Register of Members, etc.**

**To consider and, if thought fit, to pass with or without modification(s), the following as a "SPECIAL RESOLUTION":**

*"RESOLVED THAT, pursuant to Section 94 and such other applicable provisions of the Companies Act, 2013 ('Act'), and the relevant rules, circulars and notifications made thereunder (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the*

consent and approval of the Members of the Company, be and is hereby accorded to maintain the Register of Members together with the Index of Members of the Company as required under Section 88 of the Act and copies of the Annual Return under Section 92 of the Act at the office premises of Link Intime India Pvt. Ltd., Registrar and Transfer Agent (RTA) at C-101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai – 400 083, and at such other places as the RTA, shift its office from time to time.

**RESOLVED FURTHER THAT,** the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

By the order of the Board of Directors  
for **Mindtree Limited**

**Vedavalli S**  
Company Secretary

Place: Bengaluru  
Date: April 20, 2017

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER. FORM OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE ANNUAL GENERAL MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/LETTER OF AUTHORITY, AS MAY BE APPLICABLE.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special business is annexed hereto.
3. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has extended e-voting facility, for its Members to enable them to cast their votes electronically on the proposed resolutions in this notice, in addition to the voting at the Annual General Meeting. Instructions for e-voting are as below:

**Instructions for e-voting**

A. The e-voting commences on Saturday, July 15, 2017 at 10 AM IST and ends on Monday, July 17, 2017 at 5 PM IST. During this period, the Shareholders holding shares in dematerialized or physical form, as on the cut-off date i.e., Tuesday, July 11, 2017, may cast their vote electronically.

B. In case of Members receiving e-mail from National Securities Depository Ltd. ('NSDL'):

- (i) Open the e-mail and also open the PDF file viz. "Mindtree e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "Mindtree e-voting.pdf".

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.

- (iii) Click on Shareholder-Login.

- (iv) If you are already registered with NSDL for e-voting then you can use your existing User ID and password for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com>.

For Shareholders holding shares in demat mode, User ID is the combination of (DP ID+Client ID).

For Shareholders holding shares in physical mode, User ID is the combination of (Even No+Folio No).

- (v) If you are logging in for the first time, please enter the User ID and password provided in the attached PDF file as initial password.
- (vi) Password change menu appears, Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Please note that login to e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- (vii) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- (viii) Select Electronic Voting Event Number (EVEN) of Mindtree Limited, you can login any number of times on e-voting platform of NSDL

till you have voted on the resolution during the voting period.

- (ix) Now you are ready for "e-voting" as "Cast Vote" page opens.
  - (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (xi) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: [nagendradrao@gmail.com](mailto:nagendradrao@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - (xii) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xiii) Once you have voted on the resolution(s), you will not be allowed to modify your vote.
- C. In case of Members receiving notice by Post and desiring to cast e-vote:
- (i) Initial password, along with User ID and Electronic Voting Event Number (EVEN) is provided in the table given in the Notice hereto.
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) given above to cast your vote.
- D. You can also update your mobile/phone number and e-mail id in the user profile details of the folio.
- E. In case of any queries you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on: 1800 222 990.
4. The voting rights of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e. Tuesday, July 11, 2017.
5. Any person who is not a member on the cut-off date should treat this notice for information purposes only.
6. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
7. Any person, who acquires shares and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Tuesday, July 11, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the RTA.
8. The facility for voting through Ballot Paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through Ballot paper.
9. Mr. Nagendra D Rao, Practicing Company Secretary (Membership No. FCS 5553, COP 7731 ) has been appointed by the Board of Directors as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
10. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and submit not later than two days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any person authorized in writing, who shall countersign the same. The Chairman / Authorised person shall declare the results of the voting forthwith, which shall not be later than 7 PM on Thursday, July 20, 2017.
11. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.
12. The result declared, along with the Scrutinizer's Report shall be placed on the Company's website [www.mindtree.com/investors](http://www.mindtree.com/investors) and on the website of NSDL after the results are declared by the Chairman / Authorised person and also be communicated to the Stock Exchanges where the Company is listed.
13. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 12, 2017 to Tuesday, July 18, 2017 (both the days inclusive).
14. Subject to provision of Section 123 of the Companies Act, 2013, the final dividend as recommended by the Board of Directors, if declared and approved at the Eighteenth Annual General Meeting, will be paid on or before Monday, July 31, 2017:
- (a) To those Members whose names appear on the Register of Members of the Company on Tuesday, July 11, 2017.
  - (b) In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on closing business hours on Tuesday, July 11, 2017, as per the list of beneficiaries furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), the Depositories, for this purpose.
15. Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief resume/details of:
- a) Mr. Subroto Bagchi (DIN 00145678), who retires by rotation and being eligible, offers himself for reappointment
  - b) Mr. Krishnakumar Natarajan (DIN 00147772), who is being reappointed as Executive Chairman are annexed hereto.
16. The Company is obliged to print such bank's details on the dividend warrants as furnished by the Depository Participants (DPs) and the

