

MindTree Ltd
(formerly MindTree Consulting Limited)
Balance Sheet

| | Schedule | As at September 30, 2008 | As at September 30, 2007 | (Rs) As at March 31, 2008 |
|--|----------|-----------------------------|-----------------------------|---------------------------------|
| SOURCES OF FUNDS | | | | |
| Shareholders' funds | | | | |
| Share capital | 1 | 379,808,100 | 377,883,590 | 379,205,580 |
| Share application money | | 341,375 | 663,943 | 547,100 |
| Reserves and surplus | 2 | 5,015,386,590 | 4,425,066,092 | 4,960,548,716 |
| | | 5,395,536,065 | 4,803,613,625 | 5,340,301,396 |
| Loan funds | | | | |
| Secured loans | 3 | 2,256,278,132 | 943,248,652 | 917,174,452 |
| Unsecured Loans | | 18,006,000 | - | - |
| | | <u>7,669,820,197</u> | <u>5,746,862,277</u> | <u>6,257,475,848</u> |
| APPLICATION OF FUNDS | | | | |
| Fixed assets | | | | |
| Gross block | 4 | 3,636,875,327 | 2,407,398,887 | 3,474,420,178 |
| Accumulated depreciation | | (1,267,045,706) | (944,038,092) | (1,117,582,744) |
| Net block | | 2,369,829,621 | 1,463,360,795 | 2,356,837,434 |
| Capital work-in-progress | | 130,266,250 | 665,123,687 | 232,903,891 |
| | | <u>2,500,095,871</u> | <u>2,128,484,482</u> | <u>2,589,741,325</u> |
| Investments | 5 | 3,355,354,256 | 1,514,164,592 | 1,654,865,791 |
| Deferred tax assets, net | | 85,944,144 | 49,005,370 | 89,849,151 |
| Current assets, loans and advances | | | | |
| Sundry debtors | 6 | 2,344,662,369 | 1,485,134,618 | 1,721,721,253 |
| Cash and bank balances | 7 | 349,410,711 | 676,700,775 | 546,474,287 |
| Loans and advances | 8 | 1,298,608,860 | 902,678,515 | 992,720,766 |
| | | <u>3,992,681,940</u> | <u>3,064,513,908</u> | <u>3,260,916,306</u> |
| Current liabilities and provisions | | | | |
| Current liabilities | 9 | 1,992,653,788 | 792,867,876 | 1,115,345,184 |
| Provisions | 10 | 271,602,226 | 216,438,199 | 222,551,541 |
| Net current assets | | <u>1,728,425,926</u> | <u>2,055,207,833</u> | <u>1,923,019,581</u> |
| Profit and loss account | | - | - | - |
| | | <u>7,669,820,197</u> | <u>5,746,862,277</u> | <u>6,257,475,848</u> |
| Significant accounting policies and notes to the accounts | 15 | | | |

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

For MindTree Limited
(formerly MindTree Consulting Limited)

Ashok Soota
Chairman and Managing Director

Subroto Bagchi
Director

Rostow Ravanan
Chief Financial Officer

Usha T N
Company Secretary

MindTree Ltd
(formerly MindTree Consulting Limited)
Profit and Loss account

(Rs)

