



Mindtree

Welcome to possible

Registered Office Address: Mindtree Ltd.
Global Village, RVCE Post, Mysore Road,
Bengaluru-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

Ref: MT/STAT/CS/16-17/ 72

August 08, 2016

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex, Bandra East,
Mumbai 400 051

Dear Sirs,

Ref: Application under Regulations 37 of SEBI (LODR) Regulations, 2015

Sub: Scheme of Amalgamation of Magnet 360, LLC (Transferor Company) with Mindtree Limited (Transferee Company)

Dear Sir,

We refer to the above subject and in terms of Regulations 37 of SEBI (LODR) Regulations, 2015, we would like to bring to your kind notice that the Board of Directors of Mindtree Limited (Transferee Company) at their meeting held on July 18, 2016 has approved the Scheme of Amalgamation of Magnet 360, LLC (Transferor Company), the wholly owned subsidiary with Mindtree Limited (Transferee Company), the holding Company.

As required we herewith submit 2 sets of required documents as per the checklist enclosed. We further enclose herewith cheque bearing number 249791 for an amount of Rs.210,000/- (Rupees two lakhs ten thousand only) dated July 28, 2016 drawn on HSBC, M G Road, Bangalore (Net amount after the deduction of applicable TDS)

We request you to take the above document on record and grant us the approval at the earliest.

Thanking you,
Yours sincerely,

for **Mindtree Limited**

Vedavalli S
Company Secretary



Mindtree Ltd.
Global Village
RVCE Post, Mysore Road
Bengaluru - 560059

T + 91 80 6706 4000
F + 91 80 6706 4100
W www.mindtree.com



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List of documents to be submitted for obtaining approval under Regulation 37 of the SEBI (LODR) Regulations, 2015



(Amalgamation)

Sr. No.	List of Documents/ details to be submitted	Yes/No/Not Applicable/ To be submitted
1	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc	Yes. Annexure A
2	Valuation Report as per Para 1(A)(4) of Annexure-I of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Yes. Annexure B1
3	Report from the Audit Committee recommending the Draft Scheme, taking into consideration, inter alia, the Valuation Report.	Yes. Annexure B2
4	Fairness opinion by merchant banker on valuation of assets / shares done by the valuer for the listed entity and unlisted company	Yes. Annexure C
5	Shareholding pattern in accordance with Regulation 31 (1) of the SEBI (LODR) Regulations, 2015 - for pre and post scheme of arrangement of the Companies.	Yes Annexure D1- Transferee Company Annexure D2 - Transferor Company
6	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company as per Annexure I	Yes Annexure E1 - Transferee Company audited financials for the year ended Mar 31, 2014, Mar 31, 2015, Mar 31, 2016 Annexure E2- Audited financials of Transferor Company for the year ended Dec 31, 2013, Dec 31, 2014, Dec 31, 2015 and For the two months ended (from the date of acquisition) March 31, 2016
7	Auditor's Certificate as per Para 1(A)(5) of Annexure-I of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Yes. Annexure F
8	Corporate Governance Report as per Regulation 27 (2) (a) of the SEBI (LODR) Regulations, 2015	Yes. Annexure G





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9	Compliance report with the requirements specified in SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 as per Annexure II	Yes. Annexure H
10	Document required to submit wherein approval of shareholders to Scheme through postal ballot and e-voting (Para 1(A)(9)(a) of Annexure-I of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015) is not applicable: a) An undertaking certified by the auditor clearly stating the reasons for non-applicability of Para 9 (a). b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	Yes. Annexure I
11	Pre & Post Scheme Networth of the Companies involved in the Scheme. Companies are required to submit Certificate from Statutory Auditors / Practicing Chartered Accountants / Practicing Company Secretary. (Networth = Equity Share Capital + Free Reserves** - Miscellaneous Expenditure written off, along with the detailed working)	Yes. Annexure J
12	Board resolution approving the scheme of arrangement.	Yes. Annexure K1 - Transferee Company Annexure K2 - Transferor Company [Shareholder Resolution]
13	Confirmation from the Company Secretary in accordance with Regulation 11 of the SEBI (LODR) Regulations, 2015 i.e. scheme of arrangement /amalgamation /merger /reconstruction /reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate, override or limit the provisions of securities laws or requirements of the stock exchange(s).	Yes. Annexure L
14	Rationale behind the scheme of arrangement.	Yes. Annexure M
15	Brief details about the business of the Companies.	Yes. Annexure N
16	Website link of the Company where the draft Scheme and other required documents shall be uploaded (Also submit soft copy of the documents)	http://www.mindtree.com/about-us/investors
17	Complaints Report as per Para 1(A)(6) of Annexure-II of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	The details shall be submitted within 7 days from the expiry of 21 days





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18	Processing Fees of Rs. 2 Lac plus applicable service tax. (Non-Refundable)	
	Date	Bangalore
	Place	Aug 08, 2016
	Authorised Signatory and Stamp of the company	<p>For Mindtree Limited</p> <p><i>Vedavalli S</i></p> <p>Company Secretary</p>
	Name	Vedavalli S
	Designation	Company Secretary
* Provided that in case of Companies where the respective sectoral regulatory authorities have prescribed norms for accounting treatment of items in the financial statements contained in the scheme, the requirements of the regulatory authorities shall prevail.		
** Free Reserves to be considered as per Section 2(43) of the Companies Act, 2013.		



REMITTANCE ADVICE

Mindtree Limited

Global Village, RVCE Post, Mysore Road, Bangalore-560 059, INDIA.
Phone +91 80 67064000

Favour To :

NATIONAL STOCK EXCHANGE OF INDIA
LTD
Exchange Plaza, BKC, Bandra (E)
Mumbai
IN
400051

Dear Sir/Madam,

We have settled the items listed below with the enclosed check for payment 2161601960, subject to the goods and services supplied and the invoice therefore being in order.

Kind regards

FOR MINDTREE LTD.

Document	Ref.document	Gross amount	Deductions	Net amount
2161504472	ADV-MAGNET 3	230,000.00	20,000.00	210,000.00
Sum total		230,000.00	20,000.00	210,000.00

Payment document 2161601960	Check number 249791	Date 28.07.2016	Currency INR	Payment amount *****210,000.00*
Prepared By	Checked By	Authorised By	Received By	

A/c Payee Only

Valid for three months from the date of issuance
दिनांक Date 28.07.2016
D D M M Y Y Y Y

The Hongkong and Shanghai Banking Corporation Limited
No. 7, Mahatma Gandhi Road, Bangalore - 560 001.
IFSC CODE HSBC0560002

Pay NATIONAL STOCK EXCHANGE OF INDIA LTD

को या उनके आदेश पर Or Order

TWO LAKH TEN THOUSAND INR
रुपये Rupees and PAISE ZERO

*****210,000.00*

अदा करें। ₹

For MINDTREE LIMITED

खाता सं. A/c No. 071-838031-001

[Handwritten Signature]

Authorised Signatories

Pls. Sign above this line

Payable at par at all Branches of HSBC in India

ANNEXURE A

SCHEME OF AMALGAMATION OF MAGNET360, LLC WITH MINDTREE LIMITED

PART I

PRELIMINARY

- A. This Scheme of Amalgamation provides for the amalgamation of Magnet360, LLC, a Minnesota limited liability company having its registered office at 5757 Wayzata Boulevard Minneapolis, MN 55416 USA (i.e. the “**Transferor Company**”) with Mindtree Limited, having its registered office at Global Village, RVCE Post, Mysore Road, Bangalore 560 059 (i.e. the “**Transferee Company**”) pursuant to the relevant provisions of the Companies Act, 1956 and the Minnesota Revised Uniform Limited Liability Company Act, Chapter 322C of the Minnesota Statutes.
- B. The Transferor Company is a wholly owned subsidiary of the Transferee Company.
- C. The Transferor Company was organized on March 25, 2008 under Chapter 322B of the Minnesota Statutes and, effective February 19, 2016, elected to be governed by Chapter 322C of the Minnesota Statutes and the Transferor Company Operating Agreement. The Transferor Company is involved in the business of full suite of salesforce solutions such as CRM, branded sites and communities, social campaign strategy and management, and marketing automation.
- D. The Transferee Company was incorporated as a private company on August 5, 1999, under the name MindTree Consulting Private Limited as per the provisions of the Companies Act, 1956. Subsequently, MindTree Consulting Private Limited ceased to be a private company and the name of the Transferee Company was changed to MindTree Consulting Limited on November 6, 2006. Subsequently on March 28, 2008, the name of the Transferee Company was changed from MindTree Consulting Limited to Mindtree Limited. The Transferee Company is involved in the business of software and technology related services, product development services, information management services etc.
- E. The merger of the Transferor Company under this Scheme of Amalgamation will be effected as a Scheme under Sections 391 to 394 of the Companies Act, 1956 and provisions of the other Applicable Laws.
- F. Under the laws of the States of Minnesota, this transaction will be characterised as a merger of a Minnesota limited liability company with and into a foreign organization under the Sections 322C.1001 through 322C.1005 of the Minnesota Statutes, with the Transferee Company being the surviving organization (as such term is defined in Section 322C.1001, Subdivision 13 of the Minnesota Statutes).

For Mindtree Limited

Company Secretary



- G.** By this Scheme, it is proposed to amalgamate the Transferor Company with the Transferee Company, for the purposes of better, efficient and economical management, control and running of the businesses, and for further development and growth of the business of the Transferee Company and for administrative convenience. The proposed amalgamation between the Transferor Company and the Transferee Company shall result in the following, benefits, amongst others, to both companies, their respective members and creditors.
- (i) The amalgamation will enable the Transferee Company to integrate its business operations and provide significant impetus to the growth of the Transferee Company. The consolidation of the activities by way of an amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion. The combined entity will have a bigger portfolio of services targeted at a wider array of customers, which will strengthen its competitive position in providing IT services /software & technology related services markets. This will also enable the Transferee Company to address newer solutions and services to its customers and to the Transferor Company's customers and enhance its marketing capabilities.
 - (ii) The amalgamation will result in economy of scales and reduction in overheads, administrative, managerial and other expenditure, operational rationalisation, organisational efficiency, and optimal utilisation of various resources.
 - (iii) The managerial expertise of the Transferor Company will contribute to the strength of the Transferee Company. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilisation and achieve better cash flows. This would contribute substantially towards enhancement of shareholder's value of the Transferee Company.
 - (iv) Duplication of administrative functions will be eliminated together with the multiple record - keeping resulting in reduced expenditure.
 - (v) This amalgamation will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.
 - (vi) The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.
 - (vii) There shall be impetus and increase in the area of sales, network of the Transferee Company apart from reduction in costs.
 - (viii) The amalgamation shall result in the combination of manpower of both the company and a single management structure for the company.



- (ix) The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.

