

MindTree Limited
Consolidated balance sheet

		(Rs in Million)	
	Schedule	As at March 31,	
		2011	2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	400	395
Reserves and surplus	2	7,362	6,311
		<u>7,762</u>	<u>6,706</u>
Loan funds			
Unsecured loans	3	46	31
		<u>7,808</u>	<u>6,737</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	4	5,624	5,133
Less: Accumulated depreciation		(2,618)	(2,521)
Net block		<u>3,006</u>	<u>2,612</u>
Capital work-in-progress		28	247
		<u>3,034</u>	<u>2,859</u>
Goodwill	15(5)	-	154
Investments	5	1,112	1,442
Deferred tax assets, net	15(8)	216	214
Current assets, loans and advances			
Sundry debtors	6	2,825	2,370
Cash and bank balances	7	459	403
Loans and advances	8	2,506	1,898
		<u>5,790</u>	<u>4,671</u>
Current liabilities and provisions			
Current liabilities	9	1,814	2,114
Provisions	10	530	489
Net current assets		<u>3,446</u>	<u>2,068</u>
		<u>7,808</u>	<u>6,737</u>
Significant accounting policies and notes to the accounts	15		

The schedules referred to above form an integral part of the consolidated balance sheet

As per our report attached
For **B S R & Co**
Chartered Accountants
Firm registration No. 101248W

For **MindTree Limited**

Supreet Sachdev
Partner
Membership No. 205385

Subroto Bagchi
Vice Chairman

N. Krishnakumar
CEO & Managing Director

Rostow Ramanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 21, 2011

Place: Bangalore
Date : April 21, 2011

MindTree Limited
Consolidated profit and loss account

	Schedule	(Rs in Million except per share data)	
		For the year ended March 31, 2011	2010
Income from software development		15,090	12,960
Cost of services and sales	11	10,145	8,006
Administrative and other expenses	12	3,167	2,498
		<u>13,312</u>	<u>10,504</u>
Operating profit before interest, depreciation, other income and tax		1,778	2,456
Interest	13	4	27
Depreciation and amortisation	4 & 15(5)	712	652
Operating profit before tax and other income		1,062	1,777
Other income	14	242	770
Profit before tax		1,304	2,547
Provision for taxation		291	380
Deferred tax charge/ (credit)		(3)	29
MAT credit entitlement		-	(10)
Net profit after tax		1,016	2,148
Balance in profit and loss account brought forward		4,237	2,435
Amalgamation adjustments	15(4)	(31)	-
Amount available for appropriation		5,222	4,583
Dividend			
Interim		50	39
Proposed		50	79
Total dividend		<u>100</u>	<u>118</u>
Dividend tax		17	20
Amount transferred to general reserve		123	208
Balance in profit and loss account carried forward		4,982	4,237
Earnings per share	15(13)		
(Equity shares, par value Rs 10 each)			
Basic		25.53	54.77
Diluted		24.85	52.79
Weighted average number of shares used in computing earnings per share			
Basic		39,766,786	39,232,474
Diluted		40,865,268	40,697,655

Significant accounting policies and notes to the accounts 15

The schedules referred to above form an integral part of the consolidated profit and loss account

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Place: Bangalore
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MindTree Limited
Consolidated cash flow statement

(Rs in Million)
For the year ended March 31,
2011 **2010**

Cash flow from operating activities	2011	2010
Profit before tax	1,304	2,547
Adjustments for :		
Depreciation & amortisation	712	652
Amortization of stock compensation	-	5
Interest expense	4	26
Interest / dividend income	(69)	(50)
(Profit)/Loss on sale of fixed assets	(1)	1
Profit on sale of investments	-	(11)
Exchange difference on derivatives	(136)	(1,113)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(4)	8
	<hr/>	<hr/>
Operating profit before working capital changes	1,810	2,065
(Increase)/ decrease in sundry debtors	(455)	454
(Increase)/ decrease in loans and advances	(314)	1
Increase/ (decrease) in current liabilities and provisions	(75)	218
	<hr/>	<hr/>
Net cash provided by operating activities before taxes	966	2,738
Income taxes paid	(533)	(436)
	<hr/>	<hr/>
Net cash provided by operating activities	433	2,302
	<hr/>	<hr/>
Cash flow from investing activities		
Purchase of fixed assets	(840)	(457)
Proceeds from sale of fixed assets	4	5
Purchase of business/acquisition	-	(293)
Interest /dividend received from investments	61	50
Purchase of investments	(7,318)	(10,509)
Sale/maturities of investments	7,710	10,200
	<hr/>	<hr/>
Net cash used in investing activities	(383)	(1,004)
	<hr/>	<hr/>
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	139	94
Interest paid on loans	(2)	(27)
Repayment of loans	-	(516)
Proceeds / (repayments) of other loans, net	15	(847)
Dividends paid (including distribution tax)	(150)	(46)
	<hr/>	<hr/>
Net cash (used in)/ provided by financing activities	2	(1,342)
	<hr/>	<hr/>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	4	(8)
	<hr/>	<hr/>
Net increase/ (decrease) in cash and cash equivalents	56	(52)
Cash and cash equivalents of MindTree Wireless Private Limited as on the date of acquisition (Refer Note 4 of Schedule 15)	-	76
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period	403	379
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period*	459	403
	<hr/>	<hr/>

