MINDTREE LIMITED AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		(Rupees in millions, except share data)	
	Note	As at September 30, 2019	As at March 31, 2019
Assets			
Goodwill	6b	4,732	4,732
Property, plant and equipment	4	4,153	4,054
Right-of-use assets	5	5,964	-
Intangible assets	6a	969	1,180
Investments	7	772	1,200
Deferred tax assets	19	532	388
Non-current tax assets		1,716	1,649
Other non-current assets	10	591	915
Total non-current assets		**19,429**	**14,118**
Trade receivables	8	13,476	13,356
Other current assets	10	1,147	1,843
Unbilled revenues		3,274	2,991
Investments	7	5,239	6,836
Derivative financial instruments		43	84
Cash and cash equivalents	9	1,976	2,562
Total current assets		**25,155**	**27,672**
Total assets		**44,584**	**41,790**
Equity			
Share capital	11	1,646	1,642
Share premium		297	133
Retained earnings		27,563	30,430
Other components of equity		599	860
Equity attributable to owners of the Company		30,105	33,065
Total equity		**30,105**	**33,065**
Liabilities			
Loans and borrowings	14	-	5
Lease liabilities	26	5,236	-
Other non-current liabilities	17	1	174
Total non-current liabilities		**5,237**	**179**
Loans and borrowings	14	5	5
Lease liabilities	26	628	-
Trade payables and accrued expenses	15	2,179	2,131
Unearned revenue	16	437	667
Current tax liabilities		752	749
Derivative financial instruments		81	2
Employee benefit obligations	18	1,122	885
Other current liabilities	17	3,229	3,363
Provisions	17	809	744
Total current liabilities		**9,242**	**8,546**
Total liabilities		**14,479**	**8,725**
Total equity and liabilities		**44,584**	**41,790**

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

MINDTREE LIMITED AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

(Rupees in millions, except share data)

	Note	Three months ended September 30, 2019	Three months ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018
Revenues	20	19,143	17,554	37,485	33,949
Cost of revenues	22	(14,000)	(12,010)	(27,942)	(23,209)
Gross profit		**5,143**	**5,544**	**9,543**	**10,740**
Selling, general and administrative expenses	22	(3,368)	(3,248)	(6,596)	(6,534)
Results from operating activities		**1,775**	**2,296**	**2,947**	**4,206**
Foreign exchange gain/(loss)		5	403	5	594
Finance expenses		(138)	(1)	(268)	(29)
Finance and other income	21	192	121	412	209
Profit before tax		**1,834**	**2,819**	**3,096**	**4,980**
Income tax expense	19	(484)	(756)	(819)	(1,335)
Profit for the period		**1,350**	**2,063**	**2,277**	**3,645**
Attributable to:					
Owners of the Company		1,350	2,063	2,277	3,645
Non-controlling interests		-	-	-	-
		1,350	**2,063**	**2,277**	**3,645**
Earnings per share:	24				
Equity shares of par value Rs 10 each					
Basic (Rs)		8.20	12.57	13.85	22.22
Diluted (Rs)		8.20	12.55	13.85	22.18
Weighted average number of equity shares used in computing earnings per share:					
Basic		164,551,383	164,135,864	164,402,107	164,040,839
Diluted		164,564,801	164,477,118	164,409,678	164,379,886

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

MINDTREE LIMITED AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(Rupees in millions, except share data)

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Profit for the period	1,350	2,063	2,277	3,645
Other comprehensive income, net of taxes				
Items that will not be reclassified to profit or loss				
- Defined benefit plan actuarial gains/ (losses)	(33)	(3)	(60)	(37)
Items that may be reclassified subsequently to profit or loss				
- Foreign currency translation difference relating to foreign operations	-	139	-	260
- Net change in fair value of cash flow hedges	(32)	-	(32)	-
Total other comprehensive income, net of taxes	(65)	136	(92)	223
Total comprehensive income for the period	1,285	2,199	2,185	3,868
Attributable to:				
Owners of the Company	1,285	2,199	2,185	3,868
Non-controlling interests	-	-	-	-
	1,285	2,199	2,185	3,868

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

MINDTREE LIMITED AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(Rupees in millions, except share data)

Particulars	No. of shares	Share capital	Share premium	Retained earnings	Other components of equity (refer note 11)						Equity attributable to owners of the Company	Total equity
					Share based payment reserve	Special Economic Zone reinvestment reserve	Capital redemption reserve	Other reserves	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve		
Balance as at April 1, 2018	163,926,311	1,639	8	25,344	201	764	42	98	-	(678)	27,418	27,418
Issue of equity shares on exercise of options/ restricted shares	263,060	3	-	-	-	-	-	-	-	-	3	3
Profit for the period		-	-	3,645	-	-	-	-	-	-	3,645	3,645
Other comprehensive income		-	-	-	-	-	-	(37)	-	-	(37)	(37)
Created during the period		-	-	(622)	-	622	-	-	-	-	-	-
Utilised during the period		-	-	393	-	(393)	-	-	-	-	-	-
Transferred to securities premium reserve		-	114	-	(114)	-	-	-	-	-	-	-
Compensation cost related to employee share based payment transactior		-	-	-	42	-	-	-	-	-	42	42
Cash dividend paid (including dividend tax thereon)		-	-	(995)	-	-	-	-	-	-	(995)	(995)
Exchange differences on translation of foreign operations		-	-	-	-	-	-	-	-	260	260	260
As at September 30, 2018	**164,189,371**	**1,642**	**122**	**27,765**	**129**	**993**	**42**	**61**	**-**	**(418)**	**30,336**	**30,336**
Balance as at April 1, 2018	163,926,311	1,639	8	25,344	201	764	42	98	-	(678)	27,418	27,418
Issue of equity shares on exercise of options/ restricted shares	287,730	3	-	-	-	-	-	-	-	-	3	3
Profit for the year		-	-	7,541	-	-	-	-	-	-	7,541	7,541
Other comprehensive income		-	-	-	-	-	-	(65)	-	-	(65)	(65)
Created during the year		-	-	(1,348)	-	1,348	-	-	-	-	-	-
Utilised during the year		-	-	1,076	-	(1,076)	-	-	-	-	-	-
Transferred to share premium on allotment against stock options		-	125	-	(125)	-	-	-	-	-	-	-
Compensation cost related to employee share based payment (refer note 23)		-	-	-	89	-	-	-	-	-	89	89
Cash dividend paid (including dividend tax thereon)		-	-	(2,183)	-	-	-	-	-	-	(2,183)	(2,183)
Exchange differences on translation of foreign operations		-	-	-	-	-	-	-	-	262	262	262
As at March 31, 2019	**164,214,041**	**1,642**	**133**	**30,430**	**165**	**1,036**	**42**	**33**	**-**	**(416)**	**33,065**	**33,065**
Balance as at April 1, 2019	164,214,041	1,642	133	30,430	165	1,036	42	33	-	(416)	33,065	33,065
Impact of adoption of IFRS 16 (refere note 26)		-	-	157	-	-	-	-	-	-	157	157
Issue of equity shares on exercise of options/ restricted shares	357,525	4	-	-	-	-	-	-	-	-	4	4
Profit for the period		-	-	2,277	-	-	-	-	-	-	2,277	2,277
Other comprehensive income		-	-	-	-	-	-	(60)	(32)	-	(92)	(92)
Created during the period		-	-	(452)	-	452	-	-	-	-	-	-
Utilised during the period		-	-	504	-	(504)	-	-	-	-	-	-
Transferred to share premium on allotment against stock options		-	164	-	(164)	-	-	-	-	-	-	-
Compensation cost related to employee share based payment (refer note 23)		-	-	-	47	-	-	-	-	-	47	47
Cash dividend paid (including dividend tax thereon) (refer note 11.a)		-	-	(5,353)	-	-	-	-	-	-	(5,353)	(5,353)
As at September 30, 2019	**164,571,566**	**1,646**	**297**	**27,563**	**48**	**984**	**42**	**(27)**	**(32)**	**(416)**	**30,105**	**30,105**