PART II

IN CONSIDERATION OF THE RECIPROCAL PROMISES, THIS SCHEME BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS, CREDITORS (SECURED AND UNSECURED) IS BEING PROPOSED IN ACCORDANCE WITH THE TERMS SET OUT HEREUNDER:

1. DEFINITIONS AND INTERPRETATIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1 “**Act**” means the Companies Act, 1956, as may be applicable, including any statutory modifications, re-enactments or amendments thereto and shall include the relevant and corresponding sections under the Companies Act, 2013, as and when the same are made applicable.
- 1.2 “**Appropriate Authorities**” means any governmental, statutory, regulatory, department or public body or authority of the relevant jurisdiction, including, if applicable, Securities and Exchange Board of India, stock exchanges, Registrar of Companies, Courts, National Company Law Tribunal and other regulatory authorities of the State of Minnesota, United States of America and India.
- 1.3 “**Appointed Date**” means April 1, 2016.
- 1.4 “**Applicable Laws**” shall include all applicable:
- (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction; and
 - (ii) judicial, quasi-judicial and/or administrative decisions, interpretations, directions, directives, licenses, permits, judgments, writs, injunctions, arbitral awards, decrees, orders, terms and conditions of governmental or regulatory approvals or agreements with any governmental or regulatory authority.
- 1.5 “**Effective Date**” means last of the dates specified in Clause 13 of this Scheme.
- 1.6 “**Minnesota Statutes**” means the Minnesota Revised Uniform Limited Liability Company Act and Chapter 322C of the Minnesota Statutes.
- 1.7 “**Order**” means the order of the High Court of Karnataka or National Company Law Tribunal, sanctioning the Composite Scheme of Amalgamation.



- 1.8** “Scheme” or “The Scheme” means this Composite Scheme of Amalgamation in its present form as approved by the Board of Directors of the Transferor Company and Transferee Company subject to such modification(s) made under Clause 12 of this Scheme as the High Court of Karnataka/ National Company Law Tribunal may impose on the Transferee Company and such modifications which the Transferor Company may deem necessary subject to the approval of the same by the High Court of Karnataka/ National Company Law Tribunal.
- 1.9** “Transferee Company” means Mindtree Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Global Village, RVCE Post, Mysore Road, Bangalore 560 059.
- 1.10** “Transferor Company” means Magnet360, LLC, a limited liability company organized in the State of Minnesota, United States of America, and governed by Chapter 322C of the Minnesota Statutes.
- 1.11** “Transferor Company Operating Agreement” means the Operating Agreement of the Transferor Company dated February 19, 2016, amending and restating the Amended and Restated Member Control Agreement dated January 1, 2012.
- 1.12** “Undertaking of the Transferor Company” means the business of the Transferor Company and includes:
- (a) all the assets of the Transferor Company as on the Appointed Date;
 - (b) all the liabilities of the Transferor Company as on the Appointed Date;

Without prejudice to the generality of the above, the Undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all property, movable or immovable, real or personal, corporeal or incorporeal of whatsoever nature, in possession or reversion, present or contingent of whatever nature and where so ever situated in the United States of America or overseas, and where so ever situate belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including in particular, but without being limited to fixed assets, capital work-in-progress, current assets, debts, receivables, investments, software, technologies, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, powers, authorities, allotments, approvals, permissions, licenses, consents, exemptions, registrations, statutory licences, no-objection certificates and certifications, contracts, engagements, arrangements, rights, title, interest, quotas, benefits and advantages of whatsoever nature and where so ever situated, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, licences, tenancy rights, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections & installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefits of all agreements, subsidies, grants, sales-tax, turnover tax, excise, permits, quotas, rights, entitlements, tenancies, roof rights, brand, all copyrights, trademarks, service marks, know-how, technical



know-how, trade names, descriptions, trading style, franchise, labels, label, designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges and any rights, title or interest in intellectual property rights, benefits of contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, powers and facilities of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled and all the debts, liabilities including contingent liabilities, duties, responsibilities and obligations of Transferor Company on the Appointed Date and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date.

- 1.13 Reference in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

2. SHARE CAPITAL

- 2.1 The share capital of the Transferee Company as on June 30, 2016 is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
800,000,000 Equity Shares of Rs. 10 each/-	8,000,000,000/-
Issued , Subscribed and Paid up Share Capital	
167,830,816 Equity shares of Rs 10/each	1,678,308,160/-

- 2.2 The Transferee Company is the sole member of the Transferor Company and owns 100% of the membership interests in the Transferor Company.

3. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

3.1 TRANSFER AND VESTING OF ASSETS

- 3.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme including in relation to the mode of transfer and vesting, all of the assets, both movable and immovable, tangible and intangible, investments, rights, title and interests comprised in the Undertaking of Transferor Company shall pursuant to Section 394 of the Companies Act, 1956 and Section 322C.1005 of the Minnesota Statutes and without any further act or deed be transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, title and interest of the Transferee Company.

- 3.1.2 The mode of vesting of assets referred to in Clause 3.1.1 is as under:

- 3.1.2.1 In respect of such of the said assets as are movable in nature including investments or are otherwise capable of transfer by manual delivery



and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company in pursuance of the provisions of this Scheme, Section 394 of the Companies Act, 1956, , provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws, without requiring any deed or instrument of conveyance for the same and upon such transfer the same shall become the property, estate, assets, rights, title interest and authorities of the Transferee Company.

3.1.2.2 In respect of such of the said assets of the Transferor Company other than those referred to in Clause 3.1.2.1 above including the immovable assets, the same shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 394 of the Companies Act, 1956 and the concerned authorities having jurisdiction over the assets shall endorse and record the name of Transferee Company in its record so as to facilitate the implementation of the Scheme and vesting of the Undertaking of the Transferor Company in the Transferee Company without hindrance from the Appointed Date. For the avoidance of doubt, it is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall pursuant to Section 394 of the Companies Act, 1956 and the provisions of this Scheme and provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws, without any further act or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the right, title and interest of the Transferee Company.

3.1.2.3 In respect of movable assets, other than those specified in Clause 3.1.2.1 above, including all businesses through /with existing sub-brokers / authorised persons /clients and related rights & obligations, undertakings / records / know your customer documents, sundry debtors, outstanding loans, advances recoverable in cash or in kind or for value to be received, bank balances, cash balances and deposits with Government, Semi Government, local and other authorities, bodies and customers, etc., the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the Companies Act, 1956 and provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws without requiring any deed or instrument of conveyance for the same and further it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, loans, advances or deposits have arisen in order to give effect to the provisions of this Clause. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to such person, debtor or depositee that pursuant to the High Court of Karnataka/ / National Company Law Tribunal having sanctioned the Scheme, the



said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

3.1.2.4 All patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licenses, privileges in respect thereof, of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled or which may accrue to the Transferor Company shall, pursuant to the provisions of Section 394 of the Companies Act, 1956 or provisions of the Companies Act, 2013 as may be applicable and provisions of Section 322C.1005 of the Minnesota Statutes in relation to Transferor Company and other Applicable Laws without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, all the patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, patents, copyrights, and industrial or intellectual property rights, licenses and privileges of the Transferee Company and shall remain valid, effective and enforceable by the Transferee Company on the same terms and conditions.

3.1.2.5 All the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Company shall, pursuant to the provisions of Section 394 of the Companies Act, 1956 or provisions of the Companies Act, 2013 as may be applicable, provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and



enforceable on the same terms and conditions to the extent permissible under law.

3.1.2.6 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme and receipt of third party consents if necessary, all contracts, deeds, bonds, agreements, arrangements including but not limited to all direct and indirect tax exemptions and/or deferral benefits and/or any other direct or indirect tax benefits and all other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever and if necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which Transferor Company will also be a party in order to give formal effect to the provisions of this clause. Similarly, the exemption privilege and benefits under direct and indirect taxes availed/ enjoyed currently by the Transferor Company shall continue to be available in the hands of the Transferee Company unhindered even after/upon coming into effect of this Scheme.

3.1.2.7 All the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.

3.1.3 It is clarified that all assets and receivables whether contingent or otherwise of the Transferor Company as on start of business on the Appointed Date whether provided for or not, in the books of accounts and all other assets or receivables which may accrue or arise on or after the Appointed Date but which relate to the period up to the Appointed Date shall be the assets and receivables of the Transferee Company.

3.1.4 The aforesaid transfer/vesting, shall be, subject to the existing validly created charge/mortgage/hypothecation over the said assets or any part of it, provided however, that any reference in any security documents to which the Transferor Company is a party, to such assets of the Transferor Company, offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the Transferor Company or obligations to the secured creditors of the Transferor Company shall be construed as references only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clause 3.1.1 of the Scheme to the end and intent that such security, mortgage and/or charge shall not extend or deemed to extend to any of the



assets or to any of the other units or divisions or undertakings of the Transferee Company, unless specifically and in writing agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company either on *pari passu* basis or otherwise, as may be agreed to by the Transferee Company and the secured creditors. The secured creditors of the Transferee Company shall continue to have a charge over the assets of the Transferee Company and such charge shall not extend to the assets of the Transferor Company, transferred to the Transferee Company pursuant to the Scheme. In respect of the floating charges created by the Transferor Company in favour of its lenders for all the movable assets, documents of title to goods, receivables, claims and other current assets that are acquired by the Transferor Company from the Appointed Date till the Effective Date shall be deemed to be the security and shall be available as security for the loans, cash credits and other working capital facilities, both fund based and non-fund based, which were sanctioned by the lenders of the Transferor Company, either utilised fully or partly or unutilised by the Transferor Company, subject to the limits sanctioned by the lenders.

3.2 TRANSFER OF LIABILITIES

Upon coming into effect of the Scheme and with effect from the Appointed Date:

- 3.2.1 All secured and unsecured debts, (whether in Rupees or in foreign currency) all liabilities, duties and obligations of the Transferor Company (hereinafter referred to as the “**said Liabilities**”) shall also be and stand transferred or be deemed to be and stand transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 or provisions of the Companies Act, 2013 as may be applicable and provisions of Section 322C.1005 of the Minnesota Statutes in relation to the Transferor Company and other Applicable Laws so as to become as and from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company such that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. Provided always that nothing in this clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the Appointed Date which shall be transferred to and be vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security thereof after the Appointed Date or otherwise.
- 3.2.2 Any loans or other obligations due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability or debt in that behalf. It is clarified that all debts, liabilities, duties, responsibilities and obligations of the Transferor Company as on start of business on the Appointed Date whether provided for or not in the books of



accounts and all other liabilities etc which may accrue or arise on or after the Appointed Date but which relates to the period up to the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company.

- 3.2.3 All the loans advanced and other facilities sanctioned to the Transferor Company by its bankers/financial institutions prior to the Appointed Date which are partly drawn/utilised shall be deemed to be the loans/advances sanctioned to the Transferee Company and the said loans and advances shall be drawn/utilised either partly or fully by the Transferor Company from the Appointed Date till the Effective Date and all the loans/advances and/or other facilities so drawn by the Transferor Company shall on the Effective Date be treated as the advances and loans made available to the Transferee Company and any balance in the said accounts shall be transferred to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed as and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.
- 3.2.4 The Transferee Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation, in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which they are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on their part to be carried out or performed.
- 3.2.5 It is hereby clarified that merely the increase in the size and turnover of the Transferee Company subsequent to this Scheme shall not have the effect of increasing any liability or penalty on the Transferee Company for any matters that arise prior to the Appointed Date.
- 3.2.6 Upon coming into effect of the Scheme, benefits of all taxes paid including any advance tax and tax deductions right to carry forward and set off unabsorbed losses, unused tax credits, tax deductions and depreciation by the Transferor Company from the Appointed Date, regardless of the period to which they relate, shall be deemed to be paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company has paid or incurred the same and shall be deemed to be the rights/claims of the Transferee Company.
- 3.2.7 The existing social security or labour welfare schemes, and pension and / or superannuation fund or trusts created by the Transferor Company or any other special funds created or existing for the benefit of the employees of the Transferor Company shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately.



