

MindTree Limited
Consolidated balance sheet

| | Schedule | As at June 30, 2010 | (Rs in Million) As at March 31, 2010 |
|--|----------|------------------------|--|
| SOURCES OF FUNDS | | | |
| Shareholders' funds | | | |
| Share capital | 1 | 397 | 395 |
| Reserves and surplus | 2 | 6,352 | 6,311 |
| | | <u>6,749</u> | <u>6,706</u> |
| Loan funds | | | |
| Unsecured loans | 3 | 31 | 31 |
| | | <u>6,779</u> | <u>6,737</u> |
| APPLICATION OF FUNDS | | | |
| Fixed assets | | | |
| Gross block | 4 | 5,285 | 5,133 |
| Less: Accumulated depreciation | | <u>-2,656</u> | <u>-2,521</u> |
| Net block | | 2,629 | 2,612 |
| Capital work-in-progress | | <u>384</u> | <u>247</u> |
| | | <u>3,013</u> | <u>2,859</u> |
| Goodwill | | 154 | 154 |
| Investments | 5 | 1,022 | 1,442 |
| Deferred tax assets, net | | 218 | 214 |
| Current assets, loans and advances | | | |
| Sundry debtors | 6 | 2,520 | 2,370 |
| Cash and bank balances | 7 | 357 | 403 |
| Loans and advances | 8 | 1,980 | 1,898 |
| | | <u>4,857</u> | <u>4,671</u> |
| Current liabilities and provisions | | | |
| Current liabilities | 9 | 1,854 | 2,114 |
| Provisions | 10 | 632 | 490 |
| Net current assets | | <u>2,371</u> | <u>2,068</u> |
| | | <u>6,779</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.

MindTree Limited
Consolidated profit and loss account

| | Schedule | For the qtr ended June 30, 2010 | (Rs in Million) For the qtr ended June 30, 2009 |
|---|-----------|------------------------------------|---|
| Income | | | |
| Income from software development | | | |
| - Overseas | | 3,203 | 2,817 |
| - Domestic | | 284 | 231 |
| | | 3,487 | 3,048 |
| Expenditure | | | |
| Cost of services and sales | 11 | 2,266 | 1,934 |
| Administrative and other expenses | 12 | 798 | 607 |
| | | 3,064 | 2,541 |
| Operating profit before interest, depreciation, other income and tax | | 423 | 507 |
| Interest | 13 | 0.2 | 24 |
| Depreciation | 4 | 145 | 161 |
| Operating profit before tax and other income | | 277 | 322 |
| Other income | 14 | 21 | 332 |
| Profit before tax | | 299 | 654 |
| Provision for taxation including FBT | | 145 | 88 |
| Deferred tax charge/ (credit) | | -5 | -1 |
| Net profit after tax | | 158 | 567 |
| Balance in profit and loss account brought forward | | 4,237 | 2,435 |
| Amount available for appropriation | | 4,395 | 3,002 |
| Earnings per share | | | |
| (Equity shares, par value Rs 10 each) | | | |
| Basic | | 4.00 | 14.51 |
| Diluted | | 3.86 | 14.26 |
| Weighted average number of shares used in computing earnings per share | | | |
| Basic | | 39,582,194 | 39,111,584 |
| Diluted | | 40,990,242 | 39,772,318 |
| 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.

MindTree Limited
Consolidated cash flow statement

(Rs in Million)