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

MINDTREE LIMITED AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		(Rupees in million)
	Six months ended September 30,	
	2019	**2018**
Cash flow from operating activities		
Profit for the period	2,277	3,645
Adjustments for :		
Depreciation of property, plant and equipment	662	574
Amortisation of intangible assets	228	229
Depreciation of right-of-use assets	486	-
Share based payments to employees	47	42
Allowance for expected credit losses	120	93
Finance expenses	268	29
Income tax expense	819	1,335
Interest / dividend income	(101)	(65)
Loss/ (gain) on sale of property, plant and equipment	(8)	(9)
Net gain on financial assets designated at fair value through profit or loss	(285)	(124)
Unrealised exchange difference on lease liabilities	57	-
Unrealised exchange difference on derivatives	70	53
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(29)	(136)
Changes in operating assets and liabilities		
Trade receivables	(240)	(2,921)
Unbilled revenues	(282)	(492)
Other assets	530	155
Trade payables and accrued expenses	85	434
Unearned revenues	(230)	(228)
Other liabilities	96	303
Net cash provided by operating activities before taxes	4,570	2,917
Income taxes paid, net of refunds	(991)	(1,046)
Net cash provided by operating activities	**3,579**	**1,871**
Cash flow from investing activities		
Expenditure on property, plant and equipment	(811)	(648)
Proceeds from sale of property, plant and equipment	8	24
Interest income received from investments	52	29
Purchase of Investments	(13,272)	(7,754)
Proceeds from sale of investments	15,649	8,829
Net cash provided by investing activities	**1,626**	**480**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	4	3
Payment of lease liabilities	(204)	-
Finance expenses (including interest towards lease liabilities)	(268)	(40)
Repayment of long-term borrowings	(5)	(4)
Repayment of short-term borrowings	-	(3,000)
Dividends paid (including distribution tax)	(5,351)	(993)
Net cash (used in) financing activities	**(5,824)**	**(4,034)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	29	136
Net (decrease) in cash and cash equivalents	(590)	(1,547)
Cash and cash equivalents at the beginning of the period	2,559	3,275
Cash and cash equivalents at the end of the period (Note 9)	**1,969**	**1,728**

MINDTREE LIMITED AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Reconciliation of liabilities from financing activities for the six months ended September 30, 2019 — **Rs in million**

Particulars	As at March 31, 2019	Proceeds/ Impact of IFRS 16	Repayment	Fair value changes	As at September 30, 2019
Long-term borrowings (including current portion)	10	-	(5)	-	**5**
Lease liabilities	-	6,011	(204)	57	**5,864**
Total liabilities from financing activities	**10**	**6,011**	**(209)**	**57**	**5,869**

Reconciliation of liabilities from financing activities for the six months ended September 30, 2018

Particulars	As at March 31, 2018	Proceeds	Repayment	Fair value changes	As at September 30, 2018
Long-term borrowings (including current portion)	14	-	(4)	-	**10**
Short-term borrowings	3,000	-	(3,000)	-	-
Total liabilities from financing activities	**3,014**	**-**	**(3,004)**	**-**	**10**

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

1. Company overview

Mindtree Limited ('Mindtree' or 'the Company') together with its subsidiaries Mindtree Software (Shanghai) Co. Ltd, Bluefin Solutions Limited* and Bluefin Solutions Sdn Bhd., 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), High Technology and Media (Hi-tech), 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 (USA), United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France, Ireland, Poland, Mexico and Republic of China. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The Company became a subsidiary of Larsen & Toubro Limited (L&T) with effect from July 2, 2019 (Refer note 28). The consolidated financial statements were authorized for issuance by the Company's Board of Directors on October 16, 2019.
* Dissolved with effect from April 2, 2019

2. Basis of preparation of financial statements

(a) Statement of compliance

The consolidated interim financial statements (the 'financial statements') as at and for the three and six months ended September 30, 2019 have been prepared in accordance with International Financial Reporting Standards and its interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Except for the changes below, the Group has consistently applied accounting policies to all periods.

i) The Group has adopted IFRS 16 'Leases' with the date of initial application being April 1, 2019. IFRS 16 replaces IAS 17 – Leases and related interpretation and guidance. The standard sets out principles for 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. The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. Refer Note 26 for further details.

ii) IFRIC 23, Uncertainty over Income Tax Treatments: On June 7, 2017, the International Accounting Standards Board (IASB) issued IFRS interpretation IFRIC 23 Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12, Income Taxes. The amendment is effective from April 1, 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that there is no impact.

iii) Amendment to IAS 19 – plan amendment, curtailment or settlement: On February 7, 2018, the IASB issued amendments to the guidance in IAS 19, "Employee Benefits", in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that this amendment is not applicable.

(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 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 and
iv. Defined benefit and other long-term employee benefits

(c) **Functional and presentation currency**

The financial statements are presented in Indian Rupees, which is the functional currency of the 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 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 financial statements is included in the following notes:

i) Revenue recognition:
a. 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.

b. Contracts with customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately or together requires significant judgment based on nature of the contract, transfer of control over the product or service, ability of the product or service to benefit the customer on its own or together with other readily available resources and the ability of the product or service to be separately identifiable from other promises in the contract.

ii) Income taxes: The Group's two major tax jurisdictions are India and USA, 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 Note 19.

iii) Leases: The Group considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

iv) 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.

3. Significant accounting policies

(i) Basis of consolidation

Subsidiaries

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).

Control exists when the Company 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 un-realized 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 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 financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(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 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 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 or 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.

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.

(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 sale 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 or 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 bank 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 statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest earned is recognised under the effective interest rate (EIR) method.

(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 or 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.
Financial assets included within the FVTPL category are measured at fair values with all changes recorded in the statement of profit or 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 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 profit or loss 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 profit or 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 or 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 or 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 or its deemed 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 Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of profit or 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 consolidated statement of profit or 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 advances and capital work- in-progress respectively.

(vi) Business combination, Goodwill and Intangible assets

Business combinations other than through common control transactions 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.
Business combinations through common control transactions are accounted on a pooling of interests method. 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 immediately in the statements 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 intangible assets for the current and comparative period 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

IFRS 3 'Business Combinations' 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

The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than USD 5,000). The Group recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, 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 and receipts under operating leases are recognised as an expense and income respectively, 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 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 receivables.

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 regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit or loss during the period. This amount is reflected under the head other expenses in the statement of profit or 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 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 CGU's 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 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

Employer contributions payable to the social security plans, which are a defined contribution scheme, are charged to the consolidated 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 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. 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 transactions

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.
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or a service to a customer. 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.

c) Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract. 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 IFRS 15, 'Revenue from Contracts with customers', by applying the revenue recognition criteria for each of the distinct performance obligation. The arrangements generally meet the criteria for considering software development and related services as distinct performance obligation. For allocating the consideration, the Group has measured the revenue in respect of distinct performance obligation at its standalone selling price, in accordance with principles given in IFRS 15.

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, goods and services 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.

'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'.

(xiii) Warranty provisions

The Group provides warranty provisions on all its products sold. A provision 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 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.

(xv) Income taxes

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 liability/(asset) 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 (EPS)

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares issued 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 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.

(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.

During the period of development, the asset is tested for impairment annually.

(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 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.

A repayment of government grant is accounted for as a change in accounting estimate. The repayment of asset-related grant increases the carrying amount of the asset. The cumulative depreciation which would have been charged had the grant not been received is charged to statement of profit or loss.

(xix) Dividend and dividend distribution tax

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees and are subject to applicable distribution taxes. The applicable distribution taxes are linked more directly to past transactions or events that generated distributable profits than to distribution to owners and accordingly, recognized in profit or loss or other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

New standards and interpretations not yet adopted

a) **IFRS 17 Insurance contracts**: On May 18, 2017, the International Accounting Standards Board issued IFRS 17, “Insurance Contracts” that replaces IFRS 4, “Insurance Contracts”. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The effective date of adoption of IFRS 17 is annual reporting periods beginning on or after January 1, 2021. The Group is yet to evaluate the requirements of IFRS 17 and the impact on the financial statements.

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

4. Property, plant and equipment

Particulars	Land	Buildings	Computer systems	Furniture, fixtures and equipment	Vehicles	Total
Gross carrying value:						
As at April 1, 2018	84	2,786	3,189	4,498	27	10,584
Additions	-	35	314	76	-	425
Disposal/Adjustments	-	-	97	25	-	122
Translation Adjustment Loss/(Gain)	-	-	(7)	(9)	-	(16)
As at September 30, 2018	84	2,821	3,413	4,558	27	10,903
Accumulated depreciation/impairment:						
As at April 1, 2018	9	765	2,731	3,545	25	7,075
Depreciation	-	127	235	210	2	574
Disposal/Adjustments	-	-	97	10	-	107
Translation Adjustment Loss/(Gain)	-	-	(6)	(6)	-	(12)
As at September 30, 2018	9	892	2,875	3,751	27	7,554
Capital work-in-progress						245
Net carrying value as at September 30, 2018	**75**	**1,929**	**538**	**807**	**-**	**3,594**
Gross carrying value:						
As at April 1, 2018	84	2,786	3,189	4,498	27	10,584
Additions	-	158	779	558	-	1,495
Disposal/Adjustments	-	-	258	59	-	317
Translation Adjustment Loss/(Gain)	-	-	1	1	-	2
As at March 31, 2019	84	2,944	3,709	4,996	27	11,760
Accumulated depreciation/impairment:						
As at April 1, 2018	9	765	2,731	3,545	25	7,075
Depreciation	1	258	500	465	2	1,226
Disposal/Adjustments	-	-	258	39	-	297
Translation Adjustment Loss/(Gain)	-	-	1	-	-	1
As at March 31, 2019	10	1,023	2,972	3,971	27	8,003
Capital work-in-progress						297
Net carrying value as at March 31, 2019	**74**	**1,921**	**737**	**1,025**	**-**	**4,054**
Gross carrying value:						
As at April 1, 2019	84	2,944	3,709	4,996	27	11,760
Additions	-	58	358	639	6	1,061
Disposal/Adjustments	-	-	95	5	24	124
Impact of adoption of IFRS 16	51	-	-	-	-	51
As at September 30, 2019	33	3,002	3,972	5,630	9	12,646
Accumulated depreciation/impairment:						
As at April 1, 2019	10	1,023	2,972	3,971	27	8,003
Depreciation	-	135	309	218	-	662
Disposal/adjustments	-	-	95	5	24	124
Impact of adoption of IFRS 16	10	-	-	(3)	-	7
As at September 30, 2019	-	1,158	3,186	4,187	3	8,534
Capital work-in-progress						41
Net carrying value as at September 30, 2019	**33**	**1,844**	**786**	**1,443**	**6**	**4,153**

The depreciation expense for the period ended September 30, 2019 and September 30, 2018 is included in the following line items in the statement of profit or loss.