3.2.8 The Transferee Company, if necessary shall take steps for suitable alterations in the Memorandum of Association and Articles of Association so as to enable it to implement this Scheme as may be required.

3.3 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS.

Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation, shall be, in full force and effect, against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or it becomes necessary.

3.4 TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANY:

All taxes, levies, cess etc. (whether direct or indirect) that might have been paid by the Transferor Company (whether before the Appointed Date or after the Appointed Date) during the period when the merger has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

3.5 TREATMENT OF SCHEME FOR THE PURPOSES OF THE INCOME TAX ACT, 1961

3.5.1 This Scheme has been drawn up to comply and come within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B) and Section 47 of the Income Tax Act, 1961.

3.5.2 If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of any Applicable Law or for any other reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and come within the definition and conditions relating to "Amalgamation" as specified in the Income Tax Act, 1961. In such an event the clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

3.5.3 Any refund under the tax laws received by or due to the Transferor Company consequent to any assessments made on the Transferor Company subsequent to the Appointed Date pertaining to the business transferred and for which no credit is taken in the accounts as on the date immediately preceding the

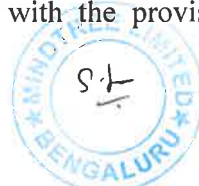


Appointed Date, shall also belong to and be received by the Transferee Company.

4. TRANSFER OF EMPLOYEES

On the Effective Date:

- 4.1 The services of all the employees of the Transferor Company shall stand transferred to the Transferee Company on the terms and conditions not less beneficial to such employees than those subsisting with reference to the Transferor Company. The position, rank, and designation of the employees would be decided by the Transferee Company.
- 4.2 The services of such employees shall not be treated as broken or interrupted for the purposes of bonus, provident fund, gratuity, superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the respective Transferor Company, as the case may be.
- 4.3 Subject to Clause 4.1, the Transferee Company shall have the right to transfer such employees to any unit, division, profit/cost centre or department of the Transferee Company situated anywhere in India or abroad if warranted and as may be deemed necessary from time to time.
- 4.4 The Transferee Company shall assume all of the rights, obligations, and liabilities of the Transferor Company in connection with any immigration related matters including any programs, fillings, etc. in the United States of America.
- 4.5 In regard to labour welfare fund or social security benefits or any other special fund created or existing for the benefit of such employees of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company and if necessary the names of the aforesaid funds or schemes will be suitably changed. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, fund, trusts, etc. In the event that the trustees/funds are constituted as holders of any securities, trust funds of trust monies, in relation to any provident fund trust, gratuity trust or superannuation trust of the Transferor Company, such funds/securities/ monies shall be transferred by such funds/ trustees of the trusts of the Transferor Company to such funds/trustees of the trusts of the Transferee Company as may be existing or set up for the same purpose and object and such transfer shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the



Applicable Laws and relevant stamp legislation as applicable. In such case, appropriate Deed(s) of Trust and/or documents for transfer of trust properties shall be executed simultaneously upon the sanction of the Scheme in accordance with the terms hereof by the trustees in favour of the trusts of the Transferee Company so as to continue the benefits of the employees. For this purpose such funds or schemes of the Transferor Company may be continued and/or amalgamated with and/or transferred to the similar funds/schemes of the Transferee Company, if the Transferee Company considers so desirable or deemed fit for the smooth administration, management, operation and uniformity of such funds/schemes so however, that such funds/schemes do not become less favourable to the employees of the Transferor Company with reference to those on the date preceding the Effective Date. The trustees including the Board of Directors of the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company.

- 4.6 It is clarified that with regard to such employees of the Transferor Company who have ceased to be the employees of the Transferor Company on account of reasons other than any disciplinary action that may have been taken against such employees by the Transferor Company, from the Appointed Date, the Transferee Company shall assume all the responsibilities and obligations of the Transferor Company towards such employees until the said responsibilities and obligations stand duly discharged in law.

5. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 5.1 With effect from the Appointed Date and upto and including the Effective Date:

5.1.1 the Transferor Company shall be deemed to have been carrying on and shall carry on all their business(es) and activity(ies) and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

5.1.2 the Transferor Company shall carry on their business and activities with reasonable diligence, business prudence in the ordinary course of business and shall not (without the prior written consent of the Transferee Company) alienate, charge, mortgage, encumber or otherwise deal with or dispose of any of its units/undertakings or any part thereof except pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date.

5.1.3 all the profits or income accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company shall pursuant to coming into effect of the Scheme for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure, as the case may be, of the Transferee Company.



5.2 Save as provided for in this Scheme, the Transferor Company shall not make any change in its capital structure either by any increase (*by fresh issue of equity shares whether by way of public issue, private placement, on a rights basis, or issuance of bonus shares, convertible debentures or otherwise*), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the operation of the Scheme, except by mutual consent of the respective Boards of Directors of the Transferor Company and Transferee Company.

5.3 The Transferor Company shall also be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authority, as are necessary for such consents, approvals and sanctions which the Transferee Company may require.

5.4 The Transferee Company shall carry on the business of the Transferor Company after the Effective Date.

6 CONCLUDED MATTERS

The transfer and vesting of the assets and the liabilities in the Transferee Company and the continuance of contracts or proceedings by or against the Transferee Company as provided in this Scheme shall not affect any contract or proceedings relating to the assets and the liabilities, fully performed and completed by the Transferor Company before the Appointed Date and the Transferee Company accepts and adopts all such acts, deeds, matters and things done and or executed by the Transferor Company in this regard.

7 DISOLUTION OF THE TRANSFEROR COMPANY

7.1 On the Scheme becoming effective, Transferor Company shall stand dissolved without being wound up pursuant to the provisions of Sections 322C.0701 through 322C.0707 or Article V of the Transferor Company Operating Agreement.

8 CONSIDERATION BY THE TRANSFEE COMPANY

8.1 The Transferor Company is the wholly owned subsidiary of the Transferee Company and the entire membership interest of Transferor Company is held by the Transferee Company. The Transferor Company undertakes not to effect any change in its membership interests till this Scheme comes into effect. Upon the coming into effect of this Scheme, the investment made by the Transferee Company in the membership interest of the Transferor Company shall stand cancelled and no shares shall be issued by the Transferee Company to the member of the Transferor Company, without there being any further act or deed in furtherance thereof.

8.2 Upon the Scheme becoming effective, the entire membership interest of the Transferor Company shall be cancelled and extinguished.

9 ACCOUNTING TREATMENT



- 9.1 The Transferee Company shall, upon the Scheme becoming operative, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme, at the respective book values as on March 31, 2016 determined under purchase method when the subsidiary was acquired in accordance with the applicable accounting standards.
- 9.2 The investments made in the share capital of the Transferor Company by Transferee Company will stand cancelled.
- 9.3 Upon the Scheme becoming effective, any goodwill arising out of amalgamation, shall be treated in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013.

10 PENDING LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. Therefore, upon this Scheme coming into effect, all legal actions, suits, writs or other proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company, as the case may be, as effectually as if the same had been pending and/or arising by or against the Transferee Company. As contemplated by Section 322C.1005, Subd. 2, of the Minnesota Statutes, the Transferee Company, as of the Effective Date, consents to the jurisdiction of the courts of the State of Minnesota to enforce any debt, obligation, or other liability owed by the Transferor Company if before the Effective Date, the Transferor Company is subject to suit in the State of Minnesota on such debt, obligation, or other liability. If the Transferee Company is not authorized to transact business as a foreign organization in the State Minnesota, the Transferee Company appoints the Secretary of State of the State of Minnesota as its agent for service of process for the purposes of enforcing a debt, obligation, or other liability under Section 322C.1005, Subd. 2, of the Minnesota Statutes.

11 APPLICATION TO THE HONOURABLE HIGH COURT OF KARNATAKA, NATIONAL COMPANY LAW TRIBUNAL AND OTHER APPLICABLE AUTHORITIES

- 11.1 The Transferee Company shall, with all reasonable dispatch, make application to the High Court of Karnataka or the National Company Law Tribunal where the registered office of the Transferee Company is situated, for sanctioning this Scheme under Section 391 to 394 of the Companies Act, 1956 for an Order or Orders thereof sanctioning this Scheme and for carrying this Scheme into effect.



- 11.2 The Transferor Company shall initiate and pursue all actions necessary under the Section 322C.1001 through 322C.1005 of the Minnesota Statutes and provisions of any other Applicable Law under the State of Minnesota, United States of America for sanctioning of the Scheme and obtain all such approvals if any, as may be required under the relevant Applicable Laws.

12 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 12.1 The Transferor Company and Transferee Company by their respective Boards of Directors may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and Transferee Company by their respective Boards of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 12.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s)/ representative(s) of the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

13 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

- 13.1 The Scheme is condition on and subject to:
- 13.1.1 Approval of the Scheme by the requisite majority of the members, creditors and such class of persons of the Transferee Company as may be directed by the High Court of Karnataka/ National Company Law Tribunal on applications made for directions under Section 391 of the Companies Act, 1956/ or applicable provisions of the Companies Act, 2013.
- 13.1.2 Approval of the Scheme by the Board of Directors and the sole member of the Transferor Company as may be prescribed under the applicable provisions of Section 322C.1003 of the Minnesota Statutes, all other Applicable Laws and the Transferor Company Operating Agreement.
- 13.1.3 Sanctions and Orders under the provisions of Section 391 read with Section 394 of the Company Act, 1956 or the applicable provisions under the Companies Act, 2013 being obtained by the Transferee Company from the High Court of Karnataka or the National Company Law Tribunal or Appropriate Authority.



13.1.4 All other sanctions and approvals as may be required by any Applicable Law in respect of this Scheme being obtained.

13.2 It is clarified that the provisions of paragraph 5.16 (a) introduced through circular bearing no CIR/CFD/DIL/8/2013 dated May 21, 2013 as an amendment to the circular bearing no CIR/CFD/DIL/5/2013 dated February 4, 2013 issued by the Securities and Exchange Board of India shall not be applicable to this Scheme.

13.3 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:

13.3.1 That on which the last of the aforesaid consents, approvals, permissions, resolutions, assignments and orders as mentioned in Clause 13.1 shall be obtained or passed.

13.3.2 That on which all necessary certified copies of Orders under Sections 391 and 394 of the Companies Act, 1956 or the applicable provisions of the Companies Act, 2013 shall be duly filed with the Registrar of Companies, Karnataka and such other Appropriate Authority located in the State of Minnesota, United States of America, if so required.

13.3.3 That articles of merger executed by the Transferor Company and the Transferee Company, shall be filed with the Minnesota Secretary of State as contemplated by and in compliance with Section 322C.1004 of the Minnesota Statutes.

The last of such dates shall be the “**Effective Date**” for the purpose of this Scheme.

14 OPERATIVE DATE OF THE SCHEME

It is clarified that the Scheme shall become effective from the Effective Date however it shall be operative from the Appointed Date.

15 COSTS

15.1 All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or court’s order including this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

16. EFFECT OF NON RECEIPT OF APPROVAL/SANCTION

In the event of any of the said sanctions and approvals referred to in Clause 13 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court of Karnataka/ National



Company Law Tribunal/ Appropriate Authority and/or Order or Orders not being passed as aforesaid before or within such further period or periods as may be agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)) or for any other reason this Scheme cannot be made effective, this Scheme shall stand revoked, cancelled, be of no effect and be null and void. No rights and liabilities shall accrue to or be incurred inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law. Further the Boards of Directors of the Transferor Company and Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up Orders with any authority could have serious financial implication on the Transferor Company and/or the Transferee Company or any of the aforesaid company. And in case of any of the aforesaid events, each party shall bear their respective costs, charges and expenses in connection with this Scheme.

