

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MINDTREE LIMITED**

### **Report on the Consolidated Financial Statements of Bluefin Solutions Limited (a Wholly Owned Subsidiary of Mindtree Limited)**

We have audited the accompanying consolidated financial statements of **BLUEFIN SOLUTIONS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the period July 01, 2015 to March 31, 2016 and the Consolidated Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information. The consolidated financial statements have been prepared by the management for purposes of inclusion by Mindtree Limited in its consolidated financial statements for the year ended March 31, 2016

### **Management's Responsibility for the Consolidated Financial Statements**

The Board of Directors of the Company and Mindtree Limited are responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting policies of Mindtree Limited followed by it in preparing its consolidated financial statements as per the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") as applicable. The respective management of the entities included in the Group are responsible for maintenance of adequate accounting records; for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management of Mindtree Limited, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

ke

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements presents fairly in all material respects in accordance with the accounting policies of Mindtree Limited, the state of affairs of the Group as at March 31, 2016, and its profit and its cash flows for the period July 01, 2015 to March 31, 2016.

### **Restriction of Distribution and Use**

Without modifying our opinion, we draw attention to Note 2.1 to the consolidated financial statements, which describe the basis of preparation of consolidated financial statements. These consolidated financial statements are prepared as per the accounting policies of Mindtree Limited for use in preparation of the consolidated financial statements of Mindtree Limited as per the requirements of the Act. As a result, these consolidated financial statements may not be suitable for another purpose. Our report is solely intended for Mindtree Limited and should not be used for any purpose other than for preparation and audit of the consolidated financial statements of Mindtree Limited.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)



**V. Balaji**  
Partner  
(Membership No. 203685)

**BENGALURU**, April 18, 2016

**Bluefin Solutions Limited**  
**Consolidated balance sheet**

|   | Note  | (Amount in Rs.)<br>As at<br>March 31, 2016 |
|---|-------|--|
| <b>EQUITY AND LIABILITIES</b>                             |       |  |
| <b>Shareholders' funds</b>                                |       |  |
| Share capital   | 3.1.1 | 110,412                                    |
| Reserves and surplus                                      | 3.1.2 | <u>702,001,174</u>                         |
|   |       | <b>702,111,586</b>                         |
| <b>Current liabilities</b>                                |       |  |
| Trade payables  |       | 353,669,198                                |
| Other current liabilities                                 | 3.2.1 | 111,892,801                                |
| Short-term provisions                                     | 3.2.2 | <u>4,082,471</u>                           |
|   |       | <b>469,644,470</b>                         |
|   |       | <b>1,171,756,056</b>                       |
| <b>ASSETS</b>   |       |  |
| <b>Non-current assets</b>                                 |       |  |
| Fixed assets  |       |  |
| Tangible assets   | 3.3.1 | 23,342,943                                 |
| Intangible assets   | 3.3.1 | 2,252,525                                  |
| Long-term loans and advances                              | 3.3.2 | <u>34,487,983</u>                          |
|   |       | <b>60,083,451</b>                          |
| <b>Current assets</b>                                     |       |  |
| Trade receivables   | 3.4.1 | 532,597,641                                |
| Cash and bank balances                                    | 3.4.2 | 207,439,967                                |
| Short-term loans and advances                             | 3.4.3 | 46,028,528                                 |
| Other current assets                                      | 3.4.4 | <u>325,606,469</u>                         |
|   |       | <b>1,111,672,605</b>                       |
|   |       | <b>1,171,756,056</b>                       |
| Significant accounting policies and notes to the accounts | 2 & 3 |  |

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

As per our report of even date attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration Number: 008072S

  
**V. Balaji**

Partner

Place: Bengaluru

Date : April 18, 2016

For **Bluefin Solutions Limited**



**Erwan Carpentier**  
 Director



**Radha R**  
 Director

Place: Bengaluru

Date : April 18, 2016

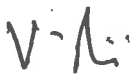
**Bluefin Solutions Limited**  
**Consolidated statement of profit and loss**

