MINDTREE LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(Rupees in millions, except share data)

	Note	As at December 31, 2015 (Unaudited)	As at March 31, 2015
Assets			
Goodwill	5, 22, 23 & 24	3,202	740
Property, plant and equipment	4	4,828	4,651
Intangible assets	5, 22, 23 & 24	1,809	316
Available-for-sale financial assets	6	62	12
Deferred tax assets		254	493
Non-current tax assets		1,000	834
Other non-current assets	9	1,001	934
Total non-current assets		**12,156**	**7,980**
Trade receivables	7	8,923	6,963
Other current assets	9	1,479	2,152
Unbilled revenues		1,614	982
Available-for-sale financial assets	6	4,108	4,790
Derivative assets		23	24
Cash and cash equivalents	8	2,049	3,763
Total current assets		**18,196**	**18,674**
Total assets		**30,352**	**26,654**
Equity			
Share capital		839	837
Share premium		2,211	2,152
Retained earnings		20,625	18,114
Other components of equity		95	177
Equity attributable to owners of the company		23,770	21,280
Non-controlling interests		-	-
Total equity		**23,770**	**21,280**
Liabilities			
Loans and borrowings	10	14	18
Other non-current liabilities	12	567	337
Total non-current liabilities		**581**	**355**
Loans and borrowings and book overdraft	10	12	160
Trade payables and accrued expenses	11	1,559	1,709
Unearned revenue		424	225
Current tax liabilities		277	239
Derivative liabilities		6	3
Employee benefit obligations	13	565	371
Other current liabilities	12	2,497	1,872
Provisions	12	661	440
Total current liabilities		**6,001**	**5,019**
Total liabilities		**6,582**	**5,374**
Total equity and liabilities		**30,352**	**26,654**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

MINDTREE LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

(Rupees in millions, except share data)

	Three months ended December 31,		Nine months ended December 31,	
	2015	**2014**	**2015**	**2014**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Revenues	12,095	9,072	33,527	26,322
Cost of revenues	(8,169)	(5,859)	(22,622)	(16,966)
Gross profit	**3,926**	**3,213**	**10,905**	**9,356**
Selling, general and administrative expenses	(2,218)	(1,608)	(6,073)	(4,825)
Results from operating activities	**1,708**	**1,605**	**4,832**	**4,531**
Foreign exchange gain	95	70	361	309
Finance expenses	(43)	(1)	(98)	(2)
Finance and other income	62	149	380	379
Profit before tax	**1,822**	**1,823**	**5,475**	**5,217**
Income tax expense	(419)	(408)	(1,250)	(1,167)
Profit for the period	**1,403**	**1,415**	**4,225**	**4,050**
Attributable to:				
Owners of the Company	1,403	1,415	4,225	4,050
Non-controlling interests	-	-	-	-
	1,403	**1,415**	**4,225**	**4,050**
Earnings per equity share:				
Basic	16.73	16.92	50.41	48.46
Diluted	16.68	16.85	50.26	48.23
Weighted average number of equity shares used in computing earnings per equity share:				
Basic	83,854,600	83,680,265	83,802,738	83,587,863
Diluted	84,094,746	84,045,241	84,057,725	83,976,172

The accompanying notes form an integral part of these condensed consolidated interim financial statements

MINDTREE LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(Rupees in millions, except share data)

	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	1,403	1,415	4,225	4,050
Other comprehensive income, net of taxes				
Items that will not be reclassified to profit or loss				
- Defined benefit plan actuarial gains/ (losses)	(2)	(14)	(23)	10
Items that may be reclassified subsequently to profit or loss				
- Foreign currency translation difference relating to foreign operations	(80)	-	(68)	-
- Net change in fair value of cash flow hedges	-	-	-	(39)
- Net change in fair value of available-for-sale financial assets	10	36	(10)	75
Total other comprehensive income, net of taxes	(72)	22	(101)	46
Total comprehensive income for the period	1,331	1,437	4,124	4,096
Attributable to:				
Owners of the Company	1,331	1,437	4,124	4,096
Non-controlling interests	-	-	-	-
	1,331	1,437	4,124	4,096

The accompanying notes form an integral part of these condensed consolidated interim financial statements

MINDTREE LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(Rupees in millions, except share data)