| | For the quarter ended June 30, 2010 | For the quarter ended June 30, 2009 |
|---|--|--|
| Cash flow from operating activities | | |
| Profit before tax | 299 | 654 |
| Adjustments for : | | |
| Depreciation | 145 | 161 |
| Amortization of stock compensation | 0.2 | 2 |
| Interest expense | 0.2 | 24 |
| Interest / dividend income | -17 | -12 |
| Loss on sale of fixed assets | 0.4 | 0.0 |
| Profit on sale of investments | -0.2 | -10 |
| Exchange difference on derivatives | 106 | -605 |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | -5 | 5 |
| Operating profit before working capital changes | 528 | 219 |
| Decrease/ (increase) in sundry debtors | -151 | 25 |
| Decrease/ (increase) in loans and advances | -161 | 64 |
| Increase/ (decrease) in current liabilities and provisions | -285 | -157 |
| Income taxes and FBT paid | -146 | -118 |
| Net cash provided by operating activities | -214 | 33 |
| Cash flow from investing activities | | |
| Purchase of fixed assets | -320 | 120 |
| Proceeds from sale of fixed assets | 2 | 0.4 |
| Purchase of business/acquisition | - | 208 |
| Interest /dividend received from investments | 23 | 20 |
| Inter-corporate advances granted | -50 | - |
| Purchase of investments | -2,080 | -223 |
| Sale/maturities of investments | 2,551 | 638 |
| Net cash used in investing activities | 125 | 764 |
| Cash flow from financing activities | | |
| Issue of share capital (net of issue expenses paid) | 38 | 45 |
| Receipt of share application money | - | 0 |
| Interest paid on loans | -0.2 | -28 |
| Repayment of term loans | - | -516 |
| Proceeds / (repayments) of other loans, net | - | -410 |
| Dividends paid (including distribution tax) | - | 0 |
| Net cash (used in)/ provided by financing activities | 38 | -908 |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 5 | -5 |
| Net (decrease)/ increase in cash and cash equivalents | -47 | -116 |
| Cash and cash equivalents of MindTree Wireless Private Limited as on the date of acquisition | - | - |
| Cash and cash equivalents at the beginning | 403 | 488 |
| Cash and cash equivalents at the end of the year* | 357 | 372 |

MindTree Limited
Schedules to the consolidated balance sheet

| | As at June 30, 2010 | (Rs in Million) As at March 31, 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 | | |
| 39,514,994 equity shares of Rs 10 each fully paid | 397 | 395 |
| (previous year: 37,996,686 equity shares of Rs 10 each of the above shares, 1,300,965 equity shares of Rs. 10 each fully paid up were allotted at a premium of Rs. 201.50 to the shareholders of erstwhile Aztecsoft Limited for consideration other than cash pursuant to the scheme of amalgamation) | | |
| | <u>397</u> | <u>395</u> |
| 2. Reserves and surplus | | |
| Capital reserve | | |
| At the commencement of the year | 2 | 0 |
| Additions during the year | <u>-</u> | <u>2</u> |
| | 2 | 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 | | 262 |
| On exercise of employee stock options | <u>37</u> | <u>90</u> |
| | 1,534 | 2,904 |
| Deductions during the year | | |
| Adjustment of goodwill arising on amalgamation of Aztecsoft Limited in accordance with scheme of amalgamation. | <u>-</u> | <u>-1,407</u> |
| | 1,534 | 1,497 |
| General reserve | | |
| At the commencement of the year | 410 | 202 |
| Add: Transfer from profit and loss account | <u>-</u> | <u>208</u> |
| | 410 | 410 |
| Stock option outstanding account | | |
| At the commencement of the year | 47 | 50 |
| Add: Deferred employee compensation expense | <u>0.2</u> | <u>-2</u> |
| | 48 | 47 |
| Hedge reserve | | |
| At the commencement of the year | 118 | -98 |
| Additions during the year | <u>-154</u> | <u>217</u> |
| | -36 | 118 |
| Balance in profit and loss account | | |
| | <u>4,395</u> | <u>4,237</u> |
| | <u>6,352</u> | <u>6,311</u> |

MindTree Limited
Schedules to the consolidated balance sheet (continued)