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

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	**2018**	**2019**	**2018**
Cost of revenues	312	265	609	528
Selling, general and administrative expenses	27	23	53	46
Total	**339**	**288**	**662**	**574**

5. Right-of-use assets

	Land	Buildings	Total
Gross carrying value:			
As at April 1, 2018	-	-	-
Additions	-	-	-
Disposal/adjustments	-	-	-
As at September 30, 2018	-	-	-
Accumulated depreciation/impairment:			
As at April 1, 2018	-	-	-
Depreciation	-	-	-
Disposal/adjustments	-	-	-
As at September 30, 2018	-	-	-
Net carrying value as at September 30, 2018	**-**	**-**	**-**
Gross carrying value:			
As at April 1, 2018	-	-	-
Additions	-	-	-
Disposal/adjustments	-	-	-
As at March 31, 2019	-	-	-
Accumulated depreciation/impairment:			
As at April 1, 2018	-	-	-
Depreciation	-	-	-
Disposal/adjustments	-	-	-
As at March 31, 2019	-	-	-
Net carrying value as at March 31, 2019	**-**	**-**	**-**
Gross carrying value:			
As at April 1, 2019	-	-	-
Impact of adoption of IFRS 16 (refer note 26)	380	5,989	6,369
Additions	-	219	219
Disposal/adjustments	-	-	-
As at September 30, 2019	380	6,208	6,588
Accumulated depreciation/impairment:			
As at April 1, 2019	-	-	-
Impact of adoption of IFRS 16 (refer note 26)	138	-	138
Depreciation	6	480	486
Disposal/adjustments	-	-	-
As at September 30, 2019	144	480	624
Net carrying value as at September 30, 2019	**236**	**5,728**	**5,964**

The depreciation expense for the period ended September 30, 2019 and September 30, 2018 is included in the following line items in the statement of profit or loss.

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	**2018**	**2019**	**2018**
Cost of revenues	233	-	447	-
Selling, general and administrative expenses	20	-	39	-
Total	**253**	**-**	**486**	**-**

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

6. 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 Intangible Assets
Gross carrying value:									
As at April 1, 2018	67	1,094	71	1,292	53	690	292	262	3,821
Additions	-	31	-	-	-	-	-	-	31
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
Translation Adjustment Loss/(Gain)	-	(1)	-	(37)	(3)	(56)	(14)	-	(111)
As at September 30, 2018	67	1,126	71	1,329	56	746	306	262	3,963
Accumulated amortisation/impairment:									
As at April 1, 2018	66	1,052	57	726	29	224	75	72	2,301
Amortisation	-	23	9	119	5	45	15	13	229
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
Translation Adjustment Loss/(Gain)	-	(1)	-	(20)	(2)	(14)	(4)	-	(41)
As at September 30, 2018	66	1,076	66	865	36	283	94	85	2,571
Net carrying value as at September 30, 2018	**1**	**50**	**5**	**464**	**20**	**463**	**212**	**177**	**1,392**
Gross carrying value:									
As at April 1, 2018	67	1,094	71	1,292	53	690	292	262	3,821
Additions	-	58	-	-	-	-	-	-	58
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
Translation Adjustment Loss/(Gain)	-	-	-	(37)	(3)	(55)	(14)	-	(109)
As at March 31, 2019	67	1,152	71	1,329	56	745	306	262	3,988
Accumulated amortisation/impairment:									
As at April 1, 2018	66	1,052	57	726	29	224	75	72	2,301
Amortisation	1	50	14	241	11	93	30	26	466
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
Translation Adjustment Loss/(Gain)	-	-	-	(20)	(2)	(15)	(4)	-	(41)
As at March 31, 2019	67	1,102	71	987	42	332	109	98	2,808
Net carrying value as at March 31, 2019	**-**	**50**	**-**	**342**	**14**	**413**	**197**	**164**	**1,180**
Gross carrying value:									
As at April 1, 2019	67	1,152	71	1,329	56	745	306	262	3,988
Additions	-	17	-	-	-	-	-	-	17
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
As at September 30, 2019	67	1,169	71	1,329	56	745	306	262	4,005
Accumulated amortisation/impairment:									
As at April 1, 2019	67	1,102	71	987	42	332	109	98	2,808
Amortisation	-	25	-	122	5	48	15	13	228
Disposal/Adjustments	-	-	-	-	-	-	-	-	-
As at September 30, 2019	67	1,127	71	1,109	47	380	124	111	3,036
Net carrying value as at September 30, 2019	**-**	**42**	**-**	**220**	**9**	**365**	**182**	**151**	**969**
Estimated useful life (in years)	5.00	2 - 3	4	3 - 5	5	5 - 10	10	10	
Estimated remaining useful life (in years)	-	0.10 - 1.94	-	0.75	0.50 - 0.75	0.75 - 6.25	5.75 - 6.25	5.75	

The aggregate amount of research and development expense recognized in the consolidated statement of profit or loss for the three and six months ended September 30, 2019 is Rs 109 and Rs 217 respectively. (for the three and six months ended September 30, 2018 is Rs 136 and Rs 250 respectively).

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

The amortisation expense for the period ended September 30, 2019 and September 30, 2018 is included in the following line items in the statement of profit or loss.

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Cost of revenues	106	106	210	211
Selling, general and administrative expenses	9	9	18	18
Total	**115**	**115**	**228**	**229**

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

b. Goodwill

Particulars	As at September 30, 2019	As at March 31, 2019
Balance at the beginning of the period	4,732	4,539
Translation Adjustment Loss/(Gain)	-	(193)
Balance at the end of the period	**4,732**	**4,732**

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 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.

The Group does its impairment evaluation on an annual basis and as of March 31, 2019, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations were as follows:

Particulars	As at March 31, 2019
Discount rate	17.4% - 22.3%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Group. These estimates are likely to differ from future actual results of operations and cash flows.

The goodwill on acquisition of subsidiaries has been allocated as follows:

Particulars	September 30, 2019	March 31, 2019
RCM	2,442	2,442
BFSI	1,179	1,179
Hi-tech	1,037	1,037
TH	74	74
Total	**4,732**	**4,732**

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

7. 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 September 30, 2019 and March 31, 2019

Particulars	As at September 30, 2019	As at March 31, 2019
Non-current		
Investment in non-convertible bonds, unlisted equity securities and unlisted preference shares		
Cost	690	1,202
Gross unrealised holding gains/(losses)	82	(2)
Fair value	772	1,200
Current		
Investment in non-convertible bonds, term deposits, liquid, short-term mutual funds and commerical paper		
Cost	5,017	6,544
Gross unrealised holding gains/(losses)	222	292
Fair value	5,239	6,836
Total Investments	**6,011**	**8,036**

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

8. Trade receivables

Particulars	**As at September 30, 2019**	**As at March 31, 2019**
Trade receivables	13,822	13,582
Allowance for expected credit losses	(346)	(226)
Total	**13,476**	**13,356**

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 regular intervals, 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	0.3%	3.6%	21.6%	52%

*In case of probability of non-collection, default rate is 100%

Movement in the expected credit loss allowance:

Particulars	**Three months ended September 30,**		**Six months ended September 30,**		**As at March 31,**
	2019	**2018**	**2019**	**2018**	**2019**
Balance at the beginning of the period	256	156	226	119	119
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	90	56	120	93	107
Provision at the end of the period	346	212	346	212	226

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

9. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Particulars	As at September 30, 2019	As at March 31, 2019
Cash balances	-	-
Current and time deposits with banks #	1,976	2,562
Cash and cash equivalents in the interim statement of financial position	**1,976**	**2,562**
Book overdrafts used for cash management purposes (Refer note 17)	(7)	(3)
Cash and cash equivalents in the statement of cash flows	**1,969**	**2,559**

#Balance with banks amounting to Rs 18 and Rs 16 as of September 30, 2019 and March 31, 2019 respectively includes unpaid dividend and dividend payable.

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.