Particulars	No. of shares	Share capital	Share premium	Retained earnings	Share based payment reserve	Other components of equity		Equity attributable to owners of the Company	Non-controlling interests	Total equity
						Cash flow hedging reserve	Other reserves			
Balance as at April 1, 2014	41,689,731	417	2,429	14,230	34	39	146	17,295	-	17,295
Issue of equity shares on exercise of options/ restricted shares	248,256	2	125	-	-	-	-	127	-	127
Issue of Bonus shares	41,765,661	418	-	-	-	-	-	418	-	418
Amount utilised for bonus shares		-	(418)	-	-	-	-	(418)	-	(418)
Profit for the period		-	-	4,050	-	-	-	4,050	-	4,050
Other comprehensive income		-	-	-	-	(39)	85	46	-	46
Compensation cost related to employee share based payment transaction		-	-	-	(8)	-	-	(8)	-	(8)
Cash dividend paid (including dividend tax thereon)				(1,035)				(1,035)	-	(1,035)
As at December 31, 2014	**83,703,648**	**837**	**2,136**	**17,245**	**26**	**-**	**231**	**20,475**	**-**	**20,475**
Balance as at April 1, 2014	41,689,731	417	2,429	14,230	34	39	146	17,295	-	17,295
Issue of equity shares on exercise of options/ restricted shares	276,980	2	141	-	-	-	-	143	-	143
Issue of Bonus shares	41,765,661	418	-	-	-	-	-	418	-	418
Amount utilised for bonus shares		-	(418)	-	-	-	-	(418)	-	(418)
Profit for the year		-	-	5,322	-	-	-	5,322	-	5,322
Other comprehensive income		-	-	-	-	(39)	1	(38)	-	(38)
Compensation cost related to employee share based payment transaction		-	-	-	(4)	-	-	(4)	-	(4)
Cash dividend paid (including dividend tax thereon)				(1,438)				(1,438)	-	(1,438)
As at March 31, 2015	**83,732,372**	**837**	**2,152**	**18,114**	**30**	**-**	**147**	**21,280**	**-**	**21,280**
Balance as at April 1, 2015	83,732,372	837	2,152	18,114	30	-	147	21,280	-	21,280
Issue of equity shares on exercise of options/ restricted shares	156,596	2	59	-	-	-	-	61	-	61
Profit for the period		-	-	4,225	-	-	-	4,225	-	4,225
Other comprehensive income		-	-	-	-	-	(33)	(33)	-	(33)
Compensation cost related to employee share based payment transaction		-	-	-	19	-	-	19	-	19
Cash dividend paid (including dividend tax thereon)				(1,714)				(1,714)	-	(1,714)
Exchange differences on translation of foreign operations							(68)	(68)		(68)
As at December 31, 2015	**83,888,968**	**839**	**2,211**	**20,625**	**49**	**-**	**46**	**23,770**	**-**	**23,770**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

MINDTREE LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	(Rupees in millions, except share data)	
	Nine months ended December 31,	
	2015	2014
	(Unaudited)	(Unaudited)
Cash flow from operating activities		
Profit for the period	4,225	4,050
Adjustments for :		
Depreciation & amortisation	1,175	720
Amortization of stock compensation	83	158
Finance expenses	98	2
Income tax expense	1,250	1,167
Interest / dividend income	(243)	(221)
Gain on sale of property, plant and equipment	(16)	(6)
Gain on sale of available-for-sale financial assets	(112)	(125)
Unrealised exchange difference on derivatives	4	14
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(28)	(7)
Changes in operating assets and liabilities		
Trade receivables	(1,288)	(1,141)
Unbilled revenues	(632)	103
Other assets	662	200
Trade payables and accrued expenses	(298)	401
Unearned revenues	198	119
Other liabilities	355	223
Net cash provided by operating activities before taxes	5,433	5,657
Income taxes paid	(1,519)	(1,144)
Net cash provided by operating activities	**3,914**	**4,513**
Cash flow from investing activities		
Expenditure on property, plant and equipment	(1,265)	(1,367)
Proceeds from sale of property, plant and equipment	23	7
Purchase of business/acquisition (net of cash acquired Rs 38)	(3,815)	-
Interest /dividend received from available-for-sale financial assets	267	150
Inter-corporate deposits	350	(300)
Investments in available-for-sale financial assets	(8,637)	(6,204)
Redemption of available-for-sale financial assets	9,369	5,680
Net cash (used in) investing activities	**(3,708)**	**(2,034)**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	28	58
Finance expenses	(98)	(1)
Repayment of loans and borrowings	(5)	-
Proceeds from short-term borrowings	7	-
Dividends paid (including distribution tax)	(1,713)	(1,035)
Net cash used in financing activities	**(1,781)**	**(978)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	16	7
Net increase in cash and cash equivalents	(1,559)	1,508
Cash and cash equivalents at the beginning of the period	3,608	1,100
Cash and cash equivalents at the end of the period (Note 8)	**2,049**	**2,608**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

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, Bluefin Solutions Limited, Bluefin Solutions Inc., Bluefin Solutions Sdn Bhd, Blouvin (Pty) Limited, Bluefin Solutions Pte Ltd and Relational Solutions, Inc., collectively referred to as 'the Group' is an international Information Technology consulting and implementation Group that delivers business solutions through global software development. The Group is structured into five verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS), Travel and Hospitality (TH) and Others. The Group offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business, 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 Bangalore, Karnataka, India and has offices in United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, South Africa, UAE, Netherlands, Canada, Belgium, France, Ireland and Republic of China. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. These unaudited condensed consolidated interim financial statements were authorized for issuance by the Company's Board of Directors and Audit Committee on January 18, 2016.