| Particulars   | Note  | (Amount in Rs.)<br>For the period July 01, 2015 to<br>March 31, 2016 |
|---|-------|--|
| Revenue from operations   |       | 2,183,669,315  |
| Other income  | 3.5   | 13,771,016   |
| <b>Total revenues</b>   |       | <b>2,197,440,331</b>   |
| <b>Expense:</b>   |       |  |
| Employee benefits expense   | 3.6   | 1,279,247,137  |
| Finance costs   | 3.6   | 117,169  |
| Depreciation and amortisation expense   | 3.3.1 | 11,983,730   |
| Other expenses  | 3.6   | 748,743,589  |
| <b>Total expenses</b>   |       | <b>2,040,091,625</b>   |
| <b>Profit before tax</b>  |       | <b>157,348,706</b>   |
| Tax expense:  |       |  |
| Current tax   |       | 250,710  |
| Deferred tax  |       | -  |
| <b>Profit for the period</b>  |       | <b>157,097,996</b>   |
| <b>Earnings per equity share</b>  |       |  |
| Equity shares of par value ₹ 0.001/- each                                     |       |  |
| Basic   |       | 142  |
| Diluted   |       | 142  |
| Weighted average number of equity shares used in computing earnings per share |       |  |
| Basic   |       | 1,104,124  |
| Diluted   |       | 1,104,124  |

Significant accounting policies and notes to the accounts 2 & 3

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

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



**V. Balaji**  
Partner

For **Bluefin Solutions Limited**



**Erwan Carpentier**  
Director



**Radha R**  
Director

Place: Bengaluru  
Date : April 18, 2016

Place: Bengaluru  
Date : April 18, 2016

**Bluefin Solutions Limited**  
**Consolidated cash flow statement**

**For the period July 01, 2015 to  
March 31, 2016**

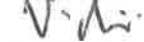
|  |                     |
|--|---------------------|
| <b>Cash flow from operating activities</b>   |                     |
| Profit before tax  | 157,348,706         |
| Adjustments for :  |                     |
| Depreciation and amortisation  | 11,983,730          |
| Interest expense   | 117,169             |
| Interest income  | (160,780)           |
| Operating profit before working capital changes  | 169,288,825         |
| Changes in trade receivables   | 89,748,389          |
| Changes in loans and advances and other assets   | 37,784,583          |
| Changes in liabilities and provisions  | 25,759,270          |
| Net cash provided by operating activities before taxes   | 322,581,067         |
| Income taxes paid  | (7,393,809)         |
| <b>Net cash provided by operating activities</b>   | <b>315,187,258</b>  |
| <b>Cash flow from investing activities</b>   |                     |
| Purchase of fixed assets   | (14,502,258)        |
| Proceeds from sale of fixed assets   | 32,837              |
| Interest/ dividend received from investments   | 160,780             |
| <b>Net cash used in investing activities</b>   | <b>(14,308,641)</b> |
| <b>Cash flow from financing activities</b>   |                     |
| Interest paid on loans   | (117,169)           |
| Dividends paid   | (94,822,500)        |
| <b>Net cash used in financing activities</b>   | <b>(94,939,669)</b> |
| Effect of exchange differences on translation of foreign<br>currency cash and cash equivalents | (13,141,955)        |
| <b>Net decrease in cash and cash equivalents</b>   | <b>192,796,993</b>  |
| Cash and cash equivalents at the beginning of the year   | 14,642,974          |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>207,439,967</b>  |

As per our report of even date attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration Number: 008072S



**V. Balaji**

Partner

Place: Bengaluru

Date : April 18, 2016

For **Bluefin Solutions Limited**



**Irwan Carpentier**

Director



**Radha R**

Director

Place: Bengaluru

Date : April 18, 2016

**Bluefin Solutions Limited**  
**Significant accounting policies and notes to the accounts**  
**For the period July 01, 2015 to March 31, 2016**

**1. Background**

Bluefin Solutions Limited (the "Company"), a UK based Company, was founded in 2002. Mindtree Limited acquired the 100% holding of this entity from the promoters of the Company. The Company offers SAP implementation and integration services; and business advisory services in areas of business growth strategy, operational excellence, business change management and information technology excellence. The Company has offices in the United Kingdom, Malaysia, Singapore, and the United States. The Company has four fully owned subsidiaries, Bluefin Solutions Inc., Bluefin Solutions Sdn Bhd., Blouvin (Pty) Limited and Bluefin Solutions Pte. Ltd (the Company and its subsidiaries together called "the Group").

**2. Significant accounting policies**

**2.1 Basis of preparation of consolidated financial statements**

These consolidated financial statements are prepared solely for the purpose of consolidation with Mindtree Limited and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) including the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") as applicable and under the historical cost convention on the accrual basis for the period July 01, 2015 (nearest practicable date of acquisition) to March 31, 2016. Accordingly, previous period figures have not been provided.