10. Other assets

Particulars	As at September 30, 2019	As at March 31, 2019
Non-current		
Capital advances	60	108
Security deposits	505	675
Prepaid expenses	6	116
Service tax credit receivable	11	11
Others	9	5
	591	**915**
Current		
Prepaid expenses	486	981
Advance to employees (net of provision for doubtful advances to employees)*	272	267
Advance to suppliers	47	33
Interest accrued and not due	2	34
Security deposits	12	123
Others	328	405
	1,147	**1,843**
Total	**1,738**	**2,758**

*Provision for doubtful advances to employees as at September 30, 2019 Rs 17 (As at March 31, 2019: Rs 12)

11. 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 Rs 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 as at September 30, 2019 is 164,571,566 (As at March 31, 2019: 164,214,041) equity shares of Rs 10 each amounting to Rs 1,646 (As at March 31, 2019: Rs 1,642).

The Group has only one class of shares referred to as equity shares having a par value of Rs 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 and foreign currency. 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 amounts payable to preference shareholders. However, no such preference shares 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, 2019 was Rs 11.

The Board of Directors, at its meeting held on April 17, 2019, had declared an interim dividend of 30% (Rs 3 per equity share of par value Rs 10 each). The Board of Directors had recommended a final dividend of 40% (Rs 4 per equity share of par value Rs 10 each) for the financial year ended March 31, 2019 which was approved by the shareholders at the Twentieth Annual General Meeting of the Company held on July 16, 2019. Further, the Board of Directors had recommended a special dividend of 200% (Rs 20 per equity share of par value Rs 10 each) to celebrate the twin achievements of exceeding USD 1 billion annual revenue milestone and 20th anniversary of the Company which was also approved by the shareholders at the Twentieth Annual General Meeting of the Company held on July 16, 2019. The aforesaid dividends were paid during the period that resulted in a cash outflow of Rs 5,353 including dividend distribution tax of Rs 913. The Board of Directors, at its meeting held on October 16, 2019, have declared an interim dividend of 30% (Rs 3 per equity share of par value Rs 10 each).

b) *Retained earnings*

Retained earnings comprises of undistributed earnings. A portion of these earnings as at September 30, 2019 amounting to Rs 87 (As at March 31, 2019: Rs 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) *Special Economic Zone reinvestment reserve*

This Special Economic Zone reinvestment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(II) of the Income Tax Act, 1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in terms of the section 10AA(2) of the Income Tax Act, 1961.

e) *Capital redemption reserve*

A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of Company's own shares pursuant to Section 69 of the Companies Act, 2013.

f) *Other reserves*

Changes in the fair value of equity instruments is recognized in other comprehensive income (net of taxes) and presented within equity in other reserve.

g) *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.

h) *Effective portion of 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 (net of taxes) to the extent that the hedge is effective.

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

12. In the period of five years immediately preceding September 30, 2019:

a) 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.

b) Pursuant to the approval of the Board and the Administrative Committee at its meetings held on June 28, 2017 and July 20, 2017 respectively, the Group bought back 4,224,000 equity shares of Rs 10 each on a proportionate basis, at a price of Rs 625 per equity share for an aggregate consideration of Rs 2,640 (Rupees Two thousand six hundred and forty million only), and completed the extinguishment of the equity shares bought back. Capital redemption reserve has been created to the extent of nominal value of share capital extinguished amounting to Rs 42 million. The buyback and creation of capital redemption reserve was effected by utilizing the share premium and free reserves.

c) The Group has not allotted any other equity shares as fully paid up without payment being received in cash.

13. Employee stock incentive plans

The Group instituted the Employees Stock Option Plan ('ESOP') in fiscal year 2000, which was approved by the Board of Directors (Board). The Group administers below mentioned restricted stock purchase plan and phantom stock options plan.

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

Particulars	Three months ended September 30,			
	2019		2018	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding shares, beginning of the period	116,050	10.00	169,745	10.00
Granted during the period	-	-	-	-
Exercised during the period	116,050	10.00	169,745	10.00
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding shares, end of the period	-	-	-	-
Shares vested and exercisable, end of the period	-	-	-	-

Particulars	Six months ended September 30, 2019		2018	
	Number of share options	Weighted average Exercise price	Number of share options	Weighted average Exercise price
Outstanding shares, beginning of the period	-	-	-	-
Granted during the period	357,525	10.00	263,060	10.00
Exercised during the period	357,525	10.00	263,060	10.00
Lapsed during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Outstanding shares, end of the period	-	-	-	-
Shares vested and exercisable, end of the period	-	-	-	-

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 outstanding options/units as at September 30, 2019 are given below:

Particulars	**Phantom stock options plan**
Total no. of units/ shares	500,000
Vested units/ shares	425,000
Lapsed units/ shares	-
Forfeited units/ shares	-
Cancelled units/ shares	75,000
Outstanding units/shares as at the end of the period	-
Contractual life	1 year
Date of grant	1-Apr-18, 24-Jul-19
Price per share/ unit	Grant price of Rs 772/ Rs 930

Particulars	**ERSP 2012 Plan****
Outstanding units/shares as at the beginning of the period	369,650
Number of units/shares granted during the period under letters of intent issued	263,800
Vested units/ shares	357,525
Lapsed units/ shares	-
Forfeited units/ shares	-
Cancelled units/ shares	10,500
Outstanding units/shares as at the end of the period	265,425
Contractual life	1-2 years
Date of grant*	19-Oct-18, 24-Jul-19, 2-Aug-19
Price per share/ unit*	Exercise price of Rs 10

*Based on Letter of Intent
**Excludes direct allotment of shares

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

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the period ended September 30, 2019 was Rs 694.94 using the Black-Scholes model with the following assumptions:

Particulars	**As at September 30, 2019**
Weighted average grant date share price	694.94
Weighted average exercise price	Rs 10
Dividend yield %	0.45%
Expected life	1 year
Risk free interest rate	6.03%
Volatility	35.68%

14. Loans and borrowings

A summary of loans and borrowings is as follows:

Particulars	**As at September 30, 2019**	**As at March 31, 2019**
Non-current		
Unsecured long-term loan and borrowings*	-	5
	-	**5**
Current		
Current portion of unsecured long-term loan and borrowings*	5	5
	5	**5**
Total	**5**	**10**

*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 unsecured long term borrowings 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. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay. The loan is repayable by June 2020. There is no default in the repayment of the principal loan and interest amounts.

15. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

Particulars	**As at September 30, 2019**	**As at March 31, 2019**
Trade payables	726	723
Accrued expenses	1,453	1,408
Total	**2,179**	**2,131**

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

16. Unearned revenue

Particulars	Three months ended September 30,		Six months ended September 30,		Year ended March 31,
	2019	2018	2019	2018	2019
Balance at the beginning of the period	577	578	667	720	720
Invoiced during the period	1,347	2,937	3,300	5,214	11,718
Revenue recognized during the period	(1,487)	(3,023)	(3,530)	(5,442)	(11,771)
Balance at the end of the period	437	492	437	492	667

17. Other liabilities and provisions

Particulars	As at September 30, 2019	As at March 31, 2019
Non-current		
Others	1	174
	1	**174**
Current		
Book overdraft	7	3
Advances from customers	116	330
Employee and other liabilities	2,230	2,284
Statutory dues payable	647	560
Other liabilities	229	186
	3,229	**3,363**
Total	**3,230**	**3,537**
Current		
Provisions		
Provision for discount	674	627
Provision for disputed dues*	92	90
Provision for post contract support services	11	9
Provision for forseeable losses on contracts	32	18
Total	**809**	**744**

Note:
*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 IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’, the disclosures required have not been provided pursuant to the limited exemption provided under paragraph 92 of IAS 37.

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

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	Three months ended September 30,		Six months ended September 30,		For the year ended March 31,
	2019	2018	2019	2018	2019
Balance at the beginning of the period	576	532	627	534	534
Provisions made during the period	260	193	537	368	689
Utilisations during the period	(110)	(35)	(369)	(192)	(449)
Released during the period	(52)	(16)	(121)	(36)	(147)
Provision at the end of the period	674	674	674	674	627

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 revenue and are expected to be utilized within a period of one year.