2. Basis of preparation of financial statements

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual consolidated interim financial statements as at and for the year ended March 31, 2015. This condensed consolidated interim financial statements does not include all the information required for full annual financial statements prepared in accordance with the IFRS.

(b) Basis of preparation

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard (IAS 34), "Interim Financial Reporting".

These do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated interim financial statements and related notes included in the Company's annual report for the year ended March 31, 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated interim financial statements as at and for the year ended March 31, 2015.

(c) **Basis of measurement**

The unaudited condensed consolidated interim 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. Available-for-sale financial assets;
iii. Share based payment transactions;
iv. Defined benefit and other long-term employee benefits; and
v. Assets and liabilities related to business combinations.

(d) **Functional and presentation currency**

The unaudited condensed consolidated interim 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.

(e) **Use of estimates and judgement**

The preparation of unaudited condensed consolidated interim financial statements in conformity with IAS 34 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.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated interim financial statements as at and for the year ended March 31, 2015.

3. Significant accounting policies

The accounting policies applied in these unaudited condensed financial statements are the same as those applied in the Group's consolidated interim financial statements as at and for the year end March 31, 2015.

New standards and interpretations not yet adopted

a) **IFRS 9 Financial Instruments:** In November 2009, the IASB issued IFRS 9, Financial Instruments: Recognition and Measurement, to reduce the complexity of the current rules on financial instruments as mandated in IAS 39.

IFRS 9 has fewer classification and measurement categories as compared to IAS 39 and has eliminated the categories of held to maturity, available for sale and loans and receivables. Further, it eliminates the rule-based requirement of segregating embedded derivatives and tainting rules pertaining to held-to maturity investments. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss. IFRS 9, was further amended in October 2010, and such amendment introduced requirements on accounting for financial liabilities. This amendment addresses the issue of volatility in the profit or loss due to changes in the fair value of an entity's own debt. It requires the entity, which chooses to measure a liability at fair value, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income.

The effective date for adoption of IFRS 9 is annual periods beginning on or after 1 January 2018, though early adoption is permitted. The Company is currently evaluating the requirements of IFRS 9, and has not yet determined the impact on the consolidated interim financial statements.

b) **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 company is currently evaluating the requirements of IFRS 15, and has not yet determined the impact on the consolidated interim financial statements.

Mindtree Limited and Subsidiaries
Notes to the condensed consolidated interim financial statement
(Rupees in millions, except share and per share data, unless otherwise stated)

4. Property, plant and equipment

Particulars	Land	Building	Computer systems	Furniture, fixtures and equipment	Vehicles	Total
Gross carrying value:						
As at April 1, 2014	97	1,911	1,571	2,977	2	6,558
Additions	-	199	407	608	26	1,240
Disposal/Adjustments	-	-	102	34	1	137
As at December 31, 2014	97	2,110	1,876	3,551	27	7,661
Accumulated depreciation/impairment:						
As at April 1, 2014	6	348	1,082	2,078	1	3,515
Depreciation	-	48	296	266	3	613
Disposal/Adjustments	-	-	101	34	1	136
As at December 31, 2014	6	396	1,277	2,310	3	3,992
Capital work-in-progress						676
Net carrying value as at December 31, 2014	**91**	**1,714**	**599**	**1,241**	**24**	**4,345**
Gross carrying value:						
As at April 1, 2014	97	1,911	1,571	2,977	2	6,558
Additions	-	929	563	591	28	2,111
Disposal/Adjustments	-	1	103	35	1	140
Acquisition through business combination	-	-	10	2	-	12
As at March 31, 2015	97	2,839	2,041	3,535	29	8,541
Accumulated depreciation/impairment:						
As at April 1, 2014	6	348	1,082	2,078	1	3,515
Depreciation	1	150	416	295	5	867
Disposal/Adjustments	-	1	101	35	1	138
As at March 31, 2015	7	497	1,397	2,338	5	4,244
Capital work-in-progress						354
Net carrying value as at March 31, 2015	**90**	**2,342**	**644**	**1,197**	**24**	**4,651**
Gross carrying value:						
As at April 1, 2015	97	2,839	2,041	3,535	29	8,541
Additions	-	384	447	395	-	1,226
Disposal/Adjustments	-	14	45	49	-	108
Translation Adjustment	-	-	2	1	-	3
Acquisition through business combination	-	-	95	34	-	129
As at December 31, 2015	97	3,209	2,536	3,914	29	9,785
Accumulated depreciation/impairment:						
As at April 1, 2015	7	497	1,397	2,338	5	4,244
Depreciation	1	165	413	303	7	889
Disposal/Adjustments	-	6	45	49	-	100
Translation Adjustment	-	-	2	1	-	3
Acquisition through business combination	-	-	75	33	-	108
As at December 31, 2015	8	656	1,838	2,624	12	5,138
Capital work-in-progress						181
Net carrying value as at December 31, 2015	**89**	**2,553**	**698**	**1,290**	**17**	**4,828**

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

The depreciation expense for the period ended December 31, 2015 and December 31, 2014 is included in the following line items in the statement of income.