Company cannot entertain any request for deletion/ change of bank details already printed on the dividend warrant(s) based on the information received from the concerned DPs, without confirmation from them. In this regard, Members are advised to contact their DPs and furnish them the particulars of any change desired, if not already provided.

17. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, stipulates that shares on which dividend has not been paid or claimed for seven consecutive years, then such shares are to be transferred in favor of Investor Education and Protection Fund (IEPF), a Fund constituted by the Government of India under the Companies Act, 2013. Accordingly, the Company through individual notices as on March 31, 2017 and a newspaper notice as on April 4, 2017 in Business Standard and Kannada Prabha, requested concerned Shareholders to encash their unclaimed dividend warrants on or before May 25, 2017 in order to circumvent their shares being transferred in favor of IEPF Suspense account. Post the above due date the Company would go ahead and transfer the shares in favor of IEPF Suspense Account on the date and the manner referred in the said rules, without any further notice. Further, no claim shall lie against the Company in respect of unclaimed dividend amount or shares once the same are transferred to the IEPF Authority.
18. Member(s) must quote their Folio Number/DP ID & Client ID and contact details such as email address, contact no. etc. in all correspondences with the Company/ RTA.
19. SEBI has made it mandatory to quote Permanent Account Number (PAN) for transfer/ transmission of shares in physical form and hence, the transferee(s)/legal heir(s) is required to furnish a copy of his/her PAN to the Company/ RTA.
20. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the Member(s) holding shares in physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Company or its RTA. Member(s) holding shares in demat form may contact their respective DPs for availing this facility.
21. Member(s) holding shares in physical form is/are requested to notify immediately any change in their respective addresses and bank account details. Please note that request for change of address, if found incomplete in any respect shall be rejected. In case of shares held in electronic mode, the request for change of address should be made to the respective DPs with whom the Member(s) is/are holding the demat account.
22. Pursuant to Section 101 of Companies Act, 2013, read with the relevant rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the Financial Year ended March 31, 2017 will be sent in electronic form to those Members who have registered their e-mail addresses with their DPs / RTA and made available to the Company. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to [investors@mindtree.com/rnt.helpdesk@linkintime.co.in](mailto:investors@mindtree.com/rnt.helpdesk@linkintime.co.in). Accordingly, the Company shall update its database by incorporating/ updating the designated e-mail address in its records. Please note that the said documents will also be uploaded on the website of the Company at [www.mindtree.com/investors](http://www.mindtree.com/investors) and made available for inspection at the Registered Office of the Company during business hours of the Company. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
23. Members holding shares in demat form are requested to notify any change in their addresses, e-mails and or bank account mandates to their respective DPs only and not to the Company/RTA for effecting such changes. The Company uses addresses, e-mails and bank account mandates furnished by the Depositories for updating its records of the Shareholders holding shares in electronic/demat form.
24. Guidelines for attending the Eighteenth Annual General Meeting of the Company:
  - a. Members/proxies are requested to affix their signature at the space provided in the attendance slip and handover the same at the entrance of the venue of the Eighteenth AGM.
  - b. Corporate Member(s) intending to send their authorized representatives to attend the AGM are requested to send a certified copy of Board Resolution authorizing such representative to attend and vote on its behalf, at the Meeting.
  - c. Member(s) are requested to bring the copy of the Annual Report to the AGM.
  - d. The identity / signature of the Members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL/ CDSL. Such Members are advised to bring the DP ID, Client ID and the relevant identity card to the AGM for easier identification and recording of attendance at this AGM.
25. All documents as mentioned in the resolutions and or Explanatory Statement are available for inspection by the Members at the Registered Office of the Company during business hours on any working day and will also be made available at the venue of the Eighteenth AGM.
26. Members seeking any information with regard to the accounts, are required to write to the Company at [investors@mindtree.com](mailto:investors@mindtree.com) at an early date, so as to enable the management to keep the information ready at the Eighteenth AGM.
27. The Certificate from Auditors of the Company as required under SEBI (Share Based Employee Benefits) Regulations, 2014 and any amendments