| | Schedule | For the half year ended | | For the year ended |
|--|----------|-------------------------|----------------------|----------------------|
| | | September 30, 2008 | September 30, 2007 | March 31, 2008 |
| Income | | | | |
| Income from software development | | | | |
| - Overseas | | 4,529,579,316 | 3,208,507,646 | 6,830,586,387 |
| - Domestic | | 238,006,024 | 225,997,003 | 507,809,069 |
| Other income | 11 | 59,340,385 | 161,353,796 | 277,618,941 |
| | | <u>4,826,925,725</u> | <u>3,595,858,445</u> | <u>7,616,014,397</u> |
| Expenditure | | | | |
| Software development expenses | 12 | 2,722,386,396 | 2,194,574,176 | 4,677,844,885 |
| Administrative and other expenses | 13 | 1,531,195,361 | 685,179,630 | 1,402,627,378 |
| | | <u>4,253,581,757</u> | <u>2,879,753,806</u> | <u>6,080,472,263</u> |
| Profit before interest, depreciation and tax | | 573,343,968 | 716,104,639 | 1,535,542,134 |
| Interest | 14 | 68,907,837 | 27,264,995 | 58,948,643 |
| Depreciation | 4 | 214,913,559 | 159,605,535 | 349,339,406 |
| Profit before tax | | <u>289,522,572</u> | <u>529,234,109</u> | <u>1,127,254,085</u> |
| Provision for taxation including FBT | | 47,995,690 | 54,350,556 | 128,955,592 |
| Deferred tax charge / (benefit) | | 3,905,007 | (2,650,008) | (43,493,790) |
| Profit for the year | | <u>237,621,875</u> | <u>477,533,561</u> | <u>1,041,792,283</u> |
| Balance in profit and loss account brought forward | | 1,972,609,642 | 1,123,618,738 | 1,123,618,738 |
| Amount available for appropriation | | <u>2,210,231,517</u> | <u>1,601,152,299</u> | <u>2,165,411,021</u> |
| Dividend | | | | |
| Interim | | 37,980,810 | 37,788,359 | 37,828,107 |
| Proposed | | - | - | 37,920,558 |
| Total dividend | | <u>37,980,810</u> | <u>37,788,359</u> | <u>75,748,665</u> |
| Dividend tax | | 6,454,839 | 6,422,132 | 12,873,486 |
| Amount transferred to general reserve | | - | - | 104,179,228 |
| Balance in Profit and loss account carried forward | | <u>2,165,795,868</u> | <u>1,556,941,808</u> | <u>1,972,609,642</u> |
| Earnings per share | 15(9) | | | |
| (Equity shares, par value Rs 10 each) | | | | |
| Basic | | 6.29 | 12.71 | 27.69 |
| Diluted | | 6.14 | 12.23 | 26.75 |
| Weighted average number of shares used in computing earnings per share | | | | |
| Basic | | 37,767,694 | 37,581,454 | 37,625,112 |
| Diluted | | 38,674,526 | 39,043,467 | 38,948,715 |
| Significant accounting policies and notes | 15 | | | |
| the accounts | | | | |

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

For MindTree Limited
(formerly MindTree Consulting Limited)

Ashok Soota
Chairman and Managing Director

Subroto Bagchi
Director

Rostow Ramanan
Chief Financial Officer

Usha T N
Company Secretary

MindTree Ltd
(formerly MindTree Consulting Limited)

Cash flow statement

(Rs)