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Cost of revenues	280	207	792	558
Selling, general and administrative expenses	36	20	97	55
Total	**316**	**227**	**889**	**613**

Mindtree Limited and Subsidiaries
Notes to the condensed consolidated interim financial statement
(Rupees in millions, except share and per share data, unless otherwise stated)

5. Intangible assets and Goodwill

a. Intangible assets

Particulars	Intellectual property	Computer software	Business Alliance Relationships	Customer Relationships	Non compete agreement	Vendor Relationship	Tradename	Technology	Total
Gross carrying value:									
As at April 1, 2014	67	892	-	-	-	-	-	-	959
Additions	-	26	-	-	-	-	-	-	26
Amortisation	-	65	-	-	-				65
As at December 31, 2014	67	853	-	-	-	-	-	-	920
Accumulated amortisation/impairment:									
As at April 1, 2014	52	735	-	-	-	-	-	-	787
Amortisation	10	97	-	-	-	-	-	-	107
Disposal/Adjustments	-	65	-	-	-				65
As at December 31, 2014	62	767	-	-	-	-	-	-	829
Net carrying value as at December 31, 2014	**5**	**86**	**-**	**-**	**-**	**-**	**-**	**-**	**91**
Gross carrying value:									
As at April 1, 2014	67	892	-	-	-	-	-	-	959
Additions	-	93	-	-	-	-	-	-	93
Disposal/Adjustments	-	66	-	-	-	-	-	-	66
Acquisition through business combination	-	2	71	111	24	-	-	-	208
As at March 31, 2015	67	921	71	111	24	-	-	-	1,194
Accumulated amortisation/impairment:									
As at April 1, 2014	52	735	-	-	-	-	-	-	787
Amortisation	14	133	3	6	1	-	-	-	157
Disposal/Adjustments	-	66	-	-	-	-	-	-	66
As at March 31, 2015	66	802	3	6	1	-	-	-	878
Net carrying value as at March 31, 2015	**1**	**119**	**68**	**105**	**23**	**-**	**-**	**-**	**316**
Gross carrying value:									
As at April 1, 2015	67	921	71	111	24	-	-	-	1,194
Additions	-	72	-	-	-	-	-	-	72
Disposal/Adjustments	-	5	-	-	-	-	-	-	5
Translation Adjustment	-	-	-	19	-	5	4	(10)	18
Acquisition through business combination	-	7	-	1,011	-	249	205	257	1,729
As at December 31, 2015	67	995	71	1,103	24	244	201	267	2,972
Accumulated amortisation/impairment:									
As at April 1, 2015	66	802	3	6	1	-	-	-	878
Amortisation	1	93	13	127	4	24	10	14	286
Disposal/Adjustments	-	5	-	-	-	-	-	-	5
Translation Adjustment	-	-	-	-	-	-	-	-	-
Acquisition through business combination	-	4	-	-	-	-	-	-	4
As at December 31, 2015	67	894	16	133	5	24	10	14	1,163
Net carrying value as at December 31, 2015	**-**	**101**	**55**	**970**	**19**	**220**	**191**	**253**	**1,809**

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

The amortisation expense for the period ended December 31, 2015 and December 31, 2014 is included in the following line items in the statement of income.

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Cost of revenues	105	29	260	97
Selling, general and administrative expenses	11	3	26	10
Total	**116**	**32**	**286**	**107**

b. Goodwill

Particulars	As at December 31, 2015	As at March 31, 2015
Balance at the beginning of the period	740	-
Translation Adjustment	29	-
Acquisition through business combination	2,491	740
Balance at the end of the period	**3,202**	**740**

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

6. Available-for-sale financial assets

Investments in liquid and short term mutual fund units, non-convertible bonds, unlisted equity securities and preference shares are classified as available-for-sale financial assets.

Cost and fair value of the above are as follows:

Particulars	As at December 31, 2015	As at March 31, 2015
Non-current		
Investment in non-convertible bonds, unlisted equity securities and preference shares		
Cost	59	9
Gross unrealised holding gains	3	3
Fair value	62	12
Current		
Investment in non-convertible bonds, liquid and short-term mutual funds		
Cost	3,977	4,646
Gross unrealised holding gains	135	148
Gross unrealised holding (losses)	(4)	(4)
Fair value	4,108	4,790
Total available-for-sale financial assets	**4,170**	**4,802**

Net change in fair value of available-for-sale financial assets reclassified to the statement of income was Rs 63 and Rs 89 for the nine months ended December 31, 2015 and December 31, 2014 respectively.