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For Mindtree Limited

Company Secretary



RCE & Co.
Chartered Accountants

No. 458 & 459, 2nd Floor, MP Arcade
18th Main Road, 4th T Block, Jayanagar
Bengaluru - 560 041
Tel/Fax: 4120 5845, 4097 3833
www.rceglobal.com

To,

The Board of Directors
Mindtree Limited
Global Village,
Mylasandra, Mysore Road, RVCE Post,
Bangalore – 560059

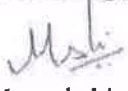
CERTIFICATE OF EXCHANGE RATIO

IN THE MATTER OF AMALGAMATION OF MAGNET 360 LLC WITH MINDTREE LIMITED

Based on the draft Scheme of Amalgamation ('the Scheme') of Magnet 360 LLC with Mindtree Limited and according to the information and explanations provided to us, we hereby certify as under:

- a. As on date Mindtree Limited holds entire Membership interests of Magnet 360 LLC which is its wholly owned subsidiary.
- b. Pursuant to the draft Scheme of Amalgamation Membership interests in Magnet 360 LLC held by Mindtree Limited will be cancelled and the Mindtree Limited shall not be required to issue and / allot any shares to the members of Magnet 360 LLC.
- c. Accordingly, no valuation of shares is applicable to the Scheme. In our opinion, we state that the above Scheme is fair and reasonable since the shareholders of Mindtree Limited will continue to remain beneficial owners of Mindtree Limited in the same proportion as they held prior to the Scheme.
- d. This Certificate is issued at the request of Mindtree Limited in accordance with para 4(a) of Annexure 1 of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and should not be used for any other purpose without our prior written consent.

For RCE & Co.
Chartered Accountants
Firm's Registration No. 009141S


Meenakshi
Partner
Membership No. 216264



CERTIFIED TRUE COPY

For Mindtree Limited

Company Secretary



Place: Bangalore
Date: July 18, 2016

ANNEXURE B2



Mindtree

Welcome to possible

Registered Office Address: Mindtree Ltd.
Global Village, RVCE Post, Mysore Road,
Bengaluru-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

REPORT OF THE AUDIT COMMITTEE

MEMBERS PRESENT:

Mr. Ramesh Ramanathan, Chairman
Dr. Albert Hieronimus, Member
Ms. Apurva Purohit, Member
Mr. V G Siddhartha, Member

IN ATTENDANCE:

Ms. Vedavalli S, Company Secretary

BY INVITATION:

Mr. Krishnakumar N, Executive Chairman
Mr. Rostow Ramanan, CEO & Managing director
Mr. NS Parthasarathy, Executive Director
Mr. Jagannathan Chakravarthi, CFO
Mr. Erwan Carpentier, Senior VP & General Counsel

1. Mindtree Limited (MT or the 'Transferee Company') has placed before the Audit Committee at its meeting held on July 18, 2016, a draft Scheme of Amalgamation of Magnet 360 , LLC (Transferor Company) with the Transferee Company under section 391 to 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (including any statutory modifications or re-enactment or amendment thereof).for recommendation of the draft scheme inter alia after considering the valuation report and the Fairness report as required vide SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

The Audit Committee pursuant to requirements set out in the abovementioned SEBI Circulars and after considering the following documents;

- a. Draft Scheme of Amalgamation
- b. Valuation report dated July 18, 2016 issued by RCE & Co., Chartered Accountants;
- c. Fairness Opinion dated July 18, 2016 by M/s SPA Capital Advisors Ltd. ('Merchant Bankers')

hereby reports:

that the proposed Amalgamation of the Transferor Company envisaged in this scheme would be beneficial to the Transferee Company and all the Stakeholders.

2. The Audit Committee has noted that:
 - i. Transferor Company is the wholly owned subsidiary of the Transferee Company and is currently engaged in the business of IT Services;

Mindtree Ltd.
Global Village
RVCE Post, Mysore Road
Bengaluru - 560059

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F + 91 80 6706 4100
W www.mindtree.com





Mindtree

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Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

- ii. Amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits;
- a. The amalgamation will enable the Transferee Company to integrate its business operations and provide significant impetus to the growth of the Transferee Company. The consolidation of the activities by way of an amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion. The combined entity will have a bigger portfolio of services targeted at a wider array of customers, which will strengthen its competitive position in providing IT services /software & technology related services markets. This will also enable the Transferee Company to address newer solutions and services to its customers and to the Transferor Company's customers and enhance its marketing capabilities.
 - b. The amalgamation will result in economy of scales and reduction in overheads, administrative, managerial and other expenditure, operational rationalisation, organisational efficiency, and optimal utilisation of various resources.
 - c. The managerial expertise of the Transferor Company will contribute to the strength of the Transferee Company. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilisation and achieve better cash flows. This would contribute substantially towards enhancement of shareholder's value of the Transferee Company.
 - d. Duplication of administrative functions will be eliminated together with the multiple record - keeping resulting in reduced expenditure.
 - e. This amalgamation will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company.
 - f. The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.
 - g. There shall be impetus and increase in the area of sales, network of the Transferee Company apart from reduction in costs.
 - h. The amalgamation shall result in the combination of manpower of both the company and a single management structure for the company.
 - i. The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.



Mindtree

Welcome to possible

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Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

- iii. The Audit Committee took note of the Fairness Opinion and the fact that no shares of the Transferee Company will be issued and allotted pursuant to the proposed Scheme since the entire paid-up capital of the Transferor Company is wholly owned by the Transferee Company.
- iv. In any case, since the entire equity shareholding of the Transferor Company is held by the Transferee Company and therefore as an internal group restructuring, it does not adversely affect the stakeholders and creditors of the Transferee Company and the Transferor Company and is in the best interest of the Company, its shareholders, creditors and other stakeholders.

In light of the foregoing, Audit Committee inter-alia after taking into consideration, the Valuation Report and the Fairness Opinion dated July 18, 2016 and on perusal of the rationale of the Scheme, approves the draft Scheme of Amalgamation and recommends the draft scheme of Amalgamation for favorable consideration by the Board of Directors, Stock Exchange(s) and the SEBI.

CERTIFIED TRUE COPY

For Mindtree Limited


Company Secretary

Date: July 18, 2016

Place: Bengaluru


Ramesh Ramanathan
Chairman- Audit Committee



Mindtree Ltd.
Global Village
RVCE Post, Mysore Road
Bengaluru - 560059

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SPA Capital Advisors Ltd.

(Formerly SPA Merchant Bankers Ltd.)

CIN: U69990DL1996PLC102528

25, C-Block Community Centre

Janak Puri, New Delhi-110 052

Tel : 011-25517371, 25515086

Fax : 011-25532644

Email : info@spacapital.com

Submitted to

Mindtree Limited

FAIRNESS OPINION REPORT

On proposed Scheme of Amalgamation of
MAGNET 360, L.L.C.

With

Mindtree Limited

BY

M/s SPA CAPITAL ADVISORS LTD.

25, C-Block, Community Centre,

Janak Puri, New Delhi.

Tel: 25558601/25517371/25515086

Fax: 25572763

 Website: www.spacapital.com

"Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth."

July 18, 2016
For Mindtree Limited
Company Secretary




www.spacapital.com

To,

The Board of Directors,
Mindtree Limited,
Global Village, RVCE Post,
Mysore Road, Bangalore-560059.

RE: Fairness Opinion on proposed Scheme of Amalgamation of Magnet 360 L.L.C. with Mindtree Ltd.

PURPOSE

We have been engaged to give fairness opinion on the "Scheme of Amalgamation" of Magnet 360 L.L.C., having its registered office at 5757 Wayzata Boulevard Minneapolis, MN 55416 USA (i.e. the "Transferor Company") with Mindtree Limited, having its registered office at Global Village, RVCE Post, Mysore Road, Bangalore 560 059 (i.e. the "Transferee Company") pursuant to the relevant provisions of the Companies Act, 1956.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing obligation and disclosure Requirements; (SEBI) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015).

BACKGROUND

- The Transferor Company was incorporated on March 25, 2008, as per the provisions of the. The Transferor Company is involved in the business of full suite of Salesforce solutions such as CRM, branded sites and



communities, social campaign strategy and management, and marketing automation.

- The Transferee Company was incorporated as a private company on August 5, 1999, under the name MindTree Consulting Private Limited as per the provisions of the Companies Act, 1956. Subsequently, MindTree Consulting Private Limited ceased to be a private company and the name of the Transferee Company was changed to MindTree Consulting Limited on November 6, 2006. Subsequently on March 28, 2008, the name of the Transferee Company was changed from MindTree Consulting Limited to Mindtree Limited. The Transferee Company is involved in the business of software and technology.

The share capital of the Transferee Company as on June 30, 2016 is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
800,000,000 Equity Shares of Rs. 10 each/-	8,000,000,000/-
Issued , Subscribed and Paid up Share Capital	
167,830,816 Equity Shares of Rs. 10 each/-	1,678,308,160/-

The Transferee Company is the sole member of the Transferor Company and owns 100% membership interests in the Transferor Company .

TRANSACTION

We understand that the merger of the Transferor Company under this proposed Scheme of Amalgamation will be effected as a Scheme under the provisions of the other Applicable Laws and under Sections 391 to 394 of the Companies Act, 1956.



By this Scheme of Amalgamation it is proposed to amalgamate the Transferor Company with the Transferee Company, for the purposes of better, efficient and economical management, control and running of the businesses, and for further development and growth of the business of the Transferee Company and for administrative convenience. The proposed amalgamation between the Transferor Companies and the Transferee Company shall result in the following, benefits, amongst others, to both companies, their respective members and creditors.

- (i) The amalgamation will enable the Transferee Company to integrate its business operations and provide significant impetus to the growth of the Transferee Company. The consolidation of the activities by way of an amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion. The combined entity will have a bigger portfolio of services targeted at a wider array of customers, which will strengthen its competitive position in providing IT services /software & technology related services markets. This will also enable the Transferee Company to address newer solutions and services to its customers and to transferor's customers and enhance its marketing capabilities.
- (ii) The amalgamation will result in economy of scales and reduction in overheads, administrative, managerial and other expenditure, operational rationalisation, organisational efficiency, and optimal utilisation of various resources.
- (iii) The managerial expertise of the Transferor Companies will contribute to the strength of the Transferee Company. Consequently, the Transferee Company will offer a strong financial structure to all creditors including



the creditors of the Transferor Companies, facilitate resource mobilisation and achieve better cash flows. This would contribute substantially towards enhancement of shareholder's value of the Transferee Company.

- (iv) Duplication of administrative functions will be eliminated together with the multiple record - keeping resulting in reduced expenditure.
- (v) This amalgamation will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company.
- (vi) The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.
- (vii) There shall be impetus and increase in the area of sales, network of the Transferee Company apart from reduction in costs.
- (viii) The amalgamation shall result in the combination of manpower of both the companies and a single management structure for the companies.
- (ix) The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.

VALUATION REPORT

In the proposed Scheme of Arrangement, the entire equity share capital of Transferor Company held by Transferee Company will be cancelled and there shall not be any change in the shareholding pattern of Transferee Company, as per the provisions of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015; a valuation report from independent valuer is not required in such cases where there is no change in the shareholding pattern of the listed company.