| | Half year ended September 30, 2008 | Half year ended September 30, 2007 | Year Ended March 31, 2008 |
|--|---------------------------------------|---------------------------------------|-------------------------------|
| Cash flow from operating activities | | | |
| Profit before tax | 289,522,572 | 529,234,109 | 1,127,254,085 |
| Adjustments for : | | | |
| Depreciation | 214,913,559 | 159,605,535 | 349,339,406 |
| Amortization of stock compensation | 5,832,264 | 11,919,604 | 19,193,756 |
| Interest expense | 68,907,837 | 27,264,995 | 58,948,643 |
| Interest / dividend income | (34,423,568) | (97,766,503) | (174,275,010) |
| Loss /(profit) on sale of fixed assets | (12,746,001) | (260,374) | (567,985) |
| Profit on sales of investments | (9,587,390) | (19,390,940) | (25,277,357) |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | (16,786,524) | 1,521,153 | 1,287,656 |
| Operating profit before working capital changes | <u>505,632,750</u> | <u>612,127,579</u> | <u>1,355,903,194</u> |
| Increase in sundry debtors | (622,941,116) | (313,525,857) | (550,112,492) |
| Increase in loans and advances | (240,446,030) | (7,057,476) | (41,747,821) |
| Increase in current liabilities and provisions | 950,118,612 | 58,947,919 | 326,997,165 |
| Income taxes and FBT paid | <u>(111,620,910)</u> | <u>(65,051,058)</u> | <u>(184,786,215)</u> |
| Net cash provided by operating activities | <u><u>480,743,306</u></u> | <u><u>285,441,108</u></u> | <u><u>906,253,830</u></u> |
| Cash flow from investing activities | | | |
| Purchase of fixed assets | (191,495,384) | (1,571,914,483) | (2,177,755,642) |
| Proceeds from sale of fixed assets | 41,166,170 | 4,145,927 | 7,541,396 |
| Purchase of business/acquisition | - | - | - |
| Interest /dividend received from investments | 13,488,081 | 43,813,891 | 84,655,239 |
| Purchase of investments | (6,499,496,712) | (612,035,100) | (2,291,785,986) |
| Sale/maturities of investments | <u>4,844,782,155</u> | <u>1,293,068,446</u> | <u>2,877,038,618</u> |
| Net cash used in investing activities | <u><u>(1,791,555,689)</u></u> | <u><u>(842,921,319)</u></u> | <u><u>(1,500,306,375)</u></u> |
| Cash flow from financing activities | | | |
| Issue of share capital (net of issue expenses paid) | (144,125,196) | (128,964,795) | (119,281,395) |
| Receipt of share application money | 341,375 | 663,943 | 547,100 |
| Interest paid on loans | (66,600,289) | (27,130,474) | (59,144,766) |
| Proceeds from term loans | 1,068,006,000 | 955,000,000 | 955,000,000 |
| Repayment of term loans | (79,377,283) | (265,444,445) | (127,670,451) |
| Repayment of finance lease obligation | (36,020,133) | (12,498,166) | (23,208,819) |
| Proceeds of short term loans, net | 398,700,000 | (9,700,499) | (164,700,499) |
| Increase/(decrease) in bank overdraft | - | - | - |
| Dividends paid (including distribution tax) | <u>(43,962,190)</u> | <u>(44,175,127)</u> | <u>(87,678,384)</u> |
| Net cash provided by financing activities | <u><u>1,096,962,283</u></u> | <u><u>467,750,437</u></u> | <u><u>373,862,786</u></u> |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 16,786,524 | (1,521,153) | (1,287,656) |
| Net (decrease)/ increase in cash and cash equivalents | <u>(197,063,576)</u> | <u>(91,250,927)</u> | <u>(221,477,415)</u> |
| Cash and cash equivalents at the beginning of the Period | <u>546,474,287</u> | <u>767,951,702</u> | <u>767,951,702</u> |
| Cash and cash equivalents at the end of the Period | <u><u>349,410,711</u></u> | <u><u>676,700,775</u></u> | <u><u>546,474,287</u></u> |

For MindTree Limited
(formerly MindTree Consulting Limited)

Ashok Soota
Chairman and Managing Director

Rostow Ravanan
Chief Financial Officer

Subroto Bagchi
Director

Usha T N
Company Secretary

MindTree Ltd
(formerly MindTree Consulting Limited)
Schedules to the balance sheet