## Notice of the Eighteenth Annual General Meeting

thereto, with regard to Company's Employee Stock Option Plans (ESOPs) and Mindtree Employee Restricted Stock Purchase Scheme (ESPS/ ERSP 2012) is available for inspection by the Members at the venue of the Eighteenth AGM.

28. If any Shareholder/Member intends to claim the unclaimed shares, please send the documents listed below to the Company's RTA, to enable them to give credit to the respective Shareholder/Member's demat account or dispatch of share certificate, in case any Shareholder/Member does not have demat account:

- a. Request letter duly signed by the Shareholder(s);
- b. Self-attested copy of PAN card(s) & Address Proof;
- c. Letter from the Bank Manager of the bank where the Shareholder/Member has an account, identifying the person and verifying along with account details for signature attestation;
- d. A copy of the Client Master List provided by the DP;
- e. Original old share certificates of Aztec Software and Technology Services Limited for exchange of Mindtree Limited's Shares.

By the order of the Board of Directors  
for **Mindtree Limited**

Place: Bengaluru  
Date: April 20, 2017

**Vedavalli S**  
Company Secretary



Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards.

**Mr. Subroto Bagchi (Bagchi) - Non-Executive Director – Item number 3**



**A. Brief Resume and Expertise of Bagchi:**

A leading IT industry innovator, Bagchi, aged 60 years, co-founded Mindtree in 1999 with a vision to engineer meaningful technology solutions that help businesses and societies flourish. Under his leadership, Mindtree has grown from a technology startup to a \$500+ million enterprise with more than 13,000 Mindtree Minds in 25 offices around the globe. Prior to being a Non- Executive Director, Bagchi served as the Executive Chairman of Mindtree from 2012- 2016. He also held various leadership roles including COO, for the first 8 years of Mindtree’s journey.

Bagchi’s leadership development, marketing, and knowledge management initiatives have differentiated the company from competitors since Mindtree’s inception. Today, Mindtree helps Global 2000 companies solve their greatest technology challenges by combining the expertise of a large firm, the agility of a smaller company, and a high-touch, collaborative culture. This innovative approach has led to several industry awards, such as the “Best Managed IT/Software/Technology Company in Asia” and the “Best Managed Company in India” for 2013 by Euromoney. Mindtree has also been named, “Most Promising Company of 2013” by CNBC and recognized as one of the top 4 companies globally in talent development for 2014 in ATD’s BEST award.

Throughout his career, Bagchi has been highly acclaimed for his visionary leadership. A 35-year veteran of the computer industry, Bagchi was chief executive of Wipro’s global research and development, and set up Wipro’s US operations, converting R&D from being a cost center to a profit center. Following Wipro, he moved to Lucent Technologies where he started their Bell Development Center in Bangalore, India.

Bagchi is currently the Chairman of Odisha Skill Development Authority (OSDA). He is on the board of Indian Oil Corporation and is also a part of the Governing Council of IIIT, Bhubaneswar and the Software Technology Parks of India. Bagchi is India’s best-selling business author, with four published business books, including The High Performance Entrepreneur. He is an active supporter of social causes like mental health, blindness, geriatric care, and engineering innovation through his work with the White Swan Foundation, Aravind Eye Hospital, Nightingales Trust-Bagchi Center for Active Ageing, and the School of Engineering, University of Florida. He studied Political Science at Utkal University, India.