7. Trade receivables

Particulars	As at December 31, 2015	As at March 31, 2015
Trade receivables	9,042	7,046
Allowance for doubtful trade receivable	(119)	(83)
Total	**8,923**	**6,963**

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

8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Particulars	As at December 31, 2015	As at March 31, 2015
Cash balances	-	-
Current and time deposits with banks #	2,049	3,763
Cash and cash equivalents on statement of financial position	**2,049**	**3,763**
Book overdrafts used for cash management purposes	-	(155)
Cash and cash equivalents in the cash flow statement	**2,049**	**3,608**

#Balance with banks amounting to Rs 7 and Rs 5 as of December 31, 2015 and March 31, 2015 includes unpaid dividends.

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.

9. Other assets

Particulars	As at December 31, 2015	As at March 31, 2015
Non-current		
Capital advances	97	107
Security deposits	652	614
Prepaid expenses	172	196
Others	80	17
	1,001	**934**
Current		
Interest bearing deposits with corporates	350	700
Prepaid expenses	419	526
Advance to employees	269	232
Advance to suppliers	88	249
Interest accrued and not due	45	99
Deposits	60	136
Others	247	210
	1,478	**2,152**
Total	**2,479**	**3,086**

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

10. Loans and borrowings and book overdraft

A summary of loans and borrowings and book overdraft is as follows:

Particulars	As at December 31, 2015	As at March 31, 2015
Non-current		
Unsecured long-term loan and borrowings	14	18
	14	**18**
Current		
Current portion of unsecured long-term loan and borrowings	5	5
Secured bank loans	7	-
Bank overdraft	-	155
	12	**160**
Total	**26**	**178**

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 commencing from June 2011. The project implementation period was a moratorium period ending May 2011 and the Company 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.

11. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

Particulars	As at December 31, 2015	As at March 31, 2015
Trade payables	314	753
Accrued expenses	1,245	956
Total	**1,559**	**1,709**

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

12. Other liabilities and provisions

Particulars	As at December 31, 2015	As at March 31, 2015
Non-current		
Others	567	337
	567	**337**
Current		
Advances from customers	9	27
Employee and other liabilities	1,203	1,438
Statutory dues payable	371	249
Other liabilities	914	158
	2,497	**1,872**
Total	**3,064**	**2,209**
Current		
Provisions		
Provision for discount	580	367
Provision for post contract support services	6	5
Others	75	68
Total	**661**	**440**

Non-current

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	**Nine months ended December 31, 2015**	**2014**	**For the year ended March 31, 2015**
Balance as at beginning of the period	-	-	39
Provisions made during the period	-	-	-
Utilisations during the period	-	-	(39)
Released during the period	-	-	-
Provision as at the end of the period	-	-	-

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

Current

Provision for discount

Particulars	Nine months ended December 31, 2015	Nine months ended December 31, 2014	For the year ended March 31, 2015
Balance as at beginning of the period	367	270	231
Provisions made during the period	361	290	433
Utilisations during the period	(146)	(109)	(289)
Released during the period	(2)	(3)	(8)
Provision as at the end of the period	580	448	367

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 1 year

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

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

Other provisions

Other provisions primarily represent provision for tax related contingencies and litigations. The timing of cash flows in respect of these provisions cannot be reasonably determined.

Particulars	Nine months ended December 31, 2015	2014	For the year ended March 31, 2015
Balance as at beginning of the period	68	66	66
Provisions made during the period	7	4	2
Released during the period	-	(3)	-
Provision as at the end of the period	75	67	68

13. Employee benefit obligations

Employee benefit obligations comprises of following:

Particulars	As at December 31, 2015	As at March 31, 2015
Gratuity	109	14
Compensated absences	456	357
Total	**565**	**371**

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

14. Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at December 31, 2015 and March 31, 2015 is as follows:

As at December 31, 2015

Particulars	Financial assets/ liabilities at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Total carrying amount	Fair value
Assets						
Trade Receivables	-	8,923	-	-	8,923	8,923
Unbilled Revenue	-	1,614	-	-	1,614	1,614
Available-for-sale financial assets	-	-	4,170	-	4,170	4,170
Cash and cash equivalents	-	2,049	-	-	2,049	2,049
Derivative assets	23	-	-	-	23	23
Other assets	-	1,456	-	-	1,456	1,456
Total assets	**23**	**14,042**	**4,170**	**-**	**18,235**	**18,235**
Liabilities						
Loans and borrowings	-	-	-	26	26	26
Trade payables and accrued expenses	-	-	-	1,559	1,559	1,559
Derivative Liabilities	6	-	-	-	6	6
Other liabilities	-	-	-	1,768	1,768	1,768
Total liabilities	**6**	**-**	**-**	**3,353**	**3,359**	**3,359**

As at March 31, 2015

Particulars	Financial assets/ liabilities at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Total carrying amount	Fair value
Assets						
Trade Receivables	-	6,963	-	-	6,963	6,963
Unbilled Revenue	-	982	-	-	982	982
Available-for-sale financial assets	-	-	4,802	-	4,802	4,802
Cash and cash equivalents	-	3,763	-	-	3,763	3,763
Derivative assets	24	-	-	-	24	24
Other assets	-	1,799	-	-	1,799	1,799
Total assets	**24**	**13,507**	**4,802**	**-**	**18,333**	**18,333**
Liabilities						
Loans and borrowings	-	-	-	178	178	178
Trade payables and accrued expenses	-	-	-	1,709	1,709	1,709
Derivative Liabilities	3	-	-	-	3	3
Other liabilities	-	-	-	1,810	1,810	1,810
Total liabilities	**3**	**-**	**-**	**3,697**	**3,700**	**3,700**