| | As at September 30, 2008 | As at September 30, 2007 | (Rs) As at March 31, 2008 |
|--|-----------------------------|-----------------------------|---------------------------------|
| 1. Share capital | | | |
| Authorised capital | | | |
| 79,620,000 equity shares of Rs 10 each (previous year 79,620,000 equity shares of Rs.10 each) | 796,200,000 | 796,200,000 | 796,200,000 |
| Issued, subscribed and paid-up capital | | | |
| 37,980,810 equity shares of Rs 10 each fully paid (previous year 37,920,558 equity shares of Rs.10 each) | 379,808,100 | 377,883,590 | 379,205,580 |
| | 379,808,100 | 377,883,590 | 379,205,580 |
| - For details of options, in respect of the above equity shares, refer to Note 4 of Schedule 15 | | | |
| - For details on shares issued through IPO, refer note 1 of schedule 15 | | | |
| 2. Reserves and surplus | | | |
| Securities premium account | | | |
| At the commencement of the year | 2,761,421,384 | 2,750,289,294 | 2,750,289,294 |
| Additions during the year | | | |
| Issue of shares | - | - | - |
| On exercise of employee stock options/customer warrants | 4,709,080 | 2,770,680 | 11,132,090 |
| | 2,766,130,464 | 2,753,059,974 | 2,761,421,384 |
| | 2,766,130,464 | 2,753,059,974 | 2,761,421,384 |
| General reserve | | | |
| At the commencement of the year | 194,231,525 | 90,052,297 | 90,052,297 |
| Add: Transfer from profit and loss account | - | - | 104,179,228 |
| | 194,231,525 | 90,052,297 | 194,231,525 |
| Stock option outstanding account | | | |
| | 53,156,399 | 58,714,751 | 55,899,185 |
| Less: Deferred employee compensation expense | (15,037,970) | (33,702,738) | (23,613,020) |
| | 38,118,429 | 25,012,013 | 32,286,165 |
| Hedge Reserve | | | |
| | (148,889,695) | - | - |
| Balance in profit and loss account | 2,165,795,868 | 1,556,941,808 | 1,972,609,642 |
| | 5,015,386,590 | 4,425,066,092 | 4,960,548,716 |
| 3. Loan Funds | | | |
| Secured Loans | | | |
| From banks | | | |
| - Term loans (Loan from HSBC/Citibank is secured by a first, pari passu charge on fixed assets) | 1,855,396,714 | 747,000,003 | 884,773,997 |
| - Other loans (Loan from HSBC Bank and Citibank is secured by a pari passu charge on book debts and other current assets) | 398,700,000 | 155,000,000 | - |
| Finance lease obligation (Secured by hypothecation of assets taken on lease) | 2,181,418 | 41,248,649 | 32,400,455 |
| | 2,256,278,132 | 943,248,652 | 917,174,452 |
| Unsecured Loans | | | |
| CSIR | | | |
| | 18,006,000 | - | - |
| | 2,274,284,132 | 943,248,652 | 917,174,452 |

MindTree Ltd
(formerly MindTree Consulting Limited)
Schedules to the balance sheet (continued)

4. Fixed assets (Rs)

| Assets | Gross block | | | Accumulated depreciation | | | | Net block | | |
|---------------------------------------|------------------------|--------------------------------------|--------------------------------------|-----------------------------|------------------------|-----------------------------|---------------------------------------|-----------------------|-----------------------|-------------------------|
| | As at April 1, 2008 | Additions during the half year | Deletions during the half year | As at September 30, 2008 | As at April 1, 2008 | For the Half year Period | Deductions during the half year | As at Sep 30, 2008 | As at Sep 30, 2008 | As at March 31, 2008 |
| Leasehold land | 391,875,820 | - | - | 391,875,820 | 11,872,090 | 5,817,845 | - | 17,689,935 | 374,185,885 | 380,003,730 |
| Buildings | 1,280,547,680 | - | - | 1,280,547,680 | 20,964,759 | 21,316,526 | - | 42,281,285 | 1,238,266,395 | 1,259,582,921 |
| Leasehold improvements | 610,890,797 | 100,902,046 | 26,769,683 | 685,023,160 | 269,223,592 | 53,836,262 | 24,710,368 | 298,349,486 | 386,673,674 | 341,667,206 |
| Computer systems (including software) | 793,782,340 | 89,714,140 | 432,629 | 883,063,851 | 595,066,578 | 88,214,104 | 428,209 | 682,852,473 | 200,211,378 | 198,715,760 |
| Furniture and fixtures | 56,905,687 | 10,046,500 | 2,840,280 | 64,111,907 | 49,580,054 | 9,520,947 | 2,797,600 | 56,303,401 | 7,808,506 | 7,325,633 |
| Electrical installations | 79,422,770 | 19,221,620 | 4,527,127 | 94,117,263 | 41,676,922 | 9,687,996 | 4,446,495 | 46,918,422 | 47,198,841 | 37,745,848 |
| Office equipment | 196,042,323 | 30,640,513 | 368,568 | 226,314,268 | 90,505,797 | 21,881,786 | 252,328 | 112,135,255 | 114,179,014 | 105,536,526 |
| Motor vehicles - own | 3,132,949 | - | 1,193,639 | 1,939,310 | 2,800,594 | 288,614 | 1,193,639 | 1,895,569 | 43,741 | 332,355 |
| - leased | 61,819,814 | 5,801,096 | 57,738,841 | 9,882,069 | 35,892,359 | 4,349,480 | 31,621,959 | 8,619,881 | 1,262,189 | 25,927,454 |
| TOTAL | 3,474,420,180 | 256,325,915 | 93,870,767 | 3,636,875,328 | 1,117,582,745 | 214,913,560 | 65,450,598 | 1,267,045,707 | 2,369,829,622 | 2,356,837,434 |
| Previous year | 1,367,892,485 | 2,145,577,099 | 39,049,406 | 3,474,420,178 | 800,319,333 | 349,339,406 | 32,075,995 | 1,117,582,744 | 2,356,837,434 | |
| Capital work-in-progress | | | | | | | | | 130,266,250 | 232,903,891 |