The functional currency of the Company is Pound Sterling (GBP). The Indian Rupee (INR) equivalent items in the consolidated statement of profit and loss are translated at the rates prevailing on the dates of the respective transactions and the assets and liabilities are translated at the exchange rates prevailing as at balance sheet date. The resultant exchange gain or loss is taken to foreign currency translation reserve.

**2.2 Principles of consolidation**

The financial statements of Bluefin Solutions Limited and its wholly owned and controlled subsidiaries, as mentioned in Note 1, have been combined on a line-by-line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/ transactions and the resultant unrealized gain/loss from the date the parent company acquired control of those subsidiaries.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

**2.3 Use of estimates**

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

*l*

**2.4 Fixed assets and depreciation**

- 2.4.1 Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation. Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.
- 2.4.2 Acquired intangible assets are capitalised at the acquisition price. Internally generated intangible assets are recorded at cost that can be measured reliably during the development phase and when it is probable that future economic benefits that are attributable to the assets will flow to the Group.
- 2.4.3 Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.
- 2.4.4 Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances. The cost of the fixed asset not ready for its intended use on such date, is disclosed under capital work-in-progress.
- 2.4.5 Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| <u>Assets classification</u> | <u>Useful life</u> |
|------------------------------|--------------------|
| Computer systems             | 3 years            |
| Computer software            | 3 years            |
| Furniture and fixtures       | 3 years            |
| Office equipment             | 3 years            |

The Group believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary.

- 2.4.6 The cost of leasehold land is amortised over the period of the lease. Leasehold improvements and assets acquired on finance lease are amortised over the lease term or useful life, whichever is lower.

**2.5 Investments**

- 2.5.1 Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.
- 2.5.2 Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.
- 2.5.3 Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

**2.6 Cash and cash equivalents**

Cash and cash equivalents in the consolidated cash flow statement comprises cash-in-hand and balance in bank in current accounts and deposit accounts that are highly liquid and are readily convertible to known amount of cash.

*W*

## **2.7 Consolidated cash flow statement**

Cash flows are reported using the indirect method, whereby consolidated net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the group are segregated.

## **2.8 Employee benefits**

2.8.1 The Group pays contributions to defined contribution personal pension schemes of employees. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## **2.9 Revenue recognition**

2.9.1 The Group derives its revenues primarily from software services. Revenue from software development on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts is recognised using the proportionate completion method, which is determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract. Unbilled revenue represents cost and earnings in excess of billings while unearned revenue represents the billing in excess of cost and earnings. Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Maintenance revenue is recognised ratably over the period of the maintenance contract.

2.9.2 Provision for discounts is recognised on an accrual basis in accordance with contractual terms of agreements with customers. Revenues are stated net of volume discount.

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

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

## **2.10 Foreign exchange transactions**

2.10.1 Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the consolidated statement of profit and loss for the period.

2.10.2 Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the consolidated statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

2.10.3 In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the consolidated statement of profit and loss are translated at the rates prevailing on the dates of the respective transactions. The differences arising out of the translation are recognised in the consolidated statement of profit and loss.

2.10.4 In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the consolidated statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve.

4



**2.11 Warranties**

Warranty costs (i.e. post contract support services) are estimated by the management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the period of recognition of revenue.

**2.12 Provision and contingent liabilities**

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**2.13 Taxation**

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Group. Deferred tax charge or credit are recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognised in the period in which the timing difference originate. For this purpose the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain to be realised.

The entities within the Group offset, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

W

#### **2.14 Earnings per share**

In determining earnings per share, the Group considers the consolidated net profit after tax and includes the post-tax effect of any extra-ordinary item. The number of equity shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the period. The number of equity shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

#### **2.15 Impairment of assets**

The Group assesses at each balance sheet date whether there is any indication that an asset (including goodwill) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised. In respect of goodwill, impairment loss will be reversed only when it is caused by specific external events and their effects have been reversed by subsequent external events.

#### **2.16 Grants**

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

- (i) the Group will comply with the conditions attached to them; and
- (ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a nominal value.