*Refer Schedule 7

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MindTree Limited
Schedules to the consolidated balance sheet

(Rs in Million)
As at March 31,
2011 **2010**

1. Share capital

Authorised capital

79,620,000 equity shares of Rs 10 each	796	796
(previous year 79,620,000 equity shares of Rs 10 each)		

Issued, subscribed and paid-up capital

40,035,187 equity shares of Rs 10 each fully paid	400	395
(previous year: 39,514,994 equity shares of Rs 10 each)		

(of the above equity shares, 1,300,965 equity shares of Rs. 10 each fully paid up were allotted at a premium of Rs. 201.05 to the shareholders of erstwhile Aztecsoft Limited for consideration other than cash pursuant to the scheme of amalgamation)

	400	395
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For details of options, in respect of the above equity shares, refer to Note 7 of Schedule 15

2. Reserves and surplus

Capital reserve

At the commencement of the year	2	-
Additions during the year (Refer Note 17 of Schedule 15)	85	2
	87	2

Securities premium account

At the commencement of the year	1,497	2,552
Additions during the year		
Allotment of shares to shareholders of Aztecsoft Limited in accordance with the scheme of Amalgamation (Refer Note 3 of Schedule 15)	-	262
On exercise of employee stock options	134	90
	1,631	2,904

Deductions during the year

Adjustment of goodwill arising on amalgamation of Aztecsoft Limited in accordance with scheme of amalgamation. (Refer Note 3 of Schedule 15)	-	(1,407)
	1,631	1,497

General reserve

At the commencement of the year	410	202
Add: Transfer from profit and loss account	123	208
	533	410

Stock option outstanding account

Add: Deferred employee compensation expense	48	50
	-	(2)
	48	48

Hedge reserve (Refer Note 16 of Schedule 15)

At the commencement of the year	117	(99)
Additions during the year	(36)	216
	81	117

Balance in profit and loss account

	4,982	4,237
	7,362	6,311

MindTree Limited
Schedules to the consolidated balance sheet (continued)

(Rs in Million)
As at March 31,
2011 2010

3 Unsecured loans

Council for Scientific and Industrial Research	46	31
	<u>46</u>	<u>31</u>

MindTree Limited
Schedules to the consolidated balance sheet (continued)

4. Fixed assets

(Rs. In Million)

Assets	Gross block				Accumulated depreciation				Net book value	
	As at April 1, 2010	Additions during the year	Deletions/ (Adjustments) during the year*	As at Mar 31, 2011	As at April 1, 2010	For the year	Deletions/ (Adjustments) during the year*	As at Mar 31, 2011	As at Mar 31, 2011	As at March 31, 2010
Tangible assets										
Leasehold land	425	-	-	425	35	12	-	47	378	390
Buildings	1,511	116	-	1,627	119	55	-	174	1,453	1,392
Leasehold improvements	797	219	5	1,011	396	157	5	548	463	401
Computer systems (including software)	1,338	406	202	1,542	1,189	239	201	1,227	315	149
Test equipment	413	149	359	203	359	70	359	70	133	54
Furniture and fixtures	134	15	7	142	89	26	7	108	34	45
Electrical installations	164	49	3	210	110	47	3	154	56	54
Office equipment	346	60	20	386	222	71	18	275	111	124
Motor vehicles	5	-	2	3	2	1	1	2	1	3
Plant and machinery	-	8	-	8	-	1	-	1	7	-
Total (A)	5,133	1,022	598	5,557	2,521	679	594	2,606	2,951	2,612
Intangible assets										
Intellectual property#	-	67	-	67	-	12	-	12	55	-
Total (B)	-	67	-	67	-	12	-	12	55	-
Total (A+B)	5,133	1,089	598	5,624	2,521	691	594	2,618	3,006	2,612
Previous year	4,941	978	786	5,133	2,109	652	240	2,521	2,612	

Leasehold land includes land acquired on leases. The ownership of the land does not transfer to the Group at the end of the lease term and accordingly the cost is amortised over the period of the lease.

*Includes adjustments on account of amalgamation of MindTree Wireless Private Limited with the Company. Refer Note 4 of Schedule 15.