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

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 December 31, 2015 and March 31, 2015:

As at December 31, 2015

Particulars	As of December 31, 2015	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Available-for-sale financial asset-Investments in mutual fund units	4,108	4,008	100	
Available-for-sale financial asset-Investments in non-covertible bonds, unlisted equity securities and preference shares	62		50	12
Derivatives financial instruments-gain on outstanding foreign exchange forward and option contracts	23		23	
Liabilities				
Derivatives financial instruments-loss on outstanding foreign exchange forward and option contracts	6		6	

As at March 31, 2015

Particulars	As of March 31, 2015	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Available-for-sale financial asset-Investments in mutual fund units	4,790	4,790		
Available-for-sale financial asset-Investments in unlisted equity securities and preference shares	12			12
Derivatives financial instruments-gain on outstanding foreign exchange forward and option	24		24	
Liabilities				
Derivatives financial instruments-loss on outstanding foreign exchange forward and option	3		3	

There have been no transfers between level 1, level 2 and level 3 for the period ended December 31, 2015.

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

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 December 31,	As at March 31,
	2015	2015
Balance at the beginning of the period	12	11
Add: Investments in equity shares of NuvePro Technologies Private Limited	-	1
Balance at the end of the period	12	12

Income and interest expense for financial assets or financial liabilities that are not at fair value through statement of income is as follows:

Particulars	Nine months ended December 31,	
	2015	2014
Income from available-for-sale financial assets	175	238
Interest income on deposits	180	108
Interest expense	(98)	(2)

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 December 31,	As at March 31,
	2015	2015
Designated derivative instruments (Sell)		
In US $	-	-
In Euro	-	-
Non-designated derivative instruments (Sell)		
In US $	35	32
In Euro	4	5
In GBP	2	2

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

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

Particulars	**Nine months ended December 31,**	
	2015	**2014**
Balance at the beginning of the period	-	49
Net (gain)/loss reclassified into the statement of income on occurrence of hedged transactions	-	(49)
Changes in fair value of effective portion of derivatives	-	-
Balance at the end of the period	-	-

15. Income tax expense

Income tax expense in the statement of income consists of:

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Current taxes				
Domestic	384	360	1,159	1,087
Foreign	73	25	224	124
Total	**457**	**385**	**1,383**	**1,211**
Deferred taxes				
Domestic	(8)	19	(67)	(10)
Foreign	(30)	4	(66)	(34)
Total	**(38)**	**23**	**(133)**	**(44)**
Grand total	**419**	**408**	**1,250**	**1,167**

Income tax expense has been allocated as follows:

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Income tax expense as per the statement of income	419	408	1,250	1,167
Income tax included in other comprehensive income on:				
- unrealised gains on available-for-sale financial assets	3	36	(3)	75
- gains/(losses) on cash flow hedging derivatives	-	-	-	(39)
- acturial gains/ (losses) on defined benefit plans	-	(14)	(6)	10
	3	22	(9)	46
Total	**422**	**430**	**1,241**	**1,213**

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

16. Expenses by nature

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Employee benefits	7,180	5,209	19,659	15,235
Depreciation and amortisation	432	259	1,175	720
Recruitment, staff welfare and training expenses	184	137	471	347
Travel and conveyance	554	422	1,733	1,339
Communication expenses	183	113	473	312
Sub-contractor charges/Outsourced technical services/software purchases	852	582	2,278	1,614
Consumables/maintenance and repairs	237	167	690	487
Post contract support services	-	1	1	1
Power and fuel	78	68	237	211
Lease rentals/charges	215	194	624	587
Printing and stationery	5	3	16	10
Advertisement	13	-	42	7
Bank charges	4	2	10	8
Rates, taxes and insurance	52	40	174	103
Marketing expenses	130	87	342	226
Legal and professional expenses	161	110	398	389
Provision for doubtful trade receivable	(13)	24	36	(26)
Others	120	49	336	221
Total cost of revenues, selling, general and administrative expenses	**10,387**	**7,467**	**28,695**	**21,791**

17. Employee benefits

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Salary and allowances	6,512	4,708	17,868	13,837
Defined benefit plan - Gratuity cost	24	20	68	59
Contribution to provident and other funds	603	420	1,640	1,181
Share based compensation	41	61	83	158
Total	**7,180**	**5,209**	**19,659**	**15,235**

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

The employee benefit cost is recognized in the following line items in the statement of income:

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Cost of revenues	6,119	4,406	16,841	12,771
Selling, general and administrative expenses	1,061	803	2,818	2,464
Total	**7,180**	**5,209**	**19,659**	**15,235**

18. Finance and other income

Particulars	**Three months ended December 31,**		**Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
Interest income	37	59	180	108
Gain on sale of available-for-sale financial assets	4	26	112	125
Gain on sale of property, plant and equipment	5	-	16	6
Dividend income	14	41	63	113
Others	2	23	9	27
Total	**62**	**149**	**380**	**379**

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

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

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

20. Operating leases

The Company has various operating leases, mainly for office buildings including land. Lease rental expense under such non-cancellable operating lease during three months ended and nine months ended December 31, 2015 amounted to Rs 119 and Rs 340 respectively and three months ended and nine months December 31, 2014 amounted to Rs 97 and Rs 273 respectively.