*K*

**Bluefin Solutions Limited**  
**Significant accounting policies and notes to the accounts**  
**For the period July 01, 2015 to March 31, 2016**

**3 Notes to the accounts**

**3.1 Shareholders' funds**

**3.1.1 Share capital**

a)

| <b>Particulars</b>                                 | <b>As at<br/>March 31, 2016</b> |
|--|---------------------------------|
| <b>Issued, subscribed and paid-up capital</b>      |                                 |
| 1,104,124 equity shares of £ 0.001 each fully paid | 110,412                         |
| <b>Total</b>                                       | <b>110,412</b>                  |

b) The Group has only one class of shares referred to as equity shares having a par value of £ 0.001 each.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares by the Company

| <b>Name of the shareholder</b>     | <b>As at March 31, 2016</b> |          |
|------------------------------------|-----------------------------|----------|
|                                    | <b>No. of shares</b>        | <b>%</b> |
| Mindtree Limited (Holding Company) | 1,104,124                   | 100%     |

u

### 3.1.2 Reserves and surplus

| <b>Particulars</b>  | <b>As at<br/>March 31, 2016</b> |
|---|---------------------------------|
| Securities premium  | 118,004,677                     |
| General reserve   | 19,052,641                      |
| Foreign currency translation reserve                                      | (38,113,320)                    |
| <b>Surplus (Balance in the consolidated statement of profit and loss)</b> |                                 |
| Opening balance   | -                               |
| Add: Profit prior to acquisition by Mindtree Limited (Holding Company)    | 540,781,680                     |
| Add: Amount transferred from consolidated statement of profit and loss    | 157,097,996                     |
| Appropriations:   |                                 |
| Interim dividend  | -                               |
| Final dividend  | (94,822,500)                    |
| Dividend distribution tax   | -                               |
| <b>Total</b>  | <b>603,057,176</b>              |
| <b>Total</b>  | <b>702,001,174</b>              |

### 3.2 Current liabilities

#### 3.2.1 Other current liabilities

| <b>Particulars</b>           | <b>As at<br/>March 31, 2016</b> |
|------------------------------|---------------------------------|
| Unearned income              | 11,867,175                      |
| Employee related liabilities | 6,699,539                       |
| Other liabilities            | 93,326,087                      |
| <b>Total</b>                 | <b>111,892,801</b>              |

#### 3.2.2 Short-term provisions

| <b>Particulars</b>     | <b>As at<br/>March 31, 2016</b> |
|------------------------|---------------------------------|
| Provision for discount | 4,082,471                       |
| <b>Total</b>           | <b>4,082,471</b>                |

The disclosure of provisions movement as required under the provisions of AS 29 is as follows:-

#### Provision for discount

| <b>Particulars</b>                     | <b>For the period July 01, 2015 to<br/>March 31, 2016</b> |
|--|---|
| Balance at the beginning of the period | -   |
| Provisions made during the period      | 4,082,471   |
| Utilisations during the period         | -   |
| Released during the period             | -   |
| Provision at the end of the period     | 4,082,471   |

V

Bluefin Solutions Limited  
 Significant accounting policies and notes to the accounts  
 For the period July 01, 2015 to March 31, 2016

3.3 Non-current assets

3.3.1 Fixed Assets

| Assets                   | Gross block        |                             |                        |                             | Accumulated depreciation |                   |                        |                             | Net book value       |                      |
|--------------------------|--------------------|-----------------------------|------------------------|-----------------------------|--------------------------|-------------------|------------------------|-----------------------------|----------------------|----------------------|
|                          | As at July 1, 2015 | Additions during the period | Translation adjustment | Deletions during the period | As at March 31, 2016     | For the period    | Translation adjustment | Deletions during the period | As at March 31, 2016 | As at March 31, 2016 |
| <b>Tangible assets</b>   |                    |                             |                        |                             |                          |                   |                        |                             |                      |                      |
| Computer systems         | 94,936,496         | 13,105,307                  | (4,005,323)            | 1,254,000                   | 102,782,480              | 10,317,318        | (3,691,648)            | 1,221,163                   | 80,145,056           | 22,637,424           |
| Furniture and fixtures   | 19,770,928         | -                           | (521,009)              | -                           | 19,249,919               | 202,845           | (511,311)              | -                           | 18,685,118           | 564,801              |
| Office equipment         | 14,356,002         | 180,924                     | (639,956)              | -                           | 13,896,970               | 419,027           | (646,575)              | -                           | 13,756,252           | 140,718              |
| <b>Total (A)</b>         | <b>129,063,426</b> | <b>13,286,231</b>           | <b>(5,166,288)</b>     | <b>1,254,000</b>            | <b>135,929,369</b>       | <b>10,939,190</b> | <b>(4,849,534)</b>     | <b>1,221,163</b>            | <b>112,586,426</b>   | <b>23,342,943</b>    |
| <b>Intangible assets</b> |                    |                             |                        |                             |                          |                   |                        |                             |                      |                      |
| Computer Software        | 7,063,030          | -                           | (322,643)              | -                           | 6,740,387                | 1,044,540         | (73,768)               | -                           | 4,487,862            | 2,252,525            |
| <b>Total (B)</b>         | <b>7,063,030</b>   | <b>-</b>                    | <b>(322,643)</b>       | <b>-</b>                    | <b>6,740,387</b>         | <b>1,044,540</b>  | <b>(73,768)</b>        | <b>-</b>                    | <b>4,487,862</b>     | <b>2,252,525</b>     |
| <b>Total (A+B)</b>       | <b>136,126,456</b> | <b>13,286,231</b>           | <b>(5,488,931)</b>     | <b>1,254,000</b>            | <b>142,669,756</b>       | <b>11,983,730</b> | <b>(4,923,302)</b>     | <b>1,221,163</b>            | <b>117,074,288</b>   | <b>25,595,468</b>    |