CONCLUSION

Pursuant to the Composite Scheme of Amalgamation, Membership interest in Magnet 360 L.L.C., will be cancelled and Mindtree Limited shall not be required to issue and / allot any shares to the members of Transferor companies.

Therefore, On the basis of information and explanation provided to us, in our opinion the scheme of amalgamation and arrangement is fair and reasonable to the holders of equity shares of Mindtree.

Disclaimer: The Final Report has been prepared for the internal and exclusive use of the Board of Directors of Mindtree Limited (the "Board of Directors") in support of the decisions to be taken by it. Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by Mindtree Limited. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which Mindtree Limited, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which Mindtree Limited intends to consummate the Transaction (iii) the assumption that the Transaction will be consummated in accordance with





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the expected terms and within the expected time periods. The Final Report and the Opinion concern exclusively for the purpose of proposed amalgamation and do not constitute an opinion by SPA as to the absolute value of the shares of Mindtree Limited.

For SPA Capital Advisors Limited.

(Sourabh Garg)
Vice President



(Khushboo Tanwar)
Manager

For Mindtree Limited

Company Secretary



Pre and Post Amalgamation Shareholding Pattern of Mindtree Limited in terms of Point number 5 of Regulation 37 of the SEBI (LODR) Regulations, 2015 checklist of documents as on June 30, 2016

1	Name of Listed Entity: Mindtree Limited		
2	Scrip Code/Name of Scrip/Class of Security: 532819/MINDTREE/Equity Shares		
3	Share Holding Pattern Filed under: Reg. 31(1)(b)		
a.	If under 31(1)(b) then indicate the report for Quarter ending: June 30, 2016		
b.	If under 31(1)(c) then indicate date of allotment/extinguishment		
4	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?	Yes	
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
<p>* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.</p>			

For Mindtree Limited

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Company Secretary



Mindtree Limited

Pre and Post Amalgamation shareholding Pattern of Mindtree Limited in terms of Point number 5 of Regulation 37 of the SEBI (LODR) Regulations, 2015 checklist of documents

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of underlying shares Depository Receipts	Total nos. shares held (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities		No. of Shares Underlying convertible securities (including Warrants)	Shareholding as a % assuming conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialised form
								No of Voting Rights	Total % of (A+B+C)			No. (a)	As a % of total Shares held(b)		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VII)+(X)	(XII)	(XIII)	(XIV)		
(A)	Promoter & Promoter Group	9	23030226	0	0	23030226	13.72	0	0	13.72	0	0	0	23030226	
(B)	Public	71699	144800590	0	0	144800590	86.28	0	0	86.28	107824	0.07	NA	144415763	
(C)	Non Promoter - Non Public												NA		
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0.00	0	0.00	NA	0	
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0.00	0	0.00	NA	0	
	Total	71708	167830816	0	0	167830816	100.00	0	0	100.00	107824	0.06	0	167445989	

For Mindtree Limited

 Company Secretary



Mindtree Limited

Pre and Post Annamalgamation shareholding Pattern of Mindtree Limited in terms of Point number 5 of Regulation 37 of the SEBI (LODR) Regulations, 2015 checklist of documents

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding securities (including Warrants)	Shareholding % assuming conversion of convertible securities (as a % of (VII)+(X) As a % of (A+B+C2))	Number of Locked in shares		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialised form
								Class eg: X	Class eg: Y	Total			No. (a)	As a % of total Shares held(b)		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)			(x)	(xi) = (viii)+(x) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)	
1																
Indian																
(a)	Family	4	16832870	0	0	16832870	10.03	16832870	0	16832870	10.03	0	0.00	0	0.00	16832870
	Krishnakumar N	1	8004172	0	0	8004172	4.77	8004172	0	8004172	4.77	0	0.00	0	0.00	8004172
	Subroto Bagchi	1	5255700	0	0	5255700	3.13	5255700	0	5255700	3.13	0	0.00	0	0.00	5255700
	N S Parthasarathy	1	2404562	0	0	2404562	1.43	2404562	0	2404562	1.43	0	0.00	0	0.00	2404562
	Roslow Ramanan	1	1168436	0	0	1168436	0.70	1168436	0	1168436	0.70	0	0.00	0	0.00	1168436
(b)	Central Government / State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(d)	Any Other (Specify)	4	3685372	0	0	3685372	2.20	3685372	0	3685372	2.20	0	0.00	0	0.00	3685372
	Persons Acting In Concert	4	3685372	0	0	3685372	2.20	3685372	0	3685372	2.20	0	0.00	0	0.00	3685372
	Susmita Bagchi	1	2769300	0	0	2769300	1.65	2769300	0	2769300	1.65	0	0.00	0	0.00	2769300
	Akila Krishnakumar	1	840000	0	0	840000	0.50	840000	0	840000	0.50	0	0.00	0	0.00	840000
	Sanjay Kumar Panda	1	60000	0	0	60000	0.04	60000	0	60000	0.04	0	0.00	0	0.00	60000
	Seema Ramanan	1	16072	0	0	16072	0.01	16072	0	16072	0.01	0	0.00	0	0.00	16072
	Sub Total (A)(1)	8	20518242	0	0	20518242	12.23	20518242	0	20518242	12.23	0	0.00	0	0.00	20518242
2	Foreign															
(a)	Individuals (Non-Resident Individuals / Foreign)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(e)	Any Other (Specify)	1	2511984	0	0	2511984	1.50	2511984	0	2511984	1.50	0	0.00	0	0.00	2511984
	Foreign Promoter Company	1	2511984	0	0	2511984	1.50	2511984	0	2511984	1.50	0	0.00	0	0.00	2511984
	LSO Investment Private Limited	1	2511984	0	0	2511984	1.50	2511984	0	2511984	1.50	0	0.00	0	0.00	2511984
	Sub Total (A)(2)	1	2511984	0	0	2511984	1.50	2511984	0	2511984	1.50	0	0.00	0	0.00	2511984
	Total Shareholding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)	9	23030226	0	0	23030226	13.72	23030226	0	23030226	13.72	0	0.00	0	0.00	23030226

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s)

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Table III - Statement showing shareholding pattern of the Public Shareholder

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Parity paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights Class eg: X	No. of Voting Rights Class eg: Y	Total % of (A+B+C)	No. of Shares Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in As a % of total Shares held(b)	Number of Shares pledged (As a % of total Shares held(b))	Number of equity shares held in dematerialised form
1 Institutions															
(a) Mutual Fund		70	11614295	0	0	11614295	6.92	11614295	0	11614295	5.52	0	0.00	N/A	11614295
	FRANKLIN TEMPLETON MUTUAL FUND A/C														
	FRANKLIN INDIR OPPORTUNITIES FUND		2399964	0	0	2399964	1.43	2399964	0	2399964	1.43	0	0.00	N/A	2399964
	ICICI Prudential Value Discovery Fund		2069140	0	0	2069140	1.23	2069140	0	2069140	1.23	0	0.00	N/A	2069140
	UTI LONG TERM ADVANTAGE FUND S II		1966948	0	0	1966948	1.17	1966948	0	1966948	1.17	0	0.00	N/A	1966948
	AXIS MUTUAL FUND TRUSTEE LIMITED A/C														
	AXIS MUTUAL FUND A/C AXIS INCOME SAVER		1855000	0	0	1855000	1.11	1855000	0	1855000	1.11	0	0.00	N/A	1855000
(b) Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(c) Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(e) Foreign Portfolio Investor (including Foreign Institutional Investors (FII))		187	6862172	0	0	6862172	40.91	6862172	0	6862172	40.91	0	0.00	N/A	6862172
	Natendra India Fund Limited		15796556	0	0	15796556	9.41	15796556	0	15796556	9.41	0	0.00	N/A	15796556
	Mathews India Fund		5506584	0	0	5506584	3.28	5506584	0	5506584	3.28	0	0.00	N/A	5506584
	Oppenheimer International Small Company Fund		3681132	0	0	3681132	2.19	3681132	0	3681132	2.19	0	0.00	N/A	3681132
	Ontario Teachers' Pension Plan Board Managed By Avith Asset Management Private Fund		3506612	0	0	3506612	2.09	3506612	0	3506612	2.09	0	0.00	N/A	3506612
	Copial Mauritius Investment Limited		2892844	0	0	2892844	1.72	2892844	0	2892844	1.72	0	0.00	N/A	2892844
	Natendra India Equity Fund Limited		2859520	0	0	2859520	1.70	2859520	0	2859520	1.70	0	0.00	N/A	2859520
	Amaras Holdings Private Limited		2425456	0	0	2425456	1.45	2425456	0	2425456	1.45	0	0.00	N/A	2425456
(f) Arvit Asset Management Private Fund / Emerging Asia Master Fund		7	2381752	0	0	2381752	1.42	2381752	0	2381752	1.42	0	0.00	N/A	2381752
(g) Financial Institutions / Banks		7	428785	0	0	428785	0.26	428785	0	428785	0.26	0	0.00	N/A	428785
(h) Insurance Companies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(i) Provident Funds / Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(j) Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(k) Sub Total (B)(1)	Central Government / State Government(s)	264	80705252	0	0	80705252	48.09	80705252	0	80705252	48.09	0	0.00	N/A	80705252
2 President of India															
(a) Sub Total (B)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
3 Non-Institutions															
(a) Individuals		67294	20935325	0	0	20935325	12.48	20935325	0	20935325	12.48	76372	0.36	N/A	20643058
(b) Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		67183	11071863	0	0	11071863	6.60	11071863	0	11071863	6.60	76372	0.69	N/A	10805940
(c) ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		111	9863462	0	0	9863462	5.88	9863462	0	9863462	5.88	0	0.00	N/A	9832718
(d) S Janakraman	AAASPJ3150E	0	3011487	0	0	3011487	1.79	3011487	0	3011487	1.79	0	0.00	N/A	3011487
(e) NBFIs registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(f) Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(g) Overseas Depositories (holding DfTs)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	N/A	0
(h) Any Other (Specify)		4141	43160013	0	0	43160013	25.72	43160013	0	43160013	25.72	31452	0.07	N/A	43087453
(i) Trusts		3	150	0	0	150	0.00	150	0	150	0.00	0	0.00	N/A	150
(j) Foreign Nationals		18	832238	0	0	832238	0.50	832238	0	832238	0.50	0	0.00	N/A	832238
(k) Hindu Undivided Family		1436	428250	0	0	428250	0.26	428250	0	428250	0.26	0	0.00	N/A	428250
(l) Non Resident Indians (Non Repeat)		437	295343	0	0	295343	0.18	295343	0	295343	0.18	0	0.00	N/A	295343
(m) Directors excluding Promoter Directors		5	5248000	0	0	5248000	3.13	5248000	0	5248000	3.13	0	0.00	N/A	5248000
(n) V G Sidhartha	ABXPST891D	1159	770808	0	0	770808	0.46	770808	0	770808	0.46	5666	0.02	N/A	713102

	1	61160	0	0	61160	0.04	61160	0	61160	0.04	0	61160	0.04	0	0.04	0	0.00	MA	61160
Unclaimed Shares	390	174026	0	0	174026	0.10	174026	0	174026	0.10	0	174026	0.10	0	0.10	0	0.00	MA	174026
Clearing Member	692	35350038	0	0	35350038	21.06	35350038	0	35350038	21.06	0	35350038	21.06	0	21.06	0	0.00	MA	35350038
Bodies Corporate		17461768	0	0	17461768	10.40	17461768	0	17461768	10.40	0	17461768	10.40	0	10.40	0	0.00	MA	17461768
AADCC395SL		10594244	0	0	10594244	6.31	10594244	0	10594244	6.31	0	10594244	6.31	0	6.31	0	0.00	MA	10594244
Coffee Day Trading Limited		3650000	0	0	3650000	2.17	3650000	0	3650000	2.17	0	3650000	2.17	0	2.17	0	0.00	MA	3650000
AAACA4348L		64095338	0	0	64095338	38.19	64095338	0	64095338	38.19	0	64095338	38.19	0	38.19	0	0.17	MA	63710511
Sub Total (B)(3)	71435	64095338	0	0	144800590	88.28	144800590	0	144800590	88.28	0	144800590	88.28	0	88.28	0	0.07	MA	144415783
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	71699	144800590	0	0	144800590	88.28	144800590	0	144800590	88.28	0	144800590	88.28	0	88.28	0	0.07	MA	144415783

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Names	Holdings	%
No PACs under "Public Category"		

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in dematerialised suspense account, voting rights which are frozen etc.