Particulars	Three months ended September 30,		Six months ended September 30,		For the year ended March 31,
	2019	2018	2019	2018	2019
Balance at the beginning of the period	9	11	9	10	10
Provisions made during the period	2	-	2	1	1
Released during the period	-	(2)	-	(2)	(2)
Provision at the end of the period	11	9	11	9	9

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

Provision for disputed dues

Particulars	Three months ended September 30, 2019	Three months ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018	For the year ended March 31, 2019
Balance at the beginning of the period	91	87	90	86	86
Provisions made during the period	1	1	2	2	4
Provision at the end of the period	92	88	92	88	90

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	Three months ended September 30, 2019	Three months ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018	For the year ended March 31, 2019
Balance at the beginning of the period	5	20	18	6	6
Provisions made during the period	34	8	35	22	45
Released during the period	(7)	(22)	(21)	(22)	(33)
Provision at the end of the period	32	6	32	6	18

18. Employee benefit obligations

Employee benefit obligations comprises of following:

Particulars	As at September 30, 2019	As at March 31, 2019
Gratuity (net)	185	230
Compensated absences	937	655
Total	**1,122**	**885**

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

19. Income tax expense

Income tax expense in the consolidated statement of profit or loss consists of:

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Current taxes				
In respect of the current period	592	834	946	1,481
Deferred taxes				
In respect of the current period	(108)	(78)	(127)	(146)
Grand total	**484**	**756**	**819**	**1,335**

Total Income tax expense has been allocated as follows:

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Income tax expense as per the consolidated statement of profit or loss	484	756	819	1,335
Income tax included in other comprehensive income on:				
- Net change in fair value of cash flow hedges	17	-	17	-
- Net loss/ (gain) on remeasurement of defined benefit plan	11	-	19	11

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	Six months ended September 30,	
	2019	2018
Profit before tax	3,096	4,980
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	1,082	1,740
Effect of:		
Income exempt from tax	(366)	(541)
Temporary differences reversing during the tax holiday period	18	38
Expenses (net) that are not deductible in determining taxable profit	24	38
Diffferent tax rates of branches/subsidiaries operating in other jurisdictions	62	96
Others	(1)	-
Income tax expense recognised in the statement of profit or loss	**819**	**1,335**

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

Particulars	**Three months ended September 30,**	
	2019	**2018**
Profit before tax	1,834	2,819
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	641	985
Effect of:		
Income exempt from tax	(242)	(331)
Temporary differences reversing during the tax holiday period	13	27
Expenses (net) that are not deductible in determining taxable profit	18	21
Diffferent tax rates of branches operating in other jurisdictions	60	58
Tax effect due to non-taxable income/expense	-	(4)
Others	(6)	-
Income tax expense recognised in the statement of profit or loss	**484**	**756**

The tax rates under Indian Income Tax Act, for the period ended September 30, 2019 and September 30, 2018 is 34.94% and 34.94% respectively.

The Group has not created deferred tax assets on the following:

Particulars	**As at September 30, 2019**	**As at March 31, 2019**
Unused tax losses (long term capital loss) which expire in		
- FY 2019-20	34	34
- FY 2021-22	48	48
- FY 2022-23	28	28
- FY 2023-24	22	22
Unused tax losses of foreign jurisdiction	299	314

The components of deferred tax assets are as follows:

Deferred tax assets/(liabilities) as at September 30, 2019 in relation to:

Particulars	**As at April 1, 2019**	**Recognised in profit or loss**	**Recognised in Other Comprehensive Income**	**Others**	**As at September 30, 2019**
Property, plant and equipment	463	23	-	-	486
Lease assets net of lease liabilties	-	39	-	-	39
Allowance for expected credit losses	48	14	-	-	62
Provision for compensated absences	287	14	-	-	301
Intangible assets	(398)	22	-	-	(376)
Others	89	20	-	-	109
Net gain on fair value of mutual funds	(101)	(5)	-	-	(106)
Cash flow hedges	-	-	17	-	17
Total	**388**	**127**	**17**	**-**	**532**

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

Deferred tax assets/(liabilities) as at March 31, 2019 in relation to:

Particulars	As at April 1, 2018	Recognised in profit or loss	Recognised in Other Comprehensive Income	Others	As at March 31, 2019
Property, plant and equipment	443	20	-	-	463
Allowance for expected credit losses	19	29	-	-	48
Provision for compensated absences	228	59	-	-	287
Intangible assets	(432)	34	-	-	(398)
Others	83	6	-	-	89
Net gain on fair value of mutual funds	(82)	(19)	-	-	(101)
MAT Credit entitlement/(utilisation)	59	-	-	(59)	-
Total	**318**	**129**	**-**	**(59)**	**388**

Deferred tax assets/(liabilities) as at September 30, 2018 in relation to:

Particulars	As at April 1, 2018	Recognised in profit or loss	Recognised in Other Comprehensive Income	Others	As at September 30, 2018
Property, plant and equipment	443	25	-	-	468
Allowance for expected credit losses	19	16	-	-	35
Provision for compensated absences	228	53	-	-	281
Intangible assets	(432)	17	-	-	(415)
Others	83	4	-		87
Net gain on fair value of mutual funds	(82)	31	-	-	(51)
MAT Credit entitlement/(utilisation)	59	-	-	(59)	-
Total	**318**	**146**	**-**	**(59)**	**405**

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 100 percent Export Oriented Units, which were earlier entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961.

A 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 year 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.

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

20. Revenues

The nature of contract impacts the method of revenue recognition and the contracts are classified as Fixed-price contracts, Maintenance contracts and Time and materials contracts.

Revenue by contract type

	Six months ended September 30,	
Revenues	**2019**	**2018**
Fixed-price and Maintenance	56%	56%
Time and materials	44%	44%
Total	**100%**	**100%**

	Three months ended September 30,	
Revenues	**2019**	**2018**
Fixed-price and Maintenance	56%	56%
Time and materials	44%	44%
Total	**100%**	**100%**

Refer note 31 for disaggregation of revenue by industry and geographical segments.

Transaction price allocated to the remaining performance obligations

Particulars	**As at September 30, 2019**	**As at March 31, 2019**
Within 1 year	9,199	4,804
1-3 years	16,333	14,277
More than 3 years	1,558	933

The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date. The above revenue is subject to change in transaction price, if any.

21. Finance and other income

Particulars	**Three months ended September 30,**		**Six months ended September 30,**	
	2019	**2018**	**2019**	**2018**
Interest income on financial assets at amortised cost	50	32	101	65
Gain on sale of property, plant and equipment	4	5	8	9
Net gain on financial assets designated at fair value through profit or loss	125	74	285	124
Others	13	10	18	11
Total	**192**	**121**	**412**	**209**

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

22. Expenses by nature

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Employee benefits (refer note 23)	12,647	11,171	25,179	21,566
Travel expenses	837	750	1,704	1,445
Communication expenses	173	201	337	392
Sub-contractor charges	1,518	1,284	3,090	2,478
Computer consumables	283	224	539	438
Legal and Professional charges	104	93	215	217
Power and fuel	80	77	172	159
Rent*	51	284	103	553
Repairs to buildings	108	27	179	49
Repairs to machinery	15	15	28	29
Insurance	23	19	40	40
Rates and taxes	92	54	177	115
Other expenses	730	656	1,399	1,459
Depreciation of Right-of-use assets	253	-	486	-
Depreciation of property, plant and equipment	339	288	662	574
Amortisation of intangible assets	115	115	228	229
Total cost of revenues, selling, general and administrative expenses	**17,368**	**15,258**	**34,538**	**29,743**

* Represents lease rentals for short term leases and leases of low value assets

23. Employee benefits

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Salaries and wages	11,695	10,342	23,361	19,947
Contribution to provident and other funds*	814	700	1,602	1,377
Share based payments to employees (refer note 13)**	42	58	47	97
Staff welfare expenses	96	71	169	145
Total	**12,647**	**11,171**	**25,179**	**21,566**

*includes contribution to defined contribution plans for the three and six months ended September 30, 2019, Rs 771 and Rs 1,512 respectively (For the three and six months ended September 30, 2018: Rs 668 and Rs 1,312 respectively)

**includes expense on cash settled employee stock based compensation for the three and six months ended September 30, 2019 Rs Nil (For the three and six months ended September 30, 2018: Rs 32 and Rs 55 respectively)

The employee benefit cost is recognized in the following line items in the consolidated statement of profit or loss:

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Cost of revenues	10,689	9,351	21,273	17,989
Selling, general and administrative expenses	1,958	1,820	3,906	3,577
Total	**12,647**	**11,171**	**25,179**	**21,566**

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

Defined benefit plans

Amount recognized in the statement of profit or loss in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Gratuity Cost				
Service cost	43	31	86	62
Net interest on net defined liability/(asset)	-	1	4	3
Re-measurement - actuarial gain/(loss) recognised in OCI	44	3	79	48
Net gratuity cost	**87**	**35**	**169**	**113**
Assumptions				
Discount rate	6.70%	8.00%	6.70%	8.00%
Salary increase	5-6%	5.00%	5-6%	5.00%
Withdrawal rate	14.54%	12.12%	14.54%	12.12%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Indian Assured Lives Mortality (2006-08) Ult.

The estimates of future salary increase, 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 September 30, 2019**	**As at March 31, 2019**
Change in defined benefit obligations		
Obligations at the beginning of the period	874	705
Service cost	86	124
Interest cost	31	49
Benefits settled	(64)	(88)
Actuarial (gain)/loss - Experience	39	45
Actuarial (gain)/loss – demographic assumptions	8	(17)
Actuarial (gain)/loss – financial assumptions	33	56
Obligations at the end of the period	**1,007**	**874**
Change in plan assets		
Plan assets at the beginning of the period, at fair value	644	564
Interest income on plan assets	26	43
Re-measurement - actuarial gain/(loss)	-	-
Return on plan assets greater/(lesser) than discount rate	2	(2)
Contributions	211	125
Benefits settled	(61)	(86)
Plan assets at the end of the period, at fair value	**822**	**644**

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

Historical Information: -

Particulars	As at September 30, 2019	As at March 31, 2019	2018	2017	2016
Present value of defined benefit obligation	(1,007)	(874)	(705)	(591)	(517)
Fair value of plan assets	822	644	564	500	376
Asset/ (liability) recognized	(185)	(230)	(141)	(91)	(141)

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 September 30, 2019	As at March 31, 2019
Experience adjustment on plan liabilities	39	45
Experience adjustment on plan assets	(2)	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:

	As at September 30, 2019		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(54)	60	(51)	57
Future salary growth (1% movement)	60	(50)	57	(52)

Maturity profile of defined benefit obligation:

Particulars	As at September 30, 2019	As at March 31, 2019
Within 1 year	140	107
1-2 years	159	123
2-3 years	173	143
3-4 years	189	157
4-5 years	227	188
5-10 years	1,242	1068

The Group expects to contribute Rs 140 to its defined benefit plans during the next fiscal year.