Future minimum lease payments under non-cancellable operating lease as at December 31, 2015 is as below:

Minimum lease payments	**As at December 31, 2015**	**As at March 31, 2015**
Payable – Not later than one year	365	414
Payable – Later than one year and not later than five years	487	585
Payable – Later than five years	266	286

Additionally, the Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during three months ended and nine months ended December 31, 2015 amounted to Rs 73 and Rs 207 respectively and three months ended and nine months December 31, 2014 amounted to Rs 68 and Rs 208 respectively.

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

21. 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 19.72% equity stake in Mindtree, and the group has a nominee on the Mindtree Board.
Mindtree Foundation	Entity with common key managerial person

Transactions with the above related parties during the period were:

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

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

Transactions with the above related parties during the period were:

Name of related party	Nature of transaction	Nine months ended December 31, 2015	2014
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	1	-
Mindtree Foundation	Donation paid	32	13
Janaagraha Centre for Citizenship & Democracy	Donation paid	-	1
Coffee Day Global Limited	Procurement of supplies	16	13
	Software services rendered	20	-
Tanglin Developments Limited	Leasing office buildings and land	277	235
	Advances/ deposits paid		
	- towards electricity deposit/ charges	-	9
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	16	39
	- towards lease rentals	150	114
	Interest on advance towards electricity charges/ deposit	-	4

Balances payable to related parties are as follows:

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

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

Balances receivable from related parties are as follows:

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

Key Managerial Personnel:

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

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

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

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 period ended December 31, 2015 and December 31, 2014 have been detailed below:

Particulars	**Three months ended December 31,**	
	2015	**2014**
Whole-time directors		
Salaries	11	9
Contribution to Provident fund	-	-
Bonus and Incentives	14	13
Reimbursement of expenses	-	4
Share-Based payments as per IFRS 2	6	19
Total Remuneration	**31**	**45**
Non-whole-time directors		
Commission	6	7
Total Remuneration	**6**	**7**
Total	**37**	**52**

Particulars	**Nine months ended December 31,**	
	2015	**2014**
Whole-time directors		
Salaries	31	29
Contribution to Provident fund	1	1
Bonus and Incentives	37	38
Reimbursement of expenses	1	6
Share-Based payments as per IFRS 2	17	74
Total Remuneration	**87**	**148**
Non-whole-time directors		
Commission	14	31
Total Remuneration	**14**	**31**
Total	**101**	**179**

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 three months and nine months ended December 31, 2015 amounts to Rs 44 and Rs 186 respectively and for three months and nine months ended December 31, 2014 amounts to Rs 33 and Rs 130 respectively.

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

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

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

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

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

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

The details are provided below:

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

The fair value of the contingent consideration, recognized on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets.

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

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

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	12	-	12
Net current assets	161	-	161
Intangible assets	2	206	208
Deferred tax liabilities on intangible assets	-	(70)	(70)
Total	**175**	**136**	**311**
Goodwill			740
Total purchase price			**1,051**

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

The intangible assets are amortised over a period of three to five years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.
Results from this acquisition are grouped under BFSI in the segmental reporting.

23. Acquisition of Bluefin Solutions Limited) ('Bluefin')

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

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

The acquisition was executed through stock purchase agreement to acquire 100% of the equity interest in Bluefin.

The fair value of purchase consideration of Rs 3,981 comprised upfront cash consideration of Rs 3,379 and contingent consideration of Rs 602.

The details are provided below:

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

The fair value of the contingent consideration, recognized on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets.

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

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

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

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

The transaction costs related to the acquisition amounting to Rs 21 have been included under Selling, general and administrative expenses in the statement of income for the period ended December 31, 2015.

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 amount of trade receivables acquired from the above business acquisition was Rs 656. The trade receivables are fully expected to be collected.

From the date of acquisition, Bluefin has contributed revenues amounting to Rs 1471 and profits amounting to Rs 88 to the Group's results. If the acquisition had occurred on April 1, 2015, management estimates that consolidated revenues and profits for the period would have been Rs 2,199 and Rs 110 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 others in the segmental reporting.

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

24. Acquisition of Relational Solutions, Inc ('RSI')

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

RSI develops data warehouses and business intelligence solutions. The acquisition of RSI will enable the Group to increase its foot print in development of data warehouses and business intelligence solutions space

The acquisition was executed through common stock purchase agreement to acquire 100% of equity interest in RSI.