No. of shareholders	No. of Shares
	61160

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to be disclosed along with the name of following persons: institutions/non institutions holding more than 1% of total number of shares. Kindly refer Annexure - i

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.



Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
								Class eg: X	Class eg: y	Total								
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)			(x)	(xi) = (vii)*(x) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)			
1 Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C)2		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0

Note:
 (1) PAN would not be displayed on website of Stock Exchange(s).
 (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares.
 (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available



ANNEXURE D2

Shareholding of Magnet 360, LLC		
	Pre-merger Capital	Post-merger Capital
Particulars	Amount in USD	Amount in USD
None	NIL*	Nil
* Mindtree Limited is the sole member of the Magnet 360, LLC and owns 100% membership interests in Magnet 360, LLC		

For Mindtree Limited

Company Secretary



B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Independent Auditor's Report**To the Members of Mindtree Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Mindtree Limited ('the Company'), which comprise the balance sheet as at 31 March 2014, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



For Mindtree Limited

 Company Secretary

B S R & Co. is a partnership firm with
Registration No. BAB12230 converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-B1B11)
with effect from October 14, 2013.

Registered Office:
1st Floor, Luthra Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011



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Opinion

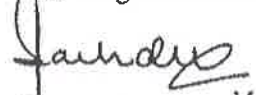
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the balance sheet, statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (iv) in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (v) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

for B S R & Co. LLP
Chartered Accountants
Firm's registration No. 101248W



Supreet Sachdev
Partner
Membership No. 205385

Bangalore

16 April 2014



CERTIFIED TRUE COPY

For Mindtree Limited

Company Secretary

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in the Auditor's Report to the members of Mindtree Limited ('the Company') for the year ended 31 March 2014.

We report as follows:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were observed on such verification.
 - c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. The Company is a service company, primarily rendering software development services. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the services rendered by the Company.
9. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund,



Income-tax, Sales-tax, Service tax, Customs duty, and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth tax, Employees State Insurance and Excise duty.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Service tax, Customs duty, Cess and other material statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. The Company, however, disputes the following Income tax, Service tax and Sales tax dues:

Name of the statute	Nature of the dues	Amount (Rs in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest	78.90*	Assessment year 2002-03	Assessing Officer, Bangalore**
Income Tax Act, 1961	Tax and interest	46.70*	Assessment year 2003-04	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	60.84	Assessment year 2004-05	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	8.45*	Assessment year 2007-08	Income Tax Appellate Tribunal, Bangalore



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Name of the statute	Nature of the dues	Amount (Rs in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax interest and	11.16	Assessment year 2007-08	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax interest and	10.10	Assessment year 2008-09	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax interest and	27.91*	Assessment year 2007-08	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax interest and	23.56	Assessment year 2009-10	Commissioner of Income Taxes (Appeals), Bangalore ^{ss}
Income Tax Act, 1961	Tax interest and	1.63	Assessment year 2009-10	Income Tax Appellate Tribunal Bangalore
Income Tax Act, 1961	Tax interest and	209.61*	Assessment year 2008-09	Income Tax Appellate Tribunal Bangalore
Income Tax Act, 1961	Tax interest and	62.90	Assessment year 2009-10	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax interest and	60.30 [^]	Assessment year 2010-11	Assessing Officer, Bangalore
The Finance Act, 1994	Service tax and interest	11.29	June 2005 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Bangalore***



Name of the statute	Nature of the dues	Amount (Rs in millions)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax and interest	24.27	July 2003 to March 2006	Customs, Excise and Service Tax Appellate Tribunal, Bangalore***
The Finance Act, 1994	Tax, interest and penalty	64.47	July 2004 to November 2005	Customs, Excise and Service Tax Appellate Tribunal, Bangalore****
The Finance Act, 1994	Tax, interest and penalty	3.11*	April 2007 to March 2008	Customs, Excise and Service Tax Appellate Tribunal, Bangalore ****
The Finance Act, 1994	Tax, interest and penalty	22.68	September 2004 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Bangalore****
The Finance Act, 1994	Tax, interest and penalty	4.68	April 2007 to February 2008	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Karnataka Sales Tax Act, 1957	Tax and penalty	0.28*	Upto July 2004	Assistant Commissioner of Commercial taxes (Recovery), Bangalore

^ The Company has not obtained the final assessment order as at the date of this report.

* The above amounts are net of amount paid under protest.

\$\$The Company is awaiting the order giving effect order from the Assessing Officer as at the date of this report.



**The matter is currently pending with the Assessing Officer, as per ITAT order dated 12 July 2007.

*** Stay granted by Customs, Excise and Service Tax Appellate Tribunal, Bangalore vide original order dated 6 January 2012 and further order received dated 21 February 2013.

**** Stay granted by Customs, Excise and Service Tax Appellate Tribunal, Bangalore vide order dated 27 September 2012.

Note: The Income-Tax authorities have adjusted refund amounting to Rs.162 million in respect of the aforementioned demands without earmarking amounts to the Assessment Year which has not been reflected in the above disclosure.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to companies/ firms/ parties covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.

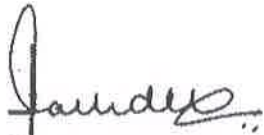


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B S R & Co. LLP

21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

for B S R & Co. LLP
Chartered Accountants
Firm registration No. 101248W



Supreet Sachdev
Partner
Membership No. 205385

Bangalore
16 April 2014



Mindtree Limited
Balance sheet

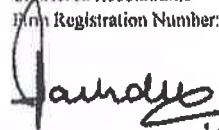
	Note	As at March 31, 2014	Rs in million As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	417	415
Reserves and surplus	3.1.2	15,992	12,722
		<u>16,409</u>	<u>13,137</u>
Non-current liabilities			
Long-term borrowings	3.2.1	27	32
Other long-term liabilities	3.2.2	129	57
Long-term provisions	3.2.3	39	-
		<u>195</u>	<u>89</u>
Current liabilities			
Short-term borrowings	3.3.1	-	217
Trade payables		82	189
Other current liabilities	3.3.2	2,737	2,166
Short-term provisions	3.3.3	1,574	1,112
		<u>4,393</u>	<u>3,684</u>
		<u>20,997</u>	<u>16,910</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3.4.1	3,266	2,485
Intangible assets	3.4.1	170	104
Capital work-in-progress		496	571
Non-current investments	3.4.2	189	244
Deferred tax assets (net)	3.4.3	402	360
Long-term loans and advances	3.4.4	758	617
Other non-current assets	3.4.5	1,039	1,046
		<u>6,320</u>	<u>5,427</u>
Current assets			
Current investments	3.5.1	5,160	4,027
Trade receivables	3.5.2	6,004	4,508
Cash and bank balances	3.5.3	1,175	1,238
Short-term loans and advances	3.5.4	612	430
Other current assets	3.5.5	1,726	1,280
		<u>14,677</u>	<u>11,483</u>
		<u>20,997</u>	<u>16,910</u>

Significant accounting policies and notes to the accounts

2&3

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

As per our report of even date attached
For BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W



Supreet Sachdev
Partner
Membership Number: 205385

Place: Bangalore
Date: April 16, 2014

CERTIFIED TRUE COPY

For Mindtree Limited

 - 

Subrato Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director



Rostow Ravanan
Chief Financial Officer



Rajesh Srirchand Narang
Company Secretary

Place: Bangalore
Date: April 16, 2014



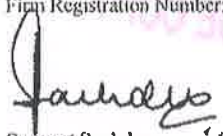
Mindtree Limited
Statement of profit and loss

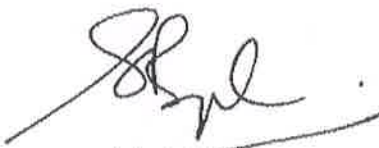
Particulars	Note	Rs in million	
		For the year ended March 31, 2014	March 31, 2013
Revenue from operations		30,316	23,618
Other income	3.6	494	350
Total revenues		30,810	23,968
Expenses:			
Employee benefits expense	3.7	17,820	14,274
Finance costs	3.7	4	10
Depreciation and amortisation expense	3.4.1	809	624
Other expenses	3.7	6,390	4,824
Total expenses		25,023	19,732
Profit before tax		5,787	4,236
Tax expense:	3.4.3		
Current tax		1,317	887
Deferred tax		(42)	(40)
Profit for the year		4,512	3,389
Earnings per equity share	3.17		
Equity shares of par value Rs 10/- each			
Basic		108.50	82.70
Diluted		107.70	81.66
Weighted average number of equity shares used in computing earnings per share			
Basic		41,588,758	40,974,712
Diluted		41,896,409	41,496,296

Significant accounting policies and notes to the accounts 2&3

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


As per our report of even date attached
For BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W



Supreet Sachdev
Partner
Membership Number: 205385


Subrato Bagchi
Chairman


Rostow Ramanan
Chief Financial Officer

For Mindtree Limited


N. Krishnakumar
CEO & Managing Director


Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date: April 16, 2014

Place: Bangalore
Date: April 16, 2014

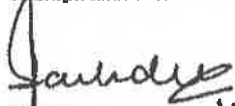


Mindtree Limited
Cash flow statement

	Its in million	
	For the year ended March 31, 2014	2013
Cash flow from operating activities		
Profit before tax	5,787	4,236
Adjustments for:		
Depreciation and amortisation	809	624
Amortization of stock compensation cost	79	2
Interest expense	4	10
Interest/ dividend income	(215)	(192)
Profit on sale of fixed assets	(3)	(6)
Profit on sale of investments	(130)	(133)
Provision for diminution in the value of investments	(1)	1
Loss on dissolution of subsidiary	-	3
Exchange difference on derivatives	-	(308)
Effect of exchange differences on translation of foreign currency borrowings	25	28
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(69)	(30)
Operating profit before working capital changes	6,286	4,235
Changes in trade receivables	(1,496)	(430)
Changes in loans and advances and other assets	(837)	(564)
Changes in liabilities and provisions	568	391
Net cash provided by operating activities before taxes	4,521	3,632
Income taxes paid	(1,297)	(909)
Net cash provided by operating activities	3,224	2,663
Cash flow from investing activities		
Purchase of fixed assets	(1,520)	(1,066)
Proceeds from sale of fixed assets	3	9
Investment in subsidiary	-	(14)
Proceeds on dissolution of subsidiary	-	18
Interest/ dividend received from investments	222	179
Purchase of investments	(11,443)	(11,257)
Sale/ maturities of investments	10,495	10,216
Net cash used in investing activities	(2,243)	(1,915)
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	63	322
Interest paid on loans	(5)	(11)
Repayment of borrowings	(811)	(941)
Proceeds from loans	564	719
Dividends paid (including distribution tax)	(924)	(214)
Net cash used in financing activities	(1,113)	(125)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	69	30
Net (decrease)/ increase in cash and cash equivalents	(63)	653
Cash and cash equivalents at the beginning of the year	1,238	585
Cash and cash equivalents at the end of the year (Refer note 3.5.3)	1,175	1,238

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

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101246W


Subroto Dasgupta
Partner
Membership Number: 205385

For Mindtree Limited


Subroto Dasgupta
Chairman

N. Krishnakumar
CEO & Managing Director


Rostoy Ravanan
Chief Financial Officer

Rajesh Brichand Narang
Company Secretary

Place: Bangalore
Date: April 16, 2014

Place: Bangalore
Date: April 16, 2014



Mindtree Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2014
(Rupees in millions, except share and per share data, unless otherwise stated).