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

C. Current investments - Balance IPO money

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

| | September 30, 2008 | Number of Units as at September 30, 2007 | March 31, 2008 | As at September 30, 2008 | As at September 30, 2007 | (Rs) As at March 31, 2008 |
|---|--------------------|---|----------------|-----------------------------|-----------------------------|---------------------------------|
| Birla Sun Life Mutual Fund (NIL units purchased / 3,613,580 units redeemed during the half year) | - | 4,271,713 | 3,613,580 | - | 51,662,100 | 55,049,996 |
| DBS Chola Mutual Fund (13,861 units purchased / 2,706,663 units redeemed during the half year) | - | 2,633,337 | 2,692,801 | - | 26,333,373 | 26,928,182 |
| Deutsche Mutual Fund (97,994 units purchased / 5,279,687 units redeemed during the half year) | - | 4,999,940 | 5,181,692 | - | 51,140,657 | 53,002,666 |
| DSP Merrill Lynch Mutual Fund (557 units purchased / 54,435 units redeemed during the half year) | - | 51,961 | 53,878 | - | 51,961,303 | 53,906,176 |
| Franklin Templeton Mutual Fund (602,704 units purchased / 8,106,552 units redeemed during the half year) | - | 7,333,205 | 7,503,849 | - | 75,020,997 | 76,785,644 |
| HDFC Mutual Fund (10,072,823 units purchased / 12,587,811 units redeemed during the half year) | 5,004,187 | 7,521,393 | 7,519,175 | 50,041,876 | 75,213,926 | 75,428,607 |
| HSBC Mutual Fund (35,966 units purchased / 5,452,382 units redeemed during the half year) | - | 7,858,345 | 5,416,416 | - | 78,583,441 | 54,194,489 |
| ICICI Prudential Mutual Fund (5,925,300 units purchased / 10,765,393 units redeemed during the half year) | 5,762,485 | 20,042,698 | 10,602,578 | 57,687,086 | 200,426,973 | 106,031,084 |
| ING Vysya Mutual Fund (69,253 units purchased / 3,653,306 units redeemed during the half year) | - | 3,520,269 | 3,584,052 | - | 35,202,693 | 35,852,355 |
| Kotak Mahindra Mutual Fund (22,965 units purchased / 4,330,862 units redeemed during the half year) | - | 5,084,406 | 4,307,896 | - | 50,844,060 | 52,677,390 |
| Lotus India Mutual Fund (Nil units purchased / 2,538,959 units redeemed during the half year) | - | 2,714,959 | 2,538,959 | - | 27,192,213 | 27,896,808 |
| Principal PNB Mutual Fund (79,703 units purchased / 3,273,808 units redeemed during the half year) | - | 3,140,406 | 3,194,105 | - | 31,442,687 | 32,004,935 |
| Reliance Mutual Fund (Nil units purchased / Nil units redeemed during the half year) | - | 10,000,400 | - | - | 100,004,000 | - |
| IDFC Mutual Fund (16,310,965 units purchased / 31,972,253 units redeemed during the half year) | 4,000,000 | 13,055,578 | 19,661,288 | 40,000,000 | 130,584,449 | 196,721,021 |
| Sundaram BNP Paribas Mutual Fund (Nil units purchased / Nil units redeemed during the half year) | - | 5,203,826 | - | - | 52,038,270 | - |
| Tata Mutual Fund (3,113,754 units purchased / 10,667,568 units redeemed during the half year) | 3,000,000 | 10,000,000 | 10,553,814 | 30,000,000 | 100,000,000 | 105,931,885 |
| UTI Mutual Fund (Nil units purchased / Nil units redeemed during the half year) | - | 5,449,305 | - | - | 104,187,112 | - |
| | | | | <u>177,728,962</u> | <u>1,241,838,254</u> | <u>952,411,238</u> |
| Less: Provision for diminution in the value of investments | | | | <u>177,728,962</u> | <u>1,241,838,254</u> | <u>208,818</u> |
| | | | | <u>3,355,354,256</u> | <u>1,514,164,592</u> | <u>1,654,865,791</u> |