| | As at June 30, 2010 | As at March 31, 2010 |
|--|--------------------------------|---------------------------------|
| 3 Unsecured loans | | |
| Council for Scientific and Industrial Research | 31 | 31 |
| | <u>31</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)* | As at June 30, 2010 | As at April 1, 2010 | For the year | MT Deletions | Deletions/ (Adjustments) during the year* | As at June 30, 2010 | As at June 30, 2010 | As at March 31, 2010 |
| Leasehold land | 425 | 0 | 0 | 425 | 35 | 3 | | 0 | 38 | 387 | 390 |
| Buildings | 1,511 | 0 | 0 | 1,511 | 119 | 13 | | 0 | 132 | 1,379 | 1,392 |
| Leasehold improvements | 797 | 5 | 4 | 797 | 396 | 36 | 4 | 4 | 428 | 369 | 401 |
| Computer systems (including software) | 1,339 | 61 | 0 | 1,400 | 1,189 | 46 | 0 | 0 | 1,234 | 165 | 150 |
| Test equipment | 413 | 19 | 0 | 432 | 359 | 10 | | 0 | 369 | 63 | 54 |
| Furniture and fixtures | 134 | 3 | 1 | 136 | 89 | 5 | 1 | 1 | 93 | 43 | 45 |
| Electrical installations | 164 | 1 | 1 | 163 | 110 | 12 | 1 | 1 | 121 | 43 | 54 |
| Office equipment | 346 | 7 | 5 | 348 | 222 | 18 | 4 | 4 | 236 | 112 | 124 |
| Motor vehicles | 5 | 0 | 0 | 4 | 2 | 0 | 0 | 0 | 3 | 2 | 2 |
| Intellectual Property | 0 | 67 | 0 | 67 | 0 | 2 | | 0 | 2 | 65 | 0 |
| Plant and Machinery | 0 | 2 | 0 | 2 | 0 | 0 | | 0 | 0 | 2 | 0 |
| Total | 5,133 | 165 | 13 | 5,285 | 2,521 | 145 | 10 | 10 | 2,656 | 2,629 | 2,612 |

MindTree Limited

Schedules to the consolidated balance sheet (continued)

| | | | As at June 30, 2010 | (Rs in Million) As at March 31, 2010 |
|--|-----------------------|----------------|------------------------|--|
| 5 Investments | | | | |
| A. Long-term investments - unquoted (fully paid equity shares) | | | | |
| Unquoted (fully paid equity shares) | | | | |
| 2,400 (previous year: 2,400) equity shares in Career Community.com Limited | | | 1 | 1 |
| 643,790 (previous year: nil) Series A Convertible Preferred Stock at US\$ 0.0001 each fully paid at premium of US \$ 0.2557 each in 30 Second Software Inc | | | 7 | 7 |
| 12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited | | | 0 | 0 |
| | | | <u>8</u> | <u>8</u> |
| Less: Provision for diminution in the value of investments | | | <u>2</u> | <u>2</u> |
| | | | <u>7</u> | <u>7</u> |
| B. Current investments | | | | |
| I. Non-Trade Investments - quoted (valued at lower of cost or market value) | | | | |
| | Number of Units as at | | | |
| | June 30, 2010 | March 31, 2010 | | |
| HDFC Mutual Fund | - | 18,758,957 | - | 188 |
| <i>(158,663 units purchased / 18,917,620 units redeemed during the year)</i> | | | | |
| ICICI Prudential Mutual Fund | - | 1,914,603 | - | 202 |
| <i>(12,540 units purchased / 1,927,143 units redeemed during the year)</i> | | | | |
| IDFC Mutual Fund | 5,118,754 | 7,119,217 | 135 | 71 |
| <i>(26,631,599 units purchased / 28,632,062 units redeemed during the year)</i> | | | | |
| UTI Mutual Fund | 19,327,743 | 8,111,422 | 193 | 192 |
| <i>(19,444,031 units purchased / 8,227,710 units redeemed during the year)</i> | | | | |
| HSBC Mutual Fund | - | 11,871,364 | 0 | 120 |
| <i>(89,994,768 units purchased / 101,866,132 units redeemed during the year)</i> | | | | |
| Franklin Templeton Mutual Fund | 13,474,065 | 13,390,626 | 208 | 206 |
| <i>(83,439 units purchased / Nil units redeemed during the year)</i> | | | | |
| DSP Blackrock Mutual Fund | 7,500,000 | 7,500,000 | 75 | 75 |
| <i>(Nil units purchased / Nil units redeemed during the year)</i> | | | | |
| Birla Sun Life Mutual Fund | 10,135,875 | 21,096,967 | 101 | 211 |
| <i>(10,256,225 units purchased / 21,217,317 units redeemed during the year)</i> | | | | |
| Reliance Mutual Fund | 5,999,115 | - | 60 | 0 |
| <i>(9,924,318 units purchased / 3,925,203 units redeemed during the year)</i> | | | | |
| Axis Mutual Fund | 2,300,000 | - | 23 | 0 |
| <i>(2,300,000 units purchased / Nil units redeemed during the year)</i> | | | | |
| Sundaram BNP Paribas Mutual Fund | - | - | 0 | 0 |
| <i>(29,630,369 units purchased / 29,630,369 units redeemed during the year)</i> | | | | |
| | | | <u>796</u> | <u>1,266</u> |
| Less: Provision for diminution in the value of investments | | | <u>0</u> | <u>0</u> |
| | | | <u>796</u> | <u>1,266</u> |
| <i>Description</i> | | | <i>Market Value</i> | |
| HDFC Mutual Fund | | | 0 | 188 |
| ICICI Prudential Mutual Fund | | | 0 | 202 |
| IDFC Mutual Fund | | | 135 | 71 |
| UTI Mutual Fund | | | 194 | 192 |
| HSBC Mutual Fund | | | 0 | 120 |
| Franklin Templeton Mutual Fund | | | 210 | 207 |
| DSP Blackrock Mutual Fund | | | 77 | 75 |
| Birla Sun Life Mutual Fund | | | 101 | 211 |
| Reliance Mutual Fund | | | 60 | 0 |
| Axis Mutual Fund | | | 23 | 0 |
| | | | <u>800</u> | <u>1,267</u> |
| II. Non-Trade Investments - unquoted | | | | |
| HDFC Limited | | | 170 | 120 |
| Janalakshmi Financial Services Private Limited | | | 50 | 50 |
| | | | <u>220</u> | <u>170</u> |
| | | | <u>1,022</u> | <u>1,442</u> |