1. Background

Mindtree Limited ('Mindtree' or 'the Company') is an international Information Technology consulting and implementation company that delivers business solutions through global software development. The Company is structured into five verticals – Manufacturing, BFSI, Hitech, Travel & Transportation and Others. The Company offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business's, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is head quartered in Bangalore and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France and Republic of China.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except for certain financial instruments which are measured at fair values and comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September, 2013), other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), the provisions of the Companies Act, 2013 (to the extent notified and applicable) and the Companies Act, 1956, (to the extent applicable) and the guidelines issued by Securities and Exchange Board of India ('SEBI') to the extent applicable.

2.2 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles ('GAAP') 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.



2.3 Fixed assets and depreciation

- 2.3.1 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.
- 2.3.2 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 Company.
- 2.3.3 Leases under which the Company 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.
- 2.3.4 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.
- 2.3.5 Depreciation is provided on the straight-line method. The rates specified under schedule XIV of the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life. Pursuant to this policy, the management has estimated the useful life as under:

Asset classification	Useful life
Buildings	25-30 years
Computer systems	1-3 years
Computer software	2 years
Test equipment	3 years
Furniture and fixtures	5 years
Electrical installations	3-5 years
Office equipment	4-5 years
Motor vehicles	4-5 years
Plant and machinery	4 years
Intellectual property	5 years

- 2.3.6 Fixed assets individually costing Rupees five thousand or less are fully depreciated in the year of purchase/ installation. Depreciation on additions and disposals during the year is provided on a pro-rata basis.

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Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2014

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

- 2.3.7 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.

2.4 Investments

- 2.4.1 Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.
- 2.4.2 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.
- 2.4.3 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.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand and balance in bank in current accounts and deposit accounts.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby 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 Company are segregated.

2.7 Employee benefits

- 2.7.1 Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by ICICI Prudential Life Insurance Company, SBI Life Insurance Company and Life Insurance Corporation of India. Actuarial gains and losses are charged to the statement of profit and loss.
- 2.7.2 Compensated absences are a long-term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.
- 2.7.3 Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.



2.8 Revenue recognition

2.8.1 The Company 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.

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

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

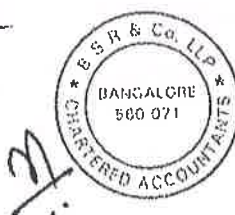
2.8.4 Interest income is recognised using the time proportion method, based on the transactional interest rates.

2.9 Foreign exchange transactions

2.9.1 The Company is exposed to foreign currency transactions including foreign currency revenues, receivables and borrowings. With a view to minimize the volatility arising from fluctuations in currency rates, the Company enters into foreign exchange forward contracts and other derivative instruments.

2.9.2 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 year are recognised in the statement of profit and loss for the year.

2.9.3 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 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.



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- 2.9.4 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 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 statement of profit and loss.
- 2.9.5 Forward exchange contracts and other similar instruments that are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts and other similar instruments covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/ fair value at the reporting date, or based on the spot exchange rate on the reporting date. For contracts recorded at the spot exchange rates, the premium or discount at the inception is amortized as income or expense over the life of the contract.
- 2.9.6 For forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecasted transactions, the Company has adopted Accounting Standard ('AS') 30, 'Financial Instruments: Recognition and Measurement' to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of cash flow hedge accounting, are fair valued at balance sheet date and the resultant exchange loss/ gain is debited/ credited to the hedge reserve until the transaction is completed. Other derivative instruments are recorded at fair value at the reporting date and the resultant exchange loss/ gain is debited/ credited to statement of profit and loss.

2.10 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.

2.11 Provision and contingent liabilities

The Company 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.



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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.

2.12 Taxation

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company. 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 year 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.

Minimum alternate tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the balance sheet if there is a convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant assets can be measured reliably. MAT credit entitlement can be carried forward and utilized for a period of ten years from the period in which such credit is availed.

The Company offsets, 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.

2.13 Earnings per share

In determining earnings per share, the Company considers the 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 year. 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.



2.14 Impairment of assets

The Company 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 Company 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 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.

2.15 Employee stock based compensation

The Company measures the compensation cost relating to employee stock options, restricted shares and stock appreciation rights using the intrinsic value method. The compensation cost is amortised over the vesting/ service period.

2.16 Government grants

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

- (i) the Company 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 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 Company 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.



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3. Notes to the accounts

3.1 Shareholders' funds

3.1.1 Share capital

a)

Particulars	As at	
	March 31, 2014	March 31, 2013
Authorised		
79,620,000 (March 31, 2013: 79,620,000) equity shares of Rs 10/- each	796	796
Issued, subscribed and paid-up capital		
41,689,731 (March 31, 2013: 41,535,055) equity shares of Rs 10/- each fully paid	417	415
Total	417	415

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at		As at	
	March 31, 2014		March 31, 2013	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the year	41,535,055	415	40,543,923	405
Add: Shares issued on exercise of employee stock options and restricted shares	154,676	2	991,132	10
Number of shares outstanding at the end of the year	41,689,731	417	41,535,055	415

c) The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

The Board of Directors at their meeting held on April 16, 2014, have recommended an issue of bonus shares on the company's equity shares in the ratio of 1:1 (one additional equity share for every one existing equity share). The Company is in the process of complying with necessary formalities.

The Company declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

The Board of Directors at its meeting held on October 16, 2013 had declared an interim dividend of 50% (Rs 5 per equity share on a par value of Rs 10 each). At its meeting held on January 16, 2014, the Board declared a second interim dividend of 50% (Rs 5 per equity share on a par value of Rs 10 each). The Board of Directors at its meeting held on April 16, 2014 have recommended a third interim dividend of

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50% (Rs 5 per equity share of par value Rs 10 each). Further, the Board has recommended a final dividend of 50% (Rs 5 per equity share of par value Rs 10 each) for the year ended March 31, 2014 and a special dividend of 50% (Rs 5 per equity share of par value Rs 10 each) for completion of 15 years in business. If the proposed 1:1 bonus share issue is approved by shareholders prior to the date of the AGM, the final & special dividend amounts would be accordingly reduced to 25% (Rs 2.5 per equity share of Rs 10 each). The total dividend appropriation for the year ended March 31, 2014 amounted to Rs 1,221, including corporate dividend tax of Rs 180.

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders was Rs 12. The dividend for the year ended March 31, 2013 includes Rs 5 per share of final dividend, Rs 7 per share of interim dividend. The total dividend appropriation for the year ended March 31, 2013 amounted to Rs 578, including corporate dividend tax of Rs 81.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below:

Sr. No.	Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
		Number of shares	%	Number of shares	%
1	Coffee Day Resorts Private Limited	4,365,442	10.5%	4,565,442	11.0%
2	Nalanda India Fund Limited	3,949,089	9.5%	3,949,089	9.5%
3	Global Technology Ventures Limited	2,648,561	6.4%	2,498,561	6.0%
4	Subroto Bagchi *	-	-	2,078,585	5.0%

*Holds less than 5% of equity shares as at the reporting date

- e) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date. Number of equity shares allotted as fully paid up without payment being received in cash is 1,300,965 during the period of five years immediately preceding March 31, 2014 and March 31, 2013. These shares were allotted to the shareholders of erstwhile Aztecsoft Limited pursuant to the scheme of amalgamation for the financial year ended March 31, 2010.



f) Employee stock based compensation

The Company instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors ('the Board'). The Company currently administers seven stock option programs, a restricted stock purchase plan and a stock appreciation rights plan.

Program 1 [ESOP 1999]

Options under this program are exercisable at an exercise price of Rs 10 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees who have joined on or before September 30, 2001 or have been issued employment offer letters on or before August 7, 2001. This plan was terminated on September 30, 2001. The contractual life of each option is 11 years after the date of grant.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	-	4,000
Granted during the year	-	-
Exercised during the year	-	500
Lapsed during the year	-	3,500
Forfeited during the year	-	-
Outstanding options, end of the year	-	-
Options vested and exercisable, end of the year	-	-

Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of Rs 50 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees who have joined on or after October 1, 2001 or have been issued employment offer letters on or after August 8, 2001 or options granted to existing employees with grant date on or after October 1, 2001. This plan was terminated on April 30, 2006. The contractual life of each option is 11 years after the date of grant.



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Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	47,918	79,367
Granted during the year	-	-
Exercised during the year	12,868	25,837
Lapsed during the year	3,821	5,612
Forfeited during the year	-	-
Outstanding options, end of the year	31,229	47,918
Options vested and exercisable, end of the year	31,229	47,918

Program 3 [ESOP 2006 (a)]

Options under this program have been granted to employees at an exercise price of Rs 250 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees to whom the options are granted on or after May 1, 2006. This plan was terminated on October 25, 2006. The contractual life of each option is 5 years after the date of grant. There are no options outstanding as at the reporting dates.

Program 4 [ESOP 2006 (b)]

Options under this program are granted to employees at an exercise price periodically determined by the Compensation Committee. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees to whom the options are granted on or after October 25, 2006. The contractual life of each option is 5 years after the date of grant.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	304,650	1,349,038
Granted during the year	-	-
Exercised during the year	57,600	905,860
Lapsed during the year	28,475	97,528
Forfeited during the year	71,325	41,000
Outstanding options, end of the year	147,250	304,650
Options vested and exercisable, end of the year	89,175	115,225

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Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2014

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Program 5 [ESOP 2008A]

Options under this program are granted to employees of erstwhile Aztecsoft Limited as per swap ratio of 2:11 as specified in the merger scheme. Each new option is entitled to 1 equity share of Rs 10 each.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	108,248	124,803
Granted during the year	-	-
Exercised during the year	20,614	14,437
Lapsed during the year	2,610	2,118
Forfeited during the year	-	-
Outstanding options, end of the year	85,024	108,248
Options vested and exercisable, end of the year	85,024	108,248

Directors' Stock Option Plan, 2006 ('DSOP 2006')

Options under this program have been granted to independent directors at an exercise price periodically determined by the Compensation Committee. All stock options vest equally over three year vesting term at the end of 1, 2 and 3 years respectively from the date of the grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. The contractual life of each option is 4 years after the date of the grant.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	135,000	151,667
Granted during the year	-	20,000
Exercised during the year	45,000	36,667
Lapsed during the year	10,000	-
Forfeited during the year	25,000	-
Outstanding options, end of the year	55,000	135,000
Options vested and exercisable, end of the year	41,666	76,667

Program 7 [ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received by the Company from the BSE and NSE for 1,135,000 equity shares of Rs 10 each. No options have been granted under the program as at March 31, 2014.