The fair value of purchase consideration of Rs 522 comprised upfront cash consideration of Rs 454 and contingent consideration of Rs 68.

The details are provided below:

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

The fair value of the contingent consideration, recognized on the acquisition date is determined by discounting the estimated amount payable to the previous owners on achievement of certain financial targets.

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

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

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)
Total	**(0.3)**	**183**	**183**
Goodwill			339
Total purchase price			**522**

The transaction costs related to the acquisition amounting to Rs 11 have been included under Selling, general and administrative expenses in the statement of income for the period ended December 31, 2015.

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 amount of trade receivables acquired from the above business acquisition was Rs 34. The trade receivables are fully expected to be collected.

From the date of acquisition, RSI has contributed revenues amounting to Rs 92 and profits amounting to Rs 17 to the Group's results. If the acquisition had occurred on April 1, 2015, management estimates that consolidated revenues and loss for the period would have been Rs 122 and Rs 9 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.

25. 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 Company's performance and allocates resources based on an analysis of various performance indicators by industry classes and geographic segmentation of customers. Accordingly, segment information has been presented both along industry classes and geographic segmentation of customers.

The Company is structured into five reportable business segments – RCM, BFSI, TMS, TH and Others. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

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

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

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

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.

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

Industry Segments:

Statement of income	**Three months ended December 31,**	
	2015	**2014**
Segment revenue		
RCM	2,472	2,020
BFSI	3,027	2,116
TMS	3,646	2,968
TH	1,897	1,476
Others	1,053	492
Total	**12,095**	**9,072**
Segment operating income		
RCM	541	395
BFSI	424	327
TMS	670	670
TH	363	285
Others	142	188
Total	**2,140**	**1,865**
Unallocated	(432)	(260)
Profit for the period before finance expenses, other income and tax	**1,708**	**1,605**
Finance expenses	(43)	(1)
Other income/ (expense)	157	219
Net profit before taxes	**1,822**	**1,823**
Income taxes	(419)	(408)
Net profit after taxes	**1,403**	**1,415**

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

Statement of income	**Nine months ended December 31,**	
	2015	**2014**
Segment revenue		
RCM	7,044	5,728
BFSI	8,466	6,019
TMS	10,281	8,602
TH	5,039	4,368
Others	2,697	1,605
Total	**33,527**	**26,322**
Segment operating income		
RCM	1,595	1,071
BFSI	1,160	675
TMS	1,804	1,985
TH	822	872
Others	626	649
Total	**6,007**	**5,252**
Unallocated	(1,175)	(721)
Profit for the period before finance expenses, other income and tax	**4,832**	**4,531**
Finance expenses	(98)	(2)
Other income/ (expense)	741	688
Net profit before taxes	**5,475**	**5,217**
Income taxes	(1,250)	(1,167)
Net profit after taxes	**4,225**	**4,050**

Geographical segments

Revenues	**Three months ended December 31,**		**For the Nine months ended December 31,**	
	2015	**2014**	**2015**	**2014**
America	7,660	5,703	21,612	15,994
Europe	3,203	2,215	8,452	6,790
India	335	371	1,039	1,019
Rest of World	897	783	2,424	2,519
Total	**12,095**	**9,072**	**33,527**	**26,322**

26. Contingent liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

28. The following table summarizes information about the number of options/ shares exercised and weighted average exercise price of options/ shares exercised under various programs during the period:

Particulars	**Number of options/ shares**		**Weighted average exercise price**	
	Three months ended December 31,			
	2015	**2014**	**2015**	**2014***
Program 2	2,572	6,386	25.00	25.00
Program 4	15,000	29,000	260.00	262.50
Program 5	-	22,144	-	174.44
DSOP 2006	20,000	-	309.50	-
ERSP 2012	15,770	2,530	10.00	10.00

Particulars	**Number of options/ shares**		**Weighted average exercise price**	
	Nine months ended December 31,			
	2015	**2014**	**2015**	**2014***
Program 2	10,524	23,991	25.00	31.44
Program 4	74,000	77,000	265.07	356.42
Program 5	6,908	47,657	239.25	199.03
DSOP 2006	20,000	35,000	309.50	560.00
ERSP 2012	45,164	64,608	10.00	10.00

*Exercise price adjusted for post bonus issue

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

30. The amount of per share dividend recognized as distributions to equity shareholders for the period ended December 31, 2015 was Rs 17 per equity share of par value Rs 10 each. The resultant cash outflow was Rs 1,714 including dividend distribution tax of Rs.290.

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

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

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

32. 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	**Three months ended December 31,**	
	2015	**2014**
Grant towards workforce training	8	5
Total	**8**	**5**

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

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

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

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

Nature of expenses	**For the Nine months ended December 31,**	
	2015	**2014**
Grant towards R & D credit	40	-
Total	**40**	**-**

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

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