Refer note 6 of Schedule 15

MindTree Limited

Schedules to the consolidated balance sheet (continued)

		(Rs in Million)	
		As at March 31	
		2011	2010
5. Investments			
A. Long-term investments			
Trade - Unquoted (fully paid equity shares)			
2,400 (previous year: 2,400) equity shares in Career Community.com Limited		1	1
643,790 (previous year: 643,790) Series A Convertible Preferred Stock at US\$ 0.0001 each fully paid premium of US \$ 0.2557 each in 30 Second Software Inc		7	7
		<u>8</u>	<u>8</u>
Less: Provision for diminution in the value of investments		<u>1</u>	<u>1</u>
		<u>7</u>	<u>7</u>

B. Current investments

I Non-Trade Investments - quoted (valued at lower of cost or market value)

		(Rs in Million)	
		As at March 31	
		2011	2010
	Number of Units as at March 31		
	2011	2010	
HDFC Mutual Fund	-	18,758,957	-
<i>(158,663 units purchased / 18,917,620 units redeemed during the year)</i>			188
ICICI Prudential Mutual Fund	460,803	1,914,603	46
<i>(9,728,971 units purchased / 11,182,771 units redeemed during the year)</i>			202
IDFC Mutual Fund	10,062,025	7,119,217	101
<i>(78,622,347 units purchased / 75,679,539 units redeemed during the year)</i>			71
UTI Mutual Fund	-	8,111,422	-
<i>(20,173,928 units purchased / 28,285,350 units redeemed during the year)</i>			192
HSBC Mutual Fund	-	11,871,364	-
<i>(189,797,287 units purchased / 201,668,651 units redeemed during the year)</i>			120
Franklin Templeton Mutual Fund	5,127,565	13,390,626	52
<i>(336,577 units purchased / 8,599,638 units redeemed during the year)</i>			206
DSP Blackrock Mutual Fund	17,000,000	7,500,000	170
<i>(12,772,821 units purchased / 3,272,821 units redeemed during the year)</i>			75
Birla Sun Life Mutual Fund	12,762,517	21,096,967	128
<i>(117,111,410 units purchased / 125,445,860 units redeemed during the year)</i>			211
Reliance Mutual Fund	5,030,657	-	81
<i>(24,042,816 units purchased / 19,012,159 units redeemed during the year)</i>			-
Tata Mutual Fund	15,720,524	-	157
<i>(27,017,356 units purchased / 11,296,832 units redeemed during the year)</i>			-
L&T Mutual Fund	4,003,460	-	40
<i>(24,877,464 units purchased / 20,874,004 units redeemed during the year)</i>			-
SBI Mutual Fund	6,024,214	-	60
<i>(6,024,214 units purchased / Nil units redeemed during the year)</i>			-
		<u>835</u>	<u>1,265</u>
Less: Provision for diminution in the value of investments		<u>-</u>	<u>-</u>
		<u>835</u>	<u>1,265</u>

Description

	Market Value	
HDFC Mutual Fund	-	188
ICICI Prudential Mutual Fund	46	203
IDFC Mutual Fund	104	71
UTI Mutual Fund	-	192
HSBC Mutual Fund	-	120
Franklin Templeton Mutual Fund	53	207
DSP Blackrock Mutual Fund	176	75
Birla Sun Life Mutual Fund	129	211
Reliance Mutual Fund	81	-
Tata Mutual Fund	160	-
L&T Mutual Fund	41	-
SBI Mutual Fund	61	-
	<u>851</u>	<u>1,267</u>

II. Non-Trade Investments - unquoted (Term Deposits)

HDFC Limited	170	120
Janalakshmi Financial Services Private Limited	100	50
	<u>270</u>	<u>170</u>
	<u>1,112</u>	<u>1,442</u>
Aggregate amount of quoted investments	835	1,265
Aggregate market value of quoted investments	851	1,267
Aggregate amount of unquoted investments	277	177

MindTree Limited
Schedules to the consolidated balance sheet (continued)