MindTree Limited
Schedules to the consolidated balance sheet (continued)

| | As at June 30, 2010 | (Rs in Million) As at March 31, 2010 |
|---|------------------------|--|
| 6 Sundry debtors | | |
| <i>(Unsecured)</i> | | |
| Debits outstanding for a period exceeding six months | | |
| - considered good | 14 | 9 |
| - considered doubtful | 36 | 37 |
| Other debts | | |
| - considered good | 2,520 | 2,361 |
| - considered doubtful | 0 | 0 |
| <i>Less: Provision for doubtful debts</i> | <u>50</u> | <u>37</u> |
| | <u><u>2,520</u></u> | <u><u>2,370</u></u> |
| 7 Cash and bank balances | | |
| Cash on hand | 0 | 0 |
| Balances with scheduled banks | | |
| Current accounts | 78 | 41 |
| Deposit accounts | 126 | 201 |
| Balances with non-scheduled banks - in current accounts | | |
| Wachovia Bank, N.A., USA | 0 | 0 |
| HSBC Bank, Swindon, UK | 8 | 8 |
| Deutsche Bank, Singapore | 0 | 0 |
| Bank of Tokyo, Mitsubishi | 2 | 3 |
| Silicon Valley Bank, USA | 84 | 73 |
| HSBC, Dubai | 2 | 4 |
| HSBC, Germany | 7 | 8 |
| May Bank, Malaysia | 0 | 0 |
| UBS, Basel | 1 | 1 |
| HSBC, Australia | 11 | 10 |
| HSBC, Singapore | 5 | 6 |
| HSBC, Netherlands | 4 | 3 |
| National Westminster Bank, UK | 1 | 1 |
| Bank of America, California, USA | 0 | 0 |
| Wells Fargo, Seattle, USA | 1 | 16 |
| HSBC, Canada | 4 | 6 |
| SCB, Republic of China | 22 | 22 |
| | <u>357</u> | <u>403</u> |