As at September 30, 2019 and March 31, 2019, 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.

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

24. Earnings per share

Particulars	Three months ended September 30, 2019	Three months ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018
Profit for the period (A)	1,350	2,063	2,277	3,645
Weighted average number of equity shares for calculation of basic earnings per share (B)	164,551,383	164,135,864	164,402,107	164,040,839
Weighted average number of equity shares for calculation of diluted earnings per share (C)	164,564,801	164,477,118	164,409,678	164,379,886
Earnings per share:				
Equity shares of par value Rs 10 each				
(1) Basic (Rs) (A/B)	8.20	12.57	13.85	22.22
(2) Diluted (Rs) (A/C)	8.20	12.55	13.85	22.18

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

Particulars	Three months ended September 30, 2019		Three months ended September 30, 2018	
	Basic EPS	**Diluted EPS**	**Basic EPS**	**Diluted EPS**
Weighted average number of equity shares outstanding during the period	164, 551,383	164, 551,383	164,135,864	164,135,864
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	13,418	-	341,254
Weighted average number of equity shares for calculation of earnings per share	164, 551,383	164,564,801	164,135,864	164,477,118

Particulars	Six months ended September 30, 2019		Six months ended September 30, 2018	
	Basic EPS	**Diluted EPS**	**Basic EPS**	**Diluted EPS**
Weighted average number of equity shares outstanding during the period	164, 402,107	164, 402,107	164,040,839	164,040,839
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	7,571	-	339,047
Weighted average number of equity shares for calculation of earnings per share	164, 402,107	164,409,678	164,040,839	164,379,886

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

25. The Group has claimed R&D tax relief under UK corporation tax rules. The Group 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	**Three months ended September 30,**		**Six months ended September 30,**	
	2019	**2018**	**2019**	**2018**
Grant towards R & D credit	5	4	10	9
Total	**5**	**4**	**10**	**9**

As at September 30, 2019, the grant recognized in the balance sheet is Rs 35 (As at March 31, 2019: Rs 26).

26. Leases

The Group has adopted IFRS 16 'Leases' with the date of initial application being April 1, 2019. IFRS 16 replaces IAS 17 – ‘Leases’ and related interpretation and guidance. The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting IFRS 16, the Group has applied the below practical expedients:
The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".
The Group has not applied the requirements of IFRS 16 for leases of low value assets (assets of less than USD 5,000 in value).
The Group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.
The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

On transition to IFRS 16, the Group recognised right-of-use assets amounting to Rs 6,369, related accumulated depreciation amounting to Rs 138, lease liabilities amounting to Rs 5,800 and Rs 157 (credit) in retained earnings as at April 1, 2019. The Group has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 9.5% for measuring the lease liability. Refer note 27 for contractual maturities of lease liabilities.

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

Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019:

Operating lease commitment at March 31, 2019	5,075
Discounted using the incremental borrowing rate at April 1, 2019	3,563
Recognition exemption for:	
Short term leases	(1)
Leases of low value assets	(6)
Extension and termination options reasonably certain to be exercised	2,244
Lease liabilities recognised at April 1, 2019	5,800

Impact of adoption of IFRS 16 on retained earnings:

Reversal of deferred rent liability as at March 31, 2019	186
Reclassification of operating lease under IAS 17 'Leases' to right-of-use assets	(29)
Impact on retained earnings as at April 1, 2019	157

Impact of adoption of IFRS 16 on the statement of profit or loss	**Three months ended September 30, 2019**	**Six months ended September 30, 2019**
Interest on lease liabilities	138	268
Depreciation of Right-of-use assets (refer note 5)	253	486
Deferred tax (credit)	(28)	(39)
Impact on the statement of profit or loss for the period	363	715

The Group has sublet one of the leased premises. Lease rental income under such non-cancellable operating lease during the three and six months ended September 30, 2019 amounted to Rs 3 and Rs 6 respectively. (For the three and six months ended September 30, 2018 amounted to Rs Nil).

Minimum lease payments	**As at September 30, 2019**	**As at March 31, 2019**
Receivable –Not later than one year	14	13
Receivable – Later than one year and not later than five years	9	16
Receivable – Later than five years	-	-

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

27. Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at September 30, 2019, March 31, 2019 is as follows:

As at September 30, 2019

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities measured at amortized cost	Financial assets at fair value through OCI	Total carrying amount	Fair value
Assets					
Trade receivables	-	13,476	-	13,476	13,476
Unbilled revenue	-	2,343	-	2,343	2,343
Investments	4,348	1,655	8	6,011	6,011
Cash and cash equivalents	-	1,976	-	1,976	1,976
Derivative financial instruments	43	-	-	43	43
Other assets	-	808	-	808	808
Total assets	**4,391**	**20,258**	**8**	**24,657**	**24,657**
Liabilities					
Loans and borrowings	-	5	-	5	5
Lease liabilities	-	5,864		5,864	5,864
Trade payables and accrued expenses	-	2,179	-	2,179	2,179
Derivative financial instruments	32	-	49	81	81
Other liabilities	-	2,435	-	2,435	2,435
Total liabilities	**32**	**10,483**	**49**	**10,564**	**10,564**

As at March 31, 2019

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities measured at amortized cost	Financial assets at fair value through OCI	Total carrying amount	Fair value
Assets					
Trade receivables	-	13,356	-	13,356	13,356
Unbilled revenue	-	2,143	-	2,143	2,143
Investments	6,227	1,801	8	8,036	8,036
Cash and cash equivalents	-	2,562	-	2,562	2,562
Derivative financial instruments	84	-	-	84	84
Other assets	-	1,099	-	1,099	1,099
Total assets	**6,311**	**20,961**	**8**	**27,280**	**27,280**
Liabilities					
Loans and borrowings	-	10	-	10	10
Trade payables and accrued expenses	-	2,131	-	2,131	2,131
Derivative financial instruments	2	-	-	2	2
Other liabilities	-	2,428	-	2,428	2,428
Total liabilities	**2**	**4,569**	**-**	**4,571**	**4,571**

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 Discounted Cash Flow (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 September 30, 2019 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 banks 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 September 30, 2019 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.

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

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 at September 30, 2019 and March 31, 2019:

As at September 30, 2019

Particulars	As at September 30, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual fund units	4,348	4,348	-	-
Investments in unlisted equity securities and preference shares	8	-	-	8
Derivative financial instruments-gain on outstanding foreign exchange forward and option contracts	43	-	43	-
Liabilities				
Derivative financial instruments-loss on outstanding foreign exchange forward and option contracts	81	-	81	-

As at March 31, 2019

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual fund units	6,227	6,227	-	-
Investments in unlisted equity securities and preference shares	8	-	-	8
Derivative financial instruments-gain on outstanding foreign exchange forward and option contracts	84	-	84	-
Liabilities				
Derivative financial instruments-loss on outstanding foreign exchange forward and option contracts	2	-	2	-

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

There have been no transfers between level 1, level 2 and level 3 for the period ended September 30, 2019 and March 31, 2019.