4

### 3.3 Non-current assets

#### 3.3.2 Long-term loans and advances

| Particulars  | As at<br>March 31, 2016 |
|--|-------------------------|
| <i>(Unsecured, considered good)</i>                                |                         |
| Security deposits  | 2,693,266               |
| Advance tax and tax deducted at source, net of provision for taxes | 31,794,717              |
| <b>Total</b>   | <b>34,487,983</b>       |

### 3.4 Current assets

#### 3.4.1 Trade receivables

| Particulars   | As at<br>March 31, 2016 |
|---|-------------------------|
| <i>(Unsecured)</i>                                    |                         |
| Receivables overdue for a period exceeding six months |                         |
| - considered good                                     | 597,260                 |
| - considered doubtful                                 | 1,251,037               |
| Other receivables                                     |                         |
| - considered good                                     | 532,000,381             |
| - considered doubtful                                 | -                       |
| Less: Provision for doubtful receivables              | (1,251,037)             |
| <b>Total</b>  | <b>532,597,641</b>      |

#### 3.4.2 Cash and bank balances

| Particulars   | As at<br>March 31, 2016 |
|---|-------------------------|
| Balances with banks in current and deposit accounts | 206,884,748             |
| Cash on hand  | 555,219                 |
| <b>Total</b>  | <b>207,439,967</b>      |

#### 3.4.3 Short-term loans and advances

| Particulars   | As at<br>March 31, 2016 |
|---|-------------------------|
| <i>(Unsecured, considered good)</i>                                 |                         |
| Advances recoverable in cash or in kind or for value to be received | 46,028,528              |
| <b>Total</b>  | <b>46,028,528</b>       |

#### 3.4.4 Other current assets

| Particulars          | As at<br>March 31, 2016 |
|----------------------|-------------------------|
| Unbilled revenue     | 258,279,408             |
| Other current assets | 67,327,061              |
| <b>Total</b>         | <b>325,606,469</b>      |

16

**Bluefin Solutions Limited**  
**Significant accounting policies and notes to the accounts**  
**For the period July 01, 2015 to March 31, 2016**

**3.5 Other income**

| <b>Particulars</b>    | <b>For the period July 01, 2015 to<br/>March 31, 2016</b> |
|-----------------------|---|
| Interest income       | 160,780   |
| Foreign exchange gain | 13,610,236  |
| <b>Total</b>          | <b>13,771,016</b>   |

**3.6 Expenses**

| <b>Employee benefits expense</b>                           | <b>For the period July 01, 2015 to<br/>March 31, 2016</b> |
|--|---|
| Salaries and wages   | 1,086,466,797   |
| Contribution to defined contribution plans and other funds | 188,240,367   |
| Staff welfare expenses                                     | 4,539,973   |
| <b>Total</b>   | <b>1,279,247,137</b>                                      |

| <b>Finance costs</b> | <b>For the period July 01, 2015 to<br/>March 31, 2016</b> |
|----------------------|---|
| Interest expense     | 117,169   |
| <b>Total</b>         | <b>117,169</b>  |

| <b>Other expenses</b>             | <b>For the period July 01, 2015 to<br/>March 31, 2016</b> |
|-----------------------------------|---|
| Travel expenses                   | 106,691,249   |
| Communication expenses            | 9,207,320   |
| Sub-contractor charges            | 444,469,963   |
| Computer consumables              | 32,930,071  |
| Legal and Professional charges    | 12,319,008  |
| Rent (Refer note 3.9)             | 23,990,698  |
| Repairs to buildings              | 5,555,793   |
| Insurance                         | 7,798,528   |
| Rates and taxes                   | 2,596,555   |
| Marketing and trade mark expenses | 31,033,600  |
| Other expenses                    | 72,150,804  |
| <b>Total</b>                      | <b>748,743,589</b>  |

u

**Bluefin Solutions Limited**  
**Significant accounting policies and notes to the accounts**  
**For the period July 01, 2015 to March 31, 2016**

**3.7 Segment Reporting**

The Company is engaged in providing services in various industry sectors, including automotive, consumer products, energy and natural resources, financial services, manufacturing, media, pharmaceutical, public-sector, retail, services and logistics and is considered to constitute a single segment in the context of primary segment reporting as prescribed by Accounting Standard 17 - "Segment Reporting".