**B. Disclosure of relationship between Directors Inter se, Manager and KMP:**

None

**C. Date of first appointment on the Board:**

August 05, 1999

**D. Name/s of Listed Companies (other than Mindtree) in which the person holds the Directorship and the Membership of Committees of the Board:**

Name of the Company	Name of the Committee	Whether Chairman or Member	
		Chairman	Member
Indian Oil Corporation Limited	Nomination and Remuneration Committee	Chairman	
	Audit Committee		Member
	CSR Committee		Member

**E. Details of shareholding:**

Mr. Subroto Bagchi held 5,255,700 equity shares of ₹ 10/- each amounting to 3.13% of shareholding of the Company as on March 31, 2017.

**F. Number of Board Meetings attended during the year (April 01, 2016 to March 31, 2017):**

Total Number of Board meetings held: 6

Total number of Board meetings attended: 6

**G. Committee Details in Mindtree Limited (only Audit Committee and Stakeholders’ Relationship Committee):**

As a Chairman – None

As a Member - None

**H. Last drawn Remuneration:**

₹ 2,000,000/- per annum

**Mr. Krishnakumar Natarajan (KK) – Executive Chairman – Item Number 5**



**A. Brief Resume and Expertise of KK:**

A leading authority in the global IT sector, KK, aged 60 years, co-founded Mindtree in 1999 and has played key roles in building the Company's innovative approach to delivering IT services and solutions to global 2000 enterprises. KK was instrumental in setting up Mindtree's U.S. operations, driving expansion in Europe and Asia Pacific regions, and transforming Mindtree's IT services business. Today, his mission as Executive Chairman is to focus on leadership development and ensure a high quality of governance. He also actively mentors different business groups within the Company and works closely with the start-up ecosystem to bring in innovative models of business transformation for clients.

In his prior role as CEO and Managing Director, KK was responsible for making Mindtree a global IT player. KK's efforts as a business leader have been recognized worldwide, winning him several laurels. He was ranked amongst the most valuable CEOs in India by Businessworld & Forbes in 2016. He won Bloomberg UTV's award as the CEO of the Year in 2010, Business Today CEO of the year award in 2014 and was recognized by Chief Executive Magazine's as one of the twelve global leaders of tomorrow. EY honoured him with Entrepreneur of the year 2015 in Services.

A 35-year IT industry veteran, KK held several key positions at Wipro before co-founding Mindtree. During this time, he launched and grew the ecommerce division of Wipro, served as Group Vice President of human resources, and was Chief Marketing Officer for Wipro's IT business. In 2013, KK served as Chairman of the National Association of Software and Services Companies (NASSCOM), where he worked to strengthen the Indian IT industry to be a globally competitive ecosystem comprised of both established and emerging companies.

KK is an active member of the Confederation of Indian Industry (CII). He is also a regular speaker at international IT industry conferences and a faculty member at management schools around the world. He has a bachelor's degree in mechanical engineering from the College of Engineering, Chennai, India, and a master's degree in Business Administration from the Xavier Institute, Jamshedpur, India.

**B. Disclosure of relationship between Directors Inter se, Manager and KMP:**

None

**C. Date of first appointment on the Board:**

August 9, 1999

**D. Name/s of Listed Companies (other than Mindtree) in which the person holds the Directorship and the Membership of Committees of the Board:**

None

**E. Details of shareholding:**

KK held 7,994,412 equity shares of ₹ 10/- each, amounting to 4.76% of shareholding of the Company as on March 31, 2017.

**F. Number of Board Meetings attended during the year (April 01, 2016 to March 31, 2017):**

Total Number of Board meetings held: 6

Total number of Board meetings attended: 6

**G. Committee Details in Mindtree Limited (only Audit Committee and Stakeholders' Relationship Committee):**

As a Chairman – None

As a Member - None

**H. Last drawn Salary:**

Fixed compensation of ₹ 12,150,000 per annum plus variable incentive payment linked to achievement of annual performance objectives.

**EXPLANATORY STATEMENT**

[Pursuant to the provisions of Section 102 of the Companies Act, 2013]

**Item No. 5**

The Nomination and Remuneration Committee and the Board of Directors at their meeting held on Thursday, January 19, 2017, have approved the reappointment of Mr. Krishnakumar Natarajan (KK) as Executive Chairman of the Company for a period commencing from July 01, 2017 to June 30, 2020, as per the provisions of Companies Act, 2013 including any Schedules and the relevant rules, circulars and notifications thereof and such other laws, regulations, guidelines as may be applicable. This reappointment as Executive Chairman is subject to the approval of the Shareholders and any other regulatory approvals, if applicable.