Description

| | Market Value | | |
|----------------------------------|--------------------|----------------------|--------------------|
| Birla Sun Life Mutual Fund | - | 52,761,639 | 55,093,720 |
| DBS Chola Mutual Fund | - | 26,502,960 | 26,938,791 |
| Deutsche Mutual Fund | - | 51,168,889 | 52,814,404 |
| DSP Merrill Lynch Mutual Fund | - | 52,070,406 | 53,910,482 |
| Franklin Templeton Mutual Fund | - | 76,498,487 | 79,538,915 |
| HDFC Mutual Fund | 50,766,981 | 75,383,158 | 75,428,607 |
| HSBC Mutual Fund | - | 78,618,803 | 54,194,489 |
| ICICI Prudential Mutual Fund | 58,497,292 | 200,916,015 | 106,031,084 |
| ING Vysya Mutual Fund | - | 35,210,790 | 35,852,355 |
| Kotak Mahindra Mutual Fund | - | 50,844,060 | 52,677,390 |
| Lotus India Mutual Fund | - | 27,192,213 | 28,190,311 |
| Principal PNB Mutual Fund | - | 31,442,687 | 32,004,935 |
| Reliance Mutual Fund | - | 100,509,020 | - |
| IDFC Mutual Fund | 40,000,000 | 130,655,149 | 196,721,021 |
| Sundaram BNP Paribas Mutual Fund | - | 52,272,962 | - |
| Tata Mutual Fund | 30,357,000 | 102,799,000 | 105,931,893 |
| UTI Mutual Fund | - | 104,447,349 | - |
| | <u>179,621,273</u> | <u>1,249,293,587</u> | <u>955,328,397</u> |

MindTree Ltd
(formerly MindTree Consulting Limited)
Schedules to the balance sheet (continued)