	(Rs in Million)	
	As at March 31,	
	2011	2010
6 Sundry debtors		
<i>(Unsecured)</i>		
Debits outstanding for a period exceeding six months		
- considered good	24	9
- considered doubtful	35	37
Debits		
- considered good	2,801	2,361
- considered doubtful	-	-
Less: Provision for doubtful debts	35	37
	<u>2,825</u>	<u>2,370</u>
7 Cash and bank balances		
Cash on hand	-	-
Balances with scheduled banks		
Current accounts	77	41
Deposit accounts	248	201
Balances with non-scheduled banks - in current accounts		
HSBC Bank , Swindon, UK	13	8
Bank of Tokyo, Mitsubishi	3	3
Silicon Valley Bank, USA	70	73
HSBC, Dubai	4	4
HSBC, Germany	10	8
UBS, Basel	2	1
HSBC, Australia	4	10
HSBC, Singapore	20	6
HSBC, Netherlands	2	3
National Westminster Bank, UK	-	1
Wells Fargo, Seattle, USA	-	16
HSBC, Canada	3	6
SCB, Republic of China	3	22
	<u>459</u>	<u>403</u>
Maximum amount outstanding at any time during the year with non-scheduled banks is as under:		
in current accounts		
Wachovia Bank, N.A., USA	-	73
HSBC Bank, Swindon, UK	59	40
Deutsche Bank, Singapore	-	1
Bank of Tokyo, Mitsubishi	20	30
Silicon Valley Bank, USA	696	711
HSBC Dubai	15	21
HSBC Germany	13	16
UBS, Basel	2	2
HSBC, Australia	30	25
HSBC, Singapore	68	39
HSBC, Netherlands	10	10
Bank of America, California, USA	-	45
Wells Fargo, Seattle, USA	150	106
National Westminster Bank, UK	1	1
HSBC, Canada	10	6
SCB, Republic of China	23	22
in deposit accounts		
Silicon Valley Bank, California, U.S.A	-	1

MindTree Limited
Schedules to the consolidated balance sheet (continued)

(Rs in Million)
As at March 31,

	2011	2010
8 Loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances recoverable in cash or in kind or for value to be received	1,120	865
Interest accrued	18	10
Unbilled revenue	437	373
Advance tax and tax deducted at source, net of provision for taxes	823	545
MAT credit entitlement	108	105
<i>(Unsecured, considered doubtful)</i>		
Advances recoverable in cash or in kind or for value to be received	13	26
Less: Provision for doubtful advances	(13)	(26)
	<u>2,506</u>	<u>1,898</u>
9 Current liabilities		
Advances from customers	46	39
Interest accrued but not due	2	-
Unearned revenue	41	67
Sundry creditors		
Expenses	98	87
Capital goods	69	39
Other liabilities	1,468	1,840
Unclaimed dividend	3	2
Book overdraft	87	40
	<u>1,814</u>	<u>2,114</u>
10 Provisions		
Post contract support services	5	5
Provision for discount	49	50
Provision for foreseeable loss on contracts	2	24
Proposed dividend	50	79
Provision for gratuity	8	3
Compensated absences	179	125
Provision for		
tax on dividend	8	13
taxes	229	190
	<u>530</u>	<u>489</u>

MindTree Limited
Schedules to the consolidated profit and loss account

(Rs in Million)
For the year ended March 31,
2011 2010

11 Cost of services and sales

Salary and allowances	7,443	5,909
Contribution to provident and other funds	697	524
Staff welfare	86	61
Travel and conveyance	743	525
Communication expenses	46	44
Sub-contractor charges	457	340
Software purchases	59	43
Computer consumables	282	311
Rent	246	230
Post contract support services	-	(5)
Provision for foreseeable loss on contracts	(11)	24
Consumables	3	-
Outsourced technical services	94	-
	<u>10,145</u>	<u>8,006</u>

12 Administrative and other expenses

Salary and allowances	1,555	1,287
Contribution to provident and other funds	72	61
Travel and conveyance	206	136
Power and fuel	169	158
Rent	117	97
Lease rentals/charges	61	20
Telephone charges	84	82
Printing and stationery	19	18
Office maintenance	114	69
Exchange loss, net	-	-
Staff training expenses	50	35
Advertisement	6	3
Bank charges	7	6
Insurance	21	21
Rates and taxes	4	37
Auditor's remuneration	10	10
Recruitment expenses	173	57
Repairs and maintenance		
- Plant and machinery	14	16
- Others	44	8
Marketing expenses	106	66
Donations	2	3
Legal and professional expenses	182	144
Loss from sale of Investments	-	-
Loss on sale of fixed assets	-	1
Provision for diminution in the value of investments	-	-
Provision for bad and doubtful debts	3	24
Bad debts written off	-	39
Provision and write off of doubtful advances	41	6
Miscellaneous expenses	107	94
	<u>3,167</u>	<u>2,498</u>

13 Interest

Interest on term loans	2	12
Interest on short term credit / finance charges	2	15
	<u>4</u>	<u>27</u>

14 Other income

Interest on deposits	28	14
Profit on sale of investments	-	11
Profit from sale of fixed assets, net	1	-
Dividend from investments	41	36
Exchange gain, net	156	674
Bad debts recovered	-	16
Liabilities no longer required written back	4	14
Miscellaneous income	12	5
	<u>242</u>	<u>770</u>