The secondary segment is identified to geographical locations. Details of secondary segment by geographical locations are given below:

| Particulars       | For the period July 01, 2015 to<br>March 31, 2016 |
|-------------------|---|
| America           | 143,793,154                                       |
| Europe            | 1,951,908,181                                     |
| Rest of the world | 87,967,980  |

**3.8 Related party transactions**

| Name of related party                   | Nature of relationship                               |
|---|--|
| Mindtree Limited                        | Holding Company                                      |
| Discoverture Solutions L.L.C.           | Fellow subsidiary with effect from February 13, 2015 |
| Discoverture Solutions U.L.C.*          | Fellow subsidiary with effect from February 13, 2015 |
| Discoverture Solutions Europe Limited** | Fellow subsidiary with effect from February 13, 2015 |
| Relational Solutions, Inc               | Fellow subsidiary with effect from July 16, 2015     |
| Magnet 360, LLC                         | Fellow subsidiary with effect from January 19, 2016  |
| Reside, LLC                             | Fellow subsidiary with effect from January 19, 2016  |
| M360 Investments, LLC                   | Fellow subsidiary with effect from January 19, 2016  |
| Numerical Truth, LLC                    | Fellow subsidiary with effect from January 19, 2016  |
| Mindtree Software (Shanghai) Co., Ltd.  | Fellow subsidiary                                    |

\*Dissolved with effect from November 19, 2015.

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

*Transactions with the above related parties during the period were:*

| Name of related party | Nature of transaction      | For the period July 01,<br>2015 to<br>March 31, 2016 |
|-----------------------|----------------------------|--|
| Mindtree Limited      | Software services rendered | 7,201,973  |
|                       | Software services received | 3,960,103  |

*Balances receivable from related parties are as follows:*

| Name of related party | As at March 31,<br>2016 |
|-----------------------|-------------------------|
| Mindtree Limited      | 4,368,643               |

*Balances payable to related parties are as follows:*

| Name of related party | As at March 31,<br>2016 |
|-----------------------|-------------------------|
| Mindtree Limited      | 3,902,104               |

*u*



**Bluefin Solutions Limited**  
**Significant accounting policies and notes to the accounts**  
**For the period July 01, 2015 to March 31, 2016**

**3.9 Lease transactions**

Lease rental expense under non-cancellable operating lease during the period ended March 31, 2016 amounted to Rs 23,990,698. Future minimum lease payments under non-cancellable operating lease are as below:

| Particulars  | As at March 31,<br>2016 |
|--|-------------------------|
| Payable -- Not later than one year                           | 20,553,877              |
| Payable -- Later than one year and not later than five years | 59,481,754              |
| Payable -- later than five years                             | -                       |

**3.10 Earnings per share**

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

| Particulars  | For the period July 01, 2015 to<br>March 31, 2016 |             |
|--|---|-------------|
|  | Basic EPS   | Diluted EPS |
| Weighted average number of equity shares outstanding during the period                             | 1,104,124   | 1,104,124   |
| Weighted average number of equity shares resulting from assumed exercise of employee stock options | -   | -           |
| Weighted average number of equity shares for calculation of earnings per share                     | 1,104,124   | 1,104,124   |

*W*

**Bluefin Solutions Limited**  
**Significant accounting policies and notes to the accounts**  
**For the period July 01, 2015 to March 31, 2016**

3.11 The Company has claimed R&D tax relief under UK corporation tax rules. The Company 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.

| <b>Particulars</b>         | <b>For the period July 01, 2015 to<br/>March 31, 2016</b> |
|----------------------------|---|
| Grant towards R & D credit | 58,958,088  |
| <b>Total</b>               | <b>58,958,088</b>   |

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

  
**V. Balaji**  
Partner

For **Bluefin Solutions Limited**

  
**Erwan Carpentier**  
Director

  
**Radha R**  
Director

Place: Bengaluru  
Date : April 18, 2016

Place: Bengaluru  
Date : April 18, 2016