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 September 30, 2019**	**As at March 31, 2019**
Balance at the beginning of the period	8	8
Remeasurement recognised in OCI	-	-
Balance at the end of the period	8	8

Details of Income and interest expense are as follows:

Particulars	**Six months ended September 30,**	
	2019	**2018**
Income from Investments in mutual funds	285	124
Interest income on financial asset at amortized cost	101	65
Interest expense	(268)	(29)

Particulars	**Three months ended September 30,**	
	2019	**2018**
Income from Investments in mutual funds	125	74
Interest income on financial asset at amortized cost	50	32
Interest expense	(138)	(1)

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

Derivative financial instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and certain Highly Probable Forecast Exposures (HPFE) denominated in foreign currency. The Group follows established risk management policies, including the use of derivatives to hedge foreign currency assets/ liabilities and HPFE. The Group regularly reviews its foreign exchange forward positions both on a standalone basis and in conjunction with its underlying foreign currency related exposures. Hence, the movement in Mark to Market (MTM) of the hedge contracts undertaken for such exposures is likely to be offset by contra movements in the underlying exposures values. However, till the point of time that the HPFE becomes an on-balance sheet exposure, the changes in MTM of the hedge contracts will impact the Balance Sheet of the Group. The Group monitors the potential risk arising out of the market factors like exchange rates on a regular basis. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material. For on balance sheet exposures, the Group monitors the risks on net unhedged exposures.
The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Particulars	As at September 30, 2019	As at March 31, 2019
Non-designated derivative instruments (Sell)		
in USD millions	226	50
in EUR millions	1	1
in GBP millions	1	1

The foreign exchange forward and option contracts mature anywhere between 1-36 months. 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 September 30, 2019		As at March 31, 2019	
	Not later than 12 months	Later than 12 months	Not later than 12 months	Later than 12 months
Non-designated derivative instruments (Sell)				
Cash Flow Hedge:				
in USD millions	59.00	71.00	-	-
Average rate	72.70	75.94	-	-
in INR millions	4,289	5,392	-	-
Fair Value Hedge:				
in USD millions	96.00	-	49.50	-
Average rate	71.40	-	71.33	-
in INR millions	6,854	-	3,531	-
in EUR millions	1.00	-	0.50	-
Average rate	79.77	-	79.07	-
in INR millions	80	-	40	-
in GBP millions	1.00	-	1.00	-
Average rate	88.52	-	92.57	-
in INR millions	89	-	93	-

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

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 Group's policy that no trading in derivatives 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	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Revenue from top customer	3,933	3,528	7,609	6,686
Revenue from top 5 customers	6,335	5,894	12,505	11,169

One customer accounted for more than 10% of the revenue for the period ended September 30, 2019 and September 30, 2018; however, none of the customers accounted for more than 10% of the receivables as at September 30, 2019 and September 30, 2018.

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.

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

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 September 30, 2019	As at March 31, 2019
Cash and cash equivalents	1,976	2,562
Investments in mutual funds (quoted)	3,634	5,547
Investments in non-convertible bonds/debentures (quoted)	529	361
Interest bearing deposits with corporates	880	740
Investment in commerical paper (unquoted)	196	188
Total	**7,215**	**9,398**

The table below provides details regarding the contractual maturities of significant financial liabilities as at September 30, 2019 and March 31, 2019:

Particulars	As at September 30, 2019		
	Less than 1 year	1-2 years	2 years and above
Loans and borrowings	5	-	-
Lease liabilities	1,133	1,180	6,117
Book overdraft	7	-	-
Trade payables and accrued expenses	2,179	-	-
Derivative financial instruments - fair value hedge	32	-	-
Derivative financial instruments - cash flow hedge	19	16	14
Other liabilities	2,434	1	-

Particulars	As at March 31, 2019		
	Less than 1 year	1-2 years	2 years and above
Loans and borrowings	5	5	-
Book overdraft	3	-	-
Trade payables and accrued expenses	2,131	-	-
Derivative financial instruments - fair value hedge	2	-	-
Other liabilities	2,427	1	-

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

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 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 contracts, a 1% decrease/increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

a) an approximately Rs 70 increase and Rs 70 decrease in the Group's net profit in respect of its fair value hedges and Rs 92 increase and Rs 92 decrease in the Group's effective portion of cash flow hedges as at September 30, 2019;
b) an approximately Rs 35 decrease and Rs 36 increase in the Group's net profit as at September 30, 2018 in respect of its fair value hedges;

The following table presents foreign currency risk from non-derivative financial instruments as at September 30, 2019 and March 31, 2019.

As at September 30, 2019 Amount in Rs million

Particulars	US $	Euro	Pound Sterling	Other currencies *	Total
Assets					
Trade receivables	9,376	1,369	1,420	673	12,838
Unbilled revenue	1,633	216	194	90	2,133
Cash and cash equivalents	700	194	175	318	1,387
Other assets	76	51	66	24	217
Liabilities					
Trade payables and accrued expenses	1,145	63	157	43	1,408
Lease liabilities	2,784	26	200	59	3,069
Other liabilities	1,256	84	210	79	1,629
Net assets/liabilities	**6,600**	**1,657**	**1,288**	**924**	**10,469**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen, Malaysian Ringgit, etc.

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

As at March 31, 2019 Amount in Rs million

Particulars	US $	Euro	Pound Sterling	Other currencies *	Total
Assets					
Trade receivables	9,174	1,424	1,416	736	12,750
Unbilled revenue	2,299	215	233	133	2,880
Cash and cash equivalents	1,642	214	177	221	2,254
Other assets	97	33	64	17	211
Liabilities					
Trade payables and accrued expenses	1,114	52	136	50	1,352
Other liabilities	1,210	87	273	72	1,642
Net assets/liabilities	**10,888**	**1,747**	**1,481**	**985**	**15,101**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen, Malaysian Ringgit, etc.

For the three and six months ended September 30, 2019, 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 0.2%/(0.2)% respectively. For the three and six months ended September 30, 2018, 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 0.2%/(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 Group'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 14, note 26 and note 7.

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

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 September 30, 2019	As at March 31, 2019
Total equity attributable to the equity share holders of the Group	30,105	33,065
As percentage of total capital	84%	100%
Total loans and borrowings	5	10
Total lease liabilities	5,864	-
Total loans, borrowings and lease liabilities	5,869	10
As a percentage of total capital	16%	0%
Total capital (loans, borrowings, lease liabilities and equity)	**35,974**	**33,075**

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 investment, which is predominantly investment in liquid and short-term mutual funds being far in excess of debt.

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

28. Related party relationships and transactions

Name of related party	Nature of relationship
Coffee Day Global Limited Tanglin Developments Limited ('TDL') Sical Logistics Limited	As per the arrangement mentioned in the draft letter of offer of Larsen & Toubro Limited (L&T) dated April 02, 2019, received by the Company, the shares held by (a) V. G. Siddhartha (b) Coffee Day Trading Limited and (c) Coffee Day Enterprises Limited aggregating to 19.95% of the shares in Mindtree Limited was transferred to SCB Escrow A/C - Project Carnation, Lotus & Marigold. The above shareholding interest was subsequently transferred to L&T and accordingly ceased to be related party during the period.
Mindtree Foundation	Entity with common key managerial person
Bridgeweave Limited	Entity with common key managerial person
NuvePro Technologies Private Limited	Entity in which a key managerial person (till July 17, 2019) is a member
Amitav Bagchi	Relative of a key managerial person till July 16, 2019
L&T Investment Management Ltd**	Fellow subsidiary
Larsen & Toubro Limited*	Parent Company

*With effect from July 2, 2019, the Company has become a subsidiary of L&T. Accordingly, L&T has become the Promoter / Parent Company of the Company.

**Investment Manager for L&T Mutual Fund

Transactions with the above related parties during the period were:

Name of related party	Nature of transaction	Six months ended September 30, 2019	2018
Mindtree Foundation	Donation paid	36	38
Bridgeweave Limited	Software services rendered	1	(5)
Amitav Bagchi	Professional services received	-	1
Coffee Day Global Limited	Procurement of supplies	-	15
	Software services rendered	-	22
L&T Mutual Fund	Purchase of investments	100	-
	Proceeds from sale of investments	100	-
NuvePro Technologies Private Limited	Software services received	1	-
Tanglin Developments Limited	Leasing office buildings and land	-	205

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

Name of related party	**Nature of transaction**	**Three months ended September 30, 2019**	**2018**
Mindtree Foundation	Donation paid	17	19
Coffee Day Global Limited	Procurement of supplies	-	10
	Software services rendered	-	9
L&T Mutual Fund	Purchase of investments	100	-
	Proceeds from sale of investments	100	-
Tanglin Developments Limited	Leasing office buildings and land	-	101

Balances payable to related parties are as follows:

Name of related party	**As at September 30, 2019**	**As at March 31, 2019**
Coffee Day Global Limited	-	2

Balances receivable from related parties are as follows:

Name of related party	**Nature of transactions**	**As at September 30, 2019**	**As at March 31, 2019**
Coffee Day Global Limited	Trade receivables	-	32
Tanglin Developments Limited	- Security deposit including electricity deposit returnable on termination of lease	-	270

The amounts outstanding are unsecured and will be settled in cash. No guarantee has been given or received.

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

Key Managerial Personnel:

Anilkumar Manibhai Naik[1]	Non-Executive Chairman
Krishnakumar Natarajan[2]	Executive Chairman
Rostow Ravanan[2]	CEO and Managing Director
N.S. Parthasarathy[2]	Executive Vice Chairman, President and Chief Operating Officer
Debashis Chatterjee[3]	CEO and Managing Director
Sekharipuram Narayanan Subrahmanyan[4]	Non-Executive Vice Chairman
Jayant Damodar Patil[5]	Non-Executive Director
Ramamurthi Shankar Raman[5]	Non-Executive Director
Subroto Bagchi[6]	Non-Executive Director
Prasanna Rangacharya Mysore[7]	Independent Director
Deepa Gopalan Wadhwa[8]	Independent Director
Apurva Purohit	Independent Director
Milind Sarwate	Independent Director
Akshaya Bhargava	Independent Director
Bijou Kurien	Independent Director
Pradip Menon	Chief Financial Officer
Vedavalli Sridharan	Company Secretary

[1]The Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on July 17, 2019, approved and recommended the appointment of Mr. Anilkumar Manibhai Naik as an Additional Director and designated him as Non-Executive Chairman with effect from July 18, 2019 and the same is approved by shareholders through Postal Ballot by way of special resolution on September 23, 2019.