KK was previously appointed by the Shareholders through Postal Ballot as Executive Chairman for a period commencing from April 01, 2016 to June 30, 2017. He is now being reappointed as Executive Chairman for a further period of three years from July 01, 2017 to June 30, 2020.

**I. Brief Terms of Reappointment of KK as Executive Chairman**

The reappointment of KK as Executive Chairman is for a period commencing from July 01, 2017 to June 30, 2020. Upon expiry of the term, the employment agreement may be renewed, subject to the Company and KK executing another employment agreement and obtaining necessary corporate and regulatory approvals under the applicable laws and as per the applicable provisions of the Companies Act, 2013.

KK will be a member of the Board of Directors of the Company entrusted as Executive Chairman and will oversee issues of medium and long term strategic importance for the Company.

1. KK will be based at Bengaluru and will undertake such travel in and outside India as may be necessary from time to time in relation to the business of the Company.
2. KK shall not be liable to retire by rotation.
3. KK shall perform such duties and responsibilities as may be entrusted to him from time to time subject to the superintendence and control of the Board of Directors of the Company.
4. No sitting fee shall be paid to KK as Director/Executive Chairman for attending meetings of the Board of Directors or any Committee/s thereof.
5. The employment agreement can be terminated for convenience by either Mindtree or KK by way of notice of twelve months to the other party.
6. Shareholding & stock options- KK held 7,994,412 equity shares of ₹ 10/- each, amounting to 4.76% of shareholding of the Company as on March 31, 2017. No Stock options have been given to KK as on date.

**II. Brief Terms of Remuneration payable to KK as Executive Chairman**

Subject to the applicable provisions of the Companies Act, 2013, Income Tax Act and any other applicable regulations, the remuneration payable to KK will be as follows:

The fixed compensation of ₹ 12,150,000 per annum subject to all appropriate and/or authorized deductions.

In addition, KK will be entitled to the following:

- a) Variable incentive payment linked to the achievement of annual performance objectives, as determined by the Nomination and Remuneration Committee on an annual basis. The amount under this component shall not exceed 200% of the fixed compensation;
- b) The variable incentive payments will be paid annually as per the variable plan applicable for him;
- c) Phantom Stock – 185,900 units have been granted already (actual vesting will be in July 2017 linked to company performance in FY 2016-17) and further may be approved from time to time by the Nomination and Remuneration Committee;
- d) Leave on full pay and allowances, as per Company's rules with encashment of leave facility;
- e) Provision of car with chauffeur, telephone, fax and internet and other facilities as per Company's rules;
- f) Medical, personal accident and other policies as per rules of the Company;
- g) Gratuity and other deferred benefits payable as per rules of the Company;
- h) Other benefits and allowances including but not limited to, rent free furnished accommodation, reimbursement of gas, electricity, water charges and medical expenses for self and family members, furnishings, payment of premiums on personal accident and health insurance, club fees and relevant expenses, use of car with chauffeur, telephones, house maintenance allowance, leave travel allowance, contributions to provident fund, superannuation fund, gratuity, leave entitlement, encashment of leave and housing, grant of phantom stock option rights, etc., and such other perquisites, benefits and allowances as per rules of the Company and
- i) Such other benefits, amenities, facilities and perquisites as per rules of the Company as applicable to Senior Executives.

## Notice of the Eighteenth Annual General Meeting

Explanation: Family shall mean, spouse, dependent children and dependent parents.

The remuneration may be modified from time to time by the Nomination and Remuneration Committee, based on individual performance, Company performance & benchmarking data from comparable companies.

The above payments are subject to all appropriate and/or authorized deductions as per prevailing law.

The aggregate amounts of managerial remuneration for all the Financial Years to KK individually, shall always be within the overall ceiling laid down under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and is commensurate with the responsibility in a Company of this size and extent of business operations.

Where in any Financial Year, the Company has no profits or its profits are inadequate, KK shall be entitled to receive the same enhanced managerial remuneration subject to compliance with applicable provisions of the Companies Act, 2013 and to the extent necessary, with the approval of the Central Government. For any increase in the remuneration of KK, the Company would seek approval of Shareholders or Nomination and Remuneration Committee of the Board as may be applicable.