| | As at September 30, 2008 | As at September 30, 2007 | (Rs) As at March 31, 2008 |
|---|-----------------------------|-----------------------------|---------------------------------|
| 6. Sundry debtors | | | |
| <i>(Unsecured)</i> | | | |
| Debts outstanding for a period exceeding six months | | | |
| - considered good | 95,157,580 | 21,928,427 | 37,383,213 |
| - considered doubtful | 178,503,151 | 118,957,356 | 131,098,412 |
| Other debts | | | |
| - considered good | 2,249,504,789 | 1,463,206,191 | 1,684,338,040 |
| - considered doubtful | - | - | 548,275 |
| <i>Less: Provision for doubtful debts</i> | 178,503,151 | 118,957,356 | 131,646,687 |
| | <u>2,344,662,369</u> | <u>1,485,134,618</u> | <u>1,721,721,253</u> |
| 7. Cash and bank balances | | | |
| Cash on hand | 80,199 | 56,400 | 10,582 |
| Balances with scheduled banks | | | |
| Current accounts | 6,011,325 | 5,327,781 | 13,296,769 |
| Deposit accounts | 110,497,303 | 585,646,803 | 439,033,037 |
| Balances with non-scheduled banks - in current accounts | | | |
| Wachovia Bank, N.A., USA | 50,903,271 | 18,094,780 | 15,083,538 |
| HSBC Bank , Swindon, UK | 3,415,701 | 4,308,609 | 5,689,891 |
| Deutsche Bank, Singapore | 104,811 | 6,292,035 | 4,751,842 |
| Bank of Tokyo, Mitsubishi | 1,176,990 | 2,919,923 | 2,336,457 |
| Silicon Valley Bank, USA | 149,536,887 | 47,653,023 | 54,895,144 |
| HSBC Dubai | 1,996,301 | 1,317,741 | 1,009,047 |
| HSBC Germany | 4,024,000 | 1,647,041 | 3,019,227 |
| May Bank, Malaysia | 349,728 | 349,728 | 349,728 |
| PNC Bank, USA | - | - | - |
| UBS, Basel | 3,127,555 | 748,750 | 2,043,695 |
| HSBC, Australia | 8,347,270 | 1,811,267 | 3,706,578 |
| HSBC, Singapore | 4,045,437 | 249,777 | 264,604 |
| HSBC, Netherlands | 5,793,933 | 277,117 | 984,148 |
| | <u>349,410,711</u> | <u>676,700,775</u> | <u>546,474,287</u> |
| 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 | 792,668,177 | 586,100,430 | 681,972,232 |
| Unbilled revenue | 252,493,032 | 202,542,344 | 138,027,687 |
| Advance tax and tax deducted at source, net of provision for taxes | 253,447,651 | 114,035,741 | 172,754,555 |
| <i>Less: Provision for doubtful advances</i> | - | - | 33,708 |
| | <u>1,298,608,860</u> | <u>902,678,515</u> | <u>992,720,766</u> |

MindTree Limited
(formerly MindTree Consulting Limited)
Schedules to the balance sheet (continued)

| | As at September 30, 2008 | As at September 30, 2007 | (Rs) As at March 31, 2008 |
|---------------------------------------|-----------------------------|-----------------------------|---------------------------------|
| 9. Current liabilities | | | |
| Advances from customers | 47,660,957 | 27,442,927 | 9,506,574 |
| Interest accrued but not due | 2,520,289 | 543,385 | 212,741 |
| Unearned revenue | 19,266,097 | 17,038,967 | 20,822,859 |
| Sundry creditors | | | |
| Expenses | 92,154,804 | 75,484,077 | 110,510,606 |
| Capital goods | 18,546,327 | 15,779,578 | 62,154,533 |
| Other liabilities | 1,768,888,319 | 649,164,329 | 875,986,493 |
| Book overdraft | 43,616,995 | 7,414,613 | 36,151,378 |
| | <u>1,992,653,788</u> | <u>792,867,876</u> | <u>1,115,345,184</u> |
| 10. Provision | | | |
| Unclaimed dividend | 1,165,016 | 8,312 | 762,049 |
| Proposed dividend | 37,980,810 | 37,788,359 | 37,920,558 |
| Provision for gratuity | 17,376,309 | 14,053,871 | 13,182,019 |
| Leave encashment | 55,068,426 | 49,332,410 | 38,204,073 |
| Post contract support services | 10,000,000 | 10,000,000 | 10,480,060 |
| Provision for discount | 55,914,308 | 41,847,166 | 44,983,541 |
| Provision for | | | |
| tax on dividend | 6,454,839 | 6,422,132 | 6,444,599 |
| fringe benefit tax, net of taxes paid | 58,497 | 4,940,029 | - |
| foreign taxes | 87,584,021 | 52,045,920 | 70,574,642 |
| | <u>271,602,226</u> | <u>216,438,199</u> | <u>222,551,541</u> |