MindTree Limited
Schedules to the consolidated balance sheet (continued)

| | As at June 30, 2010 | (Rs in Million) As at March 31, 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 | 770 | 875 |
| Unbilled revenue | 514 | 373 |
| Advance tax and tax deducted at source, net of provision for taxes | 590 | 545 |
| MAT credit entitlement | 105 | 105 |
| | 1,980 | 1,898 |
| 9 Current liabilities | | |
| Advances from customers | 41 | 39 |
| Interest accrued but not due | 0 | 0 |
| Unearned revenue | 46 | 67 |
| Sundry creditors | | |
| Expenses | 67 | 87 |
| Capital goods | 22 | 39 |
| Other liabilities | 1,621 | 1,840 |
| Unclaimed dividend | 2 | 2 |
| Book overdraft | 55 | 40 |
| | 1,854 | 2,114 |
| 10 Provisions | | |
| Proposed dividend | 79 | 79 |
| Provision for gratuity | 29 | 3 |
| Compensated absences | 155 | 125 |
| Post contract support services | 5 | 5 |
| Provision for discount | 49 | 50 |
| Provision for foreseeable loss on contracts | 68 | 24 |
| Provision for | | |
| tax on dividend | 13 | 13 |
| foreign taxes | 234 | 190 |
| | 632 | 490 |

MindTree Limited
Schedules to the consolidated profit and loss account

| | (Rs in Million) | |
|---|-------------------------------------|------------------------------------|
| | For the year ended June 30, 2010 | For the qtr ended June 30, 2010 |
| 11 Cost of services and sales | | |
| Salary and allowances | 1,642 | 1,446 |
| Contribution to provident and other funds | 174 | 105 |
| Staff welfare | 19 | 11 |
| Travel and conveyance | 181 | 149 |
| Communication expenses | 8 | 17 |
| Sub-contractor charges | 107 | 69 |
| Software purchases | 11 | 7 |
| Computer consumables | 71 | 67 |
| Rent | 41 | 64 |
| Post contract support services | 0 | 0 |
| Raw materials consumed | 5 | |
| Outsourced technical services | 8 | |
| | 2,266 | 1,934 |
| 12 Administrative and other expenses | | |
| Salary and allowances | 355 | 340 |
| Contribution to provident and other funds | 20 | 16 |
| Travel and conveyance | 36 | 26 |
| Power and fuel | 42 | 43 |
| Rent | 43 | 20 |
| Lease rentals/charges | 9 | 5 |
| Telephone charges | 20 | 20 |
| Printing and stationery | 4 | 4 |
| Office maintenance | 20 | 10 |
| Exchange loss, net | 18 | 0 |
| Staff training expenses | 10 | 11 |
| Advertisement | 2 | 1 |
| Bank charges | 2 | 1 |
| Insurance | 6 | 6 |
| Rates and taxes | 8 | 12 |
| Auditor's remuneration | 2 | 2 |
| Recruitment expenses | 35 | 7 |
| Repairs and maintenance | | |
| - Plant and machinery | 2 | 1 |
| - Others | 6 | 1 |
| Marketing expenses | 22 | 17 |
| Donations | 0 | 0 |
| Legal and professional expenses | 35 | 24 |
| Loss on sale of fixed assets | 0 | 0 |
| Provision for bad and doubtful debts | 17 | 14 |
| Bad debts written off | 0 | 0 |
| Provision for foreseeable loss on contracts | 44 | 0 |
| Provision for doubtful advances | 0 | 0 |
| Miscellaneous expenses | 40 | 26 |
| | 798 | 607 |
| 13 Interest | | |
| Interest on term loans | 0 | 12 |
| Interest on short term credit / finance charges | 0 | 12 |
| | 0 | 24 |
| 14 Other income | | |
| Interest on deposits | 6 | 2 |
| Profit on sale of investments | 0 | 10 |
| Profit from sale of fixed assets, net | 0 | 0 |
| Dividend from investments | 11 | 10 |
| Exchange gain, net | 0 | 305 |
| Bad debts recovered | 1 | 0 |
| Liabilities no longer required written back | 0 | 0 |
| Miscellaneous income | 3 | 6 |
| | 21 | 332 |