KK do not suffer any of the disqualifications prescribed under any laws and hence, qualifies for reappointment as Executive Chairman of the Company.

Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, requires Shareholders to approve the reappointment and remuneration payable to Executive Chairman, who is a Whole Time Director.

### Memorandum of Concern or Interest

None of the Promoters/ Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, other than KK (along with his respective relatives), who is interested in or concerned in the Ordinary Resolution set out at item no.5 of this Notice.

The Board recommends the resolution set forth in item no. 5 for the approval of the Members.

### Item No. 6

As per the provisions of Section 94 of the Companies Act, 2013, Companies are required to maintain their Register of Members with the Index of Members and copies of Annual Return at its Registered Office of the Company. However, with the approval of the Members by a Special Resolution, the Company is permitted to maintain the Register of Members with the Index of Members and copies of Annual Return at any place other than its Registered Office, where more than one-tenth of the total Members reside.

The Company at its Annual General Meeting held on June 22, 2015, had obtained the approval of Shareholders for the maintenance of Register of Members at the office of RTA. The RTA has recently relocated to a new address in Mumbai. As on March 31, 2017, the Company had 94,512 Shareholders out of which, 18,052 of them were residing in Mumbai.

Accordingly, the approval of the Members is now sought for keeping the Register of Members with the Index of Members as required under Section 88 of the Act and copies of Annual Return under Section 92 of the Act, at the office of RTA, Link Intime India Pvt. Ltd. at C-101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai – 400 083, and such other places as the RTA, shift its office from time to time.

### Memorandum of Concern or Interest

None of the Promoters/ Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item no.6 of this Notice.

The Board recommends the resolution set forth in item no. 6 for the approval of the Members.

By the order of the Board of Directors  
for Mindtree Limited

Place: Bengaluru  
Date: April 20, 2017

Vedavalli S  
Company Secretary



# Mindtree

*Welcome to possible*

## Mindtree Limited

Registered Office: Global Village, RVCE Post, Mysore Road, Bengaluru 560 059, Karnataka, India.

Corporate Identity Number (CIN): L72200KA1999PLC025564

Ph: + 91 80 6706 4000 Fax: + 91 80 6706 4100 E-mail: [investors@mindtree.com](mailto:investors@mindtree.com) Website: [www.mindtree.com](http://www.mindtree.com)

## Eighteenth Annual General Meeting - July 18, 2017

### FORM No. MGT-11

#### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Shareholder(s)	
Registered Address	
E mail ID	
DP ID*	
Client ID*	
Folio No	

\*Applicable for investors holding shares in electronic form.

I/We, being the Member(s) of ..... shares of Mindtree Limited (the above named Company), hereby appoint

Name:..... Address:.....

E-mail Id:.....Signature:.....

or failing him / her

Name:..... Address:.....

E-mail Id:.....Signature:.....

or failing him / her

Name:..... Address:.....

E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company, to be held on Tuesday, July 18, 2017, at 10.30 AM at Hotel 'Radisson Blu Atria Bengaluru', No. 1, Palace Road, Bengaluru – 560 001, Karnataka, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
1.	To adopt Audited Financial Statements and Audited Consolidated Financial Statements together with Reports thereon for the Financial Year 2016-17		
2.	To confirm payment of first interim dividend, second interim dividend, third interim dividend, and to approve final dividend, for the Financial Year 2016-17		
3.	To approve the reappointment of Mr. Subroto Bagchi (DIN 00145678), as a Director liable to retire by rotation		
4.	To ratify the appointment of Auditors		
5.	Reappointment of Mr. Krishnakumar Natarajan (DIN 00147772) as Executive Chairman		
6.	To approve change in the place of maintenance of Register of Members, etc.		

Signed this ..... day of ..... 2017.

Signature of Shareholder .....

Signature of Proxy holder(s) .....

<b>Affix revenue stamp</b>
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Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.



**Mindtree Limited**

Global Village, behind R V Engineering College

Mylasandra, Mysore Road

Bengaluru - 560 059, Karnataka

Tel: +91 80 6706 4000