MindTree Ltd
(formerly MindTree Consulting Limited)
Schedules to the profit and loss account

| | For the year ended | | (Rs) |
|---|----------------------|----------------------|--------------------------------------|
| | September 30, 2008 | September 30, 2007 | For the year ended March 31, 2008 |
| 11. Other income | | | |
| Interest on deposits | 9,169,528 | 31,371,587 | 61,158,691 |
| Profit on sale of investments | 9,587,390 | 19,390,940 | 25,277,357 |
| Profit from sale of assets, net | 12,746,001 | 260,374 | 567,985 |
| Dividend from investments | 25,254,040 | 66,394,916 | 113,116,319 |
| Exchange gain, net | - | 28,808,149 | 39,930,740 |
| Miscellaneous income | 2,583,426 | 15,127,830 | 37,567,849 |
| | 59,340,385 | 161,353,796 | 277,618,941 |
| 12. Software development expenses | | | |
| Salary and allowances | 1,877,183,988 | 1,582,467,162 | 3,309,697,877 |
| Contribution to provident and other funds | 162,216,067 | 139,445,966 | 300,194,280 |
| Staff welfare | 29,843,062 | 20,320,501 | 47,271,104 |
| Travel and conveyance | 339,052,673 | 265,859,623 | 561,354,061 |
| Communication expenses | 26,132,903 | 19,856,246 | 37,062,460 |
| Sub-contractor charges | 97,857,145 | 41,627,152 | 92,521,675 |
| Software purchases | 8,175,529 | 14,236,805 | 32,598,897 |
| Computer consumables | 84,649,430 | 73,101,626 | 164,590,692 |
| Rent | 97,755,659 | 48,568,649 | 142,983,333 |
| Post contract support services | (480,060) | (10,909,554) | (10,429,494) |
| | 2,722,386,396 | 2,194,574,176 | 4,677,844,885 |
| 13. Administrative and other expenses | | | |
| Salary and allowances | 372,510,795 | 292,415,917 | 612,331,593 |
| Contribution to provident and other funds | 19,743,162 | 19,058,766 | 37,869,111 |
| Travel and conveyance | 53,784,012 | 53,353,536 | 100,478,353 |
| Power and fuel | 66,744,529 | 51,511,724 | 106,068,913 |
| Rent | 13,797,106 | 13,000,629 | 21,342,847 |
| Lease rentals/charges | 9,860,113 | 2,605,895 | 6,124,099 |
| Telephone charges | 42,893,240 | 28,483,231 | 62,516,661 |
| Printing and stationery | 10,641,828 | 12,110,058 | 21,778,745 |
| Office maintenance | 31,758,570 | 19,992,438 | 48,388,469 |
| Exchange loss, net | 658,933,132 | - | - |
| Staff training expenses | 16,048,689 | 24,951,919 | 39,580,526 |
| Advertisement | 847,936 | 2,362,059 | 3,932,160 |
| Bank charges | 8,961,615 | 2,284,819 | 4,227,653 |
| Insurance | 6,771,177 | 5,259,098 | 12,344,103 |
| Rates and taxes | 436,953 | 10,194,210 | 11,718,616 |
| Auditor's remuneration | 4,337,120 | 2,683,646 | 5,133,900 |
| Recruitment expenses | 38,784,575 | 31,134,775 | 50,990,945 |
| Repairs and maintenance | | - | |
| - Plant and machinery | 9,895,516 | 4,933,948 | 12,311,416 |
| - Others | 912,936 | 381,822 | 1,244,233 |
| Marketing expenses | 32,500,798 | 23,613,530 | 48,087,697 |
| Donations | 38,430 | 60,870 | 199,200 |
| Legal and professional expenses | 51,745,347 | 57,473,255 | 120,003,137 |
| Loss from sale of Investments | - | - | - |
| Provision for bad and doubtful debts and advances | 46,680,026 | 2,457,718 | 15,055,125 |
| Miscellaneous expenses | 32,567,756 | 24,855,767 | 60,899,876 |
| | 1,531,195,361 | 685,179,630 | 1,402,627,378 |
| 14. Interest | | | |
| Interest on term loans | 53,469,326 | 19,077,498 | 48,166,225 |
| Interest on short term credit / finance charges | 15,438,511 | 8,187,497 | 10,782,418 |
| | 68,907,837 | 27,264,995 | 58,948,643 |