[2]Mr. Krishnakumar Natarajan, Executive Chairman, Mr. N S Parthasarathy, Executive Vice Chairman and Chief Operating Officer and Mr. Rostow Ravanan, CEO and Managing Director of the Company have resigned from the Board on July 17, 2019.

[3]The Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on August 2, 2019, approved and recommended the appointment of Mr. Debashis Chatterjee as CEO and Managing Director for a period commencing from August 2, 2019 to August 1, 2024 and the same is approved by shareholders through Postal Ballot on September 23, 2019.

[4]The Nomination and Remuneration Committee and the Board of Directors of the Company had approved and recommended the appointment of Mr. Sekharipuram Narayanan Subrahmanyan as Non-Executive Director of the Company with effect from July 16, 2019 and the shareholders have approved the same at the Twentieth Annual General Meeting of the Company held on July 16, 2019. The Nomination and Remuneration Committee and the Board of Directors of the Company, at their meetings held on August 2, 2019, approved the appointment of Mr. Sekharipuram Narayanan Subrahmanyan as Non-Executive Vice-Chairman of the Company with effect from August 2, 2019.

[5]The Nomination and Remuneration Committee and the Board of Directors of the Company have approved and recommended the appointments of Mr. Jayant Damodar Patil and Mr.

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

Ramamurthi Shankar Raman as Non-Executive Directors of the Company with effect from July 16, 2019 and the shareholders have approved the same at the Twentieth Annual General Meeting of the Company held on July 16, 2019.

[6]Mr. Subroto Bagchi, Non-Executive Director of the Company, retired from the Board on July 16, 2019.

[7]The Nomination and Remuneration Committee and the Board of Directors of the Company have approved and recommended the appointment of Mr. Prasanna Rangacharya Mysore as Independent Director of the Company for a period commencing from July 16, 2019 to March 31, 2022 and the shareholders have approved the same at the Twentieth Annual General Meeting of the Company held on July 16, 2019.

[8]The Nomination and Remuneration Committee and the Board of Directors of the Company have approved and recommended the appointment of Mrs. Deepa Gopalan Wadhwa as Independent Director of the Company for a term of five years from July 16, 2019 to July 15, 2024 and the shareholders have approved the same at the Twentieth Annual General Meeting of the Company held on July 16, 2019.

Transactions with key managerial personnel are as given below:

Key managerial personnel comprise directors and members of the executive council. Particulars of remuneration and other benefits paid to key managerial personnel during the period ended September 30, 2019 and September 30, 2018 have been detailed below:

Particulars	**Three months ended September 30,**	
	2019*	**2018***
Whole-time directors and executive officers		
Salaries	27	2
Contribution to Provident fund	-	1
Bonus and Incentives	(1)	27
Reimbursement of expenses	1	1
Share based payments as per IFRS 2	6	26
Total Remuneration	**33**	**57**
Non-whole-time directors		
Commission	5	5
Total Remuneration	**5**	**5**
Total	**38**	**62**

Particulars	**Six months ended September 30,**	
	2019*	**2018***
Whole-time directors and executive officers		
Salaries	39	21
Contribution to Provident fund	1	1
Bonus and Incentives	46	42
Reimbursement of expenses	1	1
Share based payments as per IFRS 2	9	45
Total Remuneration	**96**	**110**

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

Non-whole-time directors		
Commission	10	9
Total Remuneration	**10**	**9**
Total	**106**	**119**

*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 and six months ended September 30, 2019 amounts to Rs 353 and Rs 397 respectively and for the three and six months ended September 30, 2018 amounts to Rs 44 and Rs 73 respectively. Further, during the six months ended September 30, 2019, 7,875 (September 30, 2018: 4,225) shares were allotted to the key managerial personnel.

29. Contingent liabilities

Particulars	September 30, 2019	March 31, 2019
Claims against the Group not acknowledged as debts	1,074	1,074

a) 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 Rs 11 and Rs 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 Rs 18 against these demands.

b) 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, 2007-08 and 2008-09 wherein demand of Rs 215, Rs 49, Rs 61, Rs 28, Rs 58, 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 Income Tax Appellate Tribunal (ITAT). The Group has deposited Rs 15 with the department against these demands. The department has adjusted pending refunds amounting to Rs 556 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 Deputy Commissioner of Income Tax has completed the reassessment and has issued a Final assessment order with a revised demand amounting to Rs 202 due to transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The 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 2005-06 and ITAT has remanded the matter back to the Assessing Officer for re-assessment. The Group has filed an appeal with the Hon'ble High Court of Karnataka. The Hon'ble High Court has dismissed the appeal and this matter is pending with Assessing Officer.
The Group has received the order from ITAT for the FY 2007-08 and ITAT has quashed the order of the Assessing Officer. 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 Rs 61, taking the total demand to Rs 124. The Group had filed an appeal before ITAT. Subsequently, the Group has received the order from ITAT for the FY 2008-09 and ITAT has quashed the order of the Assessing officer. Order giving effect to the ITAT order is yet to be received.

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.

c) 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 ITAT. 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.

d) The Group has received the revised order under section 263 for financial year 2009-10 from Assessing Officer reducing the demand to Rs 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).

e) 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 Rs 15 on account of certain disallowances. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals).

f) During the year ended March 31, 2018, the Group received an order passed under section 7A of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 from Employees Provident Fund Organisation (EPFO) claiming provident fund contribution aggregating to Rs 250 on (a) full salary paid to International Workers and (b) special allowance paid to employees. Based on a legal advice obtained, the Group had assessed that it has a legitimate ground for appeal and had contested the order by filing an appeal with the Employees' Provident Funds Appellate Tribunal.

30. Estimated amount of contracts remaining to be executed on capital account and not provided for as at September 30, 2019 is Rs 581 (March 31, 2019: Rs 843).

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, Hi-tech and TH. 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 customer 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 September 30, 2019**	**2018**
Segment revenue		
RCM	4,150	3,818
BFSI	4,136	3,924
Hi-tech	7,612	6,892
TH	3,245	2,920
Total	**19,143**	**17,554**
Segment operating income		
RCM	664	578
BFSI	468	222
Hi-tech	1,016	1,409
TH	334	490
Total	**2,482**	**2,699**
Depreciation and amortization expense	(707)	(403)
Profit for the period before finance expenses, other income and tax	**1,775**	**2,296**
Finance expenses	(138)	(1)
Other income	142	89
Interest income	50	32
Foreign exchange gain/(loss)	5	403
Net profit before taxes	**1,834**	**2,819**
Income taxes	(484)	(756)
Net profit after taxes	**1,350**	**2,063**

Other information	**Three months ended September 30, 2019**	**2018**
Other significant non-cash expense (Allocable)		
RCM	35	10
BFSI	30	14
Hi-tech	14	16
TH	37	2

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

Statement of income	**Six months ended September 30, 2019**	**2018**
Segment revenue		
RCM	8,227	7,600
BFSI	8,089	7,579
Hi-tech	14,838	13,262
TH	6,331	5,508
Total	**37,485**	**33,949**
Segment operating income		
RCM	1,239	1,193
BFSI	658	343
Hi-tech	1,908	2,673
TH	518	800
Total	**4,323**	**5,009**
Depreciation and amortization expense	(1,376)	(803)
Profit for the period before finance expenses, other income and tax	**2,947**	**4,206**
Finance expenses	(268)	(29)
Other income	311	144
Interest income	101	65
Foreign exchange gain/(loss)	5	594
Net profit before taxes	**3,096**	**4,980**
Income taxes	(819)	(1,335)
Net profit after taxes	**2,277**	**3,645**

Other information	**Six months ended September 30, 2019**	**2018**
Other significant non-cash expense (Allocable)		
RCM	42	25
BFSI	48	18
Hi-tech	13	25
TH	30	25

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

Geographical information

	Three months ended September 30,		Six months ended September 30,	
Revenues	**2019**	**2018**	**2019**	**2018**
America	14,117	12,919	27,625	24,838
Europe	3,375	3,283	6,643	6,575
India	790	575	1,542	1,079
Rest of world	861	777	1,675	1,457
Total	**19,143**	**17,554**	**37,485**	**33,949**

Refer note 27 on Financial Instruments for information on revenue from major customers

32. The Board of Directors at its meeting held on October 06, 2017, had approved the Scheme of Amalgamation ("the Scheme") of its wholly-owned subsidiary, Magnet 360, LLC ("Transferor Company") with Mindtree Limited ("Transferee Company") with an appointed date of April 01, 2017. The Company had filed an application with the National Company Law Tribunal (NCLT), Bengaluru Bench. The scheme was approved by NCLT during the year ended March 31, 2019 vide order dated November 29, 2018.