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Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

ERSP 2012 was instituted with effect from July 16, 2012 to further issue upto 1,000,000 equity shares of nominal value of Rs 10 each. Shares under this program are granted to employees at an exercise price of not less than Rs 10 per equity share or such higher price as decided by the Board of Directors. Shares shall vest over such term as determined by the Board of Directors not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

Particulars	Year ended March 31,	
	2014	2013
Outstanding shares, beginning of the year	-	-
Granted during the year	18,594	7,831
Exercised during the year	18,594	7,831
Lapsed during the year	-	-
Forfeited during the year	-	-
Outstanding shares, end of the year	-	-
Shares vested and exercisable, end of the year	-	-

During the year ended March 31, 2014, 18,594 shares were granted by the Company under Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was Rs 1,138 using the Black-Scholes model with the following assumptions:

Weighted average grant date share price	Rs 1,150
Weighted average exercise price	Rs 10
Dividend yield %	0.27%
Expected life	1 year
Risk free interest rate	8.22%
Volatility	106.05%

During the year, the Company has also granted stock appreciation rights ('SAR') units and letter of intent to issue shares under ERSP 2012 plan to some of its employees which is subject to certain vesting conditions. Details of the grant/issue are given below.

Particulars	SAR	ERSP 2012 plan
No of units/ shares	382,500	115,000
Contractual life	4 years	5 years
Date of grant	18-Jul-13	18-Jul-13*
Price per share/ unit	Grant price of Rs 910	Exercise price of Rs 10*

*Based on Letter of Intent

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was Rs 898 using the Black-Scholes model with the following assumptions:

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Weighted average grant date share price	Rs 914
Weighted average exercise price	Rs 10
Dividend yield %	0.17 % - 0.30%
Expected life	5 years
Risk free interest rate	8.29%
Volatility	104.65% - 107.7%

The following table summarizes information about the weighted average exercise price of options/ shares exercised under various programs:

Particulars	Amount in Rs	
	Year ended March 31,	
	2014	2013
Program 1	-	10.00
Program 2	50.00	50.00
Program 3	-	-
Program 4	507.14	336.84
Program 5	387.64	404.63
DSOP 2006	560.00	259.27
ERSP 2012	10.00	10.00

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2014 and March 31, 2013 respectively:

Particulars	As at March 31, 2014		
	Number of options/ shares	Weighted average remaining contractual life (In years)	Weighted average exercise price (in Rs)
Program 1	-	-	-
Program 2	31,229	1.13	50.00
Program 3	-	-	-
Program 4	147,250	1.78	496.58
Program 5	85,024	2.28	393.90
DSOP 2006	55,000	1.24	558.55
ERSP 2012	-	-	-

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Particulars	As at March 31, 2013		
	Number of options/shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in Rs)
Program 1	-	-	-
Program 2	47,918	2.00	50.00
Program 3	-	-	-
Program 4	304,650	2.62	491.45
Program 5	108,248	3.21	392.82
DSOP 2006	135,000	1.95	559.41
ERSP 2012	-	-	-

The Company has recorded compensation cost for all grants using the intrinsic value-based method of accounting, in line with prescribed SEBI guidelines.

Had compensation been determined under the fair value approach described in the Guidance Note on, "Accounting for employee share based payments" issued by ICAI, the Company's net profit and basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

Particulars	Year ended March 31,	
	2014	2013
Net profit as reported	4,512	3,389
Add: Stock-based employee compensation expense (intrinsic value method)	79	-
Less: Stock-based employee compensation expense (fair value method)	18	(74)
Pro forma net profit	4,609	3,315
Basic earnings per share as reported	108.50	82.70
Pro forma basic earnings per share	110.83	80.89
Diluted earnings per share as reported	107.70	81.66
Pro forma diluted earnings per share	110.02	79.87

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3.1.2 Reserves and surplus

Particulars	As at March 31, 2014	As at March 31, 2013
<i>Capital reserve</i>		
Opening balance	87	87
Additions during the year	-	-
	87	87
<i>Securities premium reserve</i>		
Opening balance	2,125	1,808
Additions during the year on exercise of employee stock options/ restricted shares	83	317
	2,208	2,125
<i>General reserve</i>		
Opening balance	1,091	752
Add: Transfer from statement of profit and loss	451	339
	1,542	1,091
<i>Share option outstanding account</i>		
Opening balance	48	48
Additions during the year	20	-
	68	48
<i>Hedge reserve</i>		
Opening balance	173	(250)
Additions during the year	(124)	423
	49	173
<i>Surplus (Balance in the statement of profit and loss)</i>		
Opening balance	9,198	6,726
Add: Amount transferred from statement of profit and loss	4,512	3,389
	13,710	10,115
Amount available for appropriations		
Appropriations:		
Interim dividend	(624)	(289)
Final dividend*	(417)	(208)
Dividend distribution tax	(180)	(81)
Amount transferred to general reserve	(451)	(339)
	12,038	9,198
Total	15,992	12,722

*Includes special dividend as at March 31, 2014.

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3.2 Non-current liabilities

3.2.1 Long-term borrowings

Particulars	As at March 31, 2014	As at March 31, 2013
<i>(Unsecured)</i>		
Other loans and advances	27	32
Total	27	32

Long-term borrowings represent the amount received from Council for Scientific and Industrial Research (CSIR) to develop a project under "Development of Intelligent Video Surveillance Server (IVSS) system".

The loan is an unsecured loan carrying a simple interest of 3% p.a on the outstanding amount of loan. Repayment of loan is in 10 equal annual installments from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay.

There is no continuing default in the repayment of the principal loan and interest amounts.

3.2.2 Other long-term liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Other long-term liabilities	97	57
Employee related liabilities	32	-
Total	129	57

3.2.3 Long-term provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for discount	39	-
Total	39	-

Refer note 3.3.3 for the disclosure of provisions movement as required under the provisions of Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets' ('AS 29').



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3.3 Current liabilities

3.3.1 Short-term borrowings

Particulars	As at	As at
	March 31, 2014	March 31, 2013
<i>(Secured)</i>		
Packing credit loan from banks	-	217
Total	-	217

During the year, the Company has availed packing credit loans of USD 10 million and has repaid packing credit loans of USD 14 million. These packing credit loans were secured against the trade receivables of the Company. As at March 31, 2014, the Company has no outstanding packing credit loan (As at March 31, 2013: USD 4 million). The Company had taken forward exchange contracts with respect to this loan. In accordance with 'AS 11' the forward premium arising at inception was amortized as an expense over the life of the contract.

Details of interest rate and repayment terms in respect of above packing credit loan are as below:

Name of the bank	As at March 31, 2014			As at March 31, 2013		
	Rs	Rate of interest p.a	Date of repayment	Rs	Rate of interest p.a	Date of repayment
HSBC	-	-	-	217	1.98%	29-May-13
Total	-			217		

3.3.2 Other current liabilities

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Current maturities of long-term debt*	5	5
Interest accrued but not due on borrowings	1	2
Unearned income	100	36
Unpaid dividends	4	3
Creditors for capital goods	175	105
Advances from customers	103	42
Employee related liabilities	1,245	1,023
Book overdraft	85	136
Other liabilities**	1,019	814
Total	2,737	2,166

*The details of interest rates, repayment and other terms are disclosed under note 3.2.1.

**Includes derivative liability of Rs 44 (As at March 31, 2013: Rs 13).

As at March 31, 2014, the Company has outstanding forward contracts amounting to USD 47.5 million (As at March 31, 2013: USD 112.75 million) and Euro 5 million (As at March 31, 2013: Euro 11 million). These derivative instruments have been entered to hedge highly probable forecasted sales.

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In accordance with the provisions of AS 30, those derivative instruments which qualify for cash flow hedge accounting have been fair valued at balance sheet date and the resultant exchange gain/ (loss) has been credited/ (debited) to hedge reserve (Refer Note 3.1.2). As of March 31, 2014, the Company does not have any derivative instruments that do not qualify for hedge accounting. However such instruments that were prevalent in the previous year have been fair valued at the balance sheet date and the resultant exchange gain Rs 308 for the year ended March 31, 2013 has been recorded in the statement of profit and loss.

3.3.3 Short-term provisions

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Provision for employee benefits		
- Gratuity	2	11
- Compensated absences	320	262
Provision for taxes	219	199
Provision for discount	231	145
Dividend payable	626	374
Dividend distribution tax payable	106	61
Provision for foreseeable losses on contracts	3	-
Provision for post contract support services	4	3
Provision for disputed dues*	63	57
Total	1,574	1,112

*Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Company has preferred an appeal with the relevant authority. In respect of the provisions of AS 29, the disclosures required have not been provided in accordance with paragraph 72 of AS 29.



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Significant accounting policies and notes to the accounts (continued)
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The following table sets out the status of the gratuity plan as required under AS 15- Employee Benefits.

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Change in projected benefit obligations		
Obligations at the beginning of the year	324	276
Service cost	74	62
Interest cost	26	19
Benefits settled	(36)	(41)
Actuarial (gain)/ loss	(23)	8
Obligations at end of the year	365	324
Change in plan assets		
Plan assets at the beginning of the year, at fair value	313	275
Expected return on plan assets	26	23
Actuarial gain/ (loss)	-	1
Contributions	60	55
Benefits settled	(36)	(41)
Plan assets at the end of the year, at fair value	363	313

Reconciliation of the present value of the obligation and the fair value of the plan assets

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Fair value of plan assets at the end of the year	363	313	275	257	212
Present value of defined obligations at the end of the year	(365)	(324)	(276)	(265)	(208)
Asset/ (liability) recognised in the balance sheet	(2)	(11)	(1)	(8)	4

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Mindtree Limited
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Particulars	For the year ended March 31,	
	2014	2013
Gratuity cost		
Service cost	74	62
Interest cost	26	19
Expected return on plan assets	(26)	(23)
Actuarial (gain)/loss	(23)	7
Net gratuity cost	51	65
Actual return on plan assets	26	24
Assumptions		
Interest rate	8.80%	7.96%
Expected rate of return on plan assets	8%	8%
Salary increase	6%	6%
Attrition rate	13%	13.38%
Retirement age	60	60

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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

Provision for post contract support services

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	3	5
Provisions made during the year	1	-
Utilisations during the year	-	-
Released during the year	-	(2)
Provision at the end of the year	4	3

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Mindtree Limited
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Provision for discount

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	145	109
Provisions made during the year	290	144
Utilisations during the year	(154)	(95)
Released during the year	(11)	(13)
Provision at the end of the year	270	145
Current	231	145
Non-current	39	-

Provision for foreseeable losses on contracts

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	-	4
Provisions made during the year	3	-
Utilisations during the year	-	(4)
Released during the year	-	-
Provision at the end of the year	3	-

The current provisions are expected to be utilized over a period of one year and the non-current provisions are expected to be utilized over a period of two to three years.



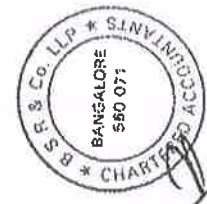

Mindtree Limited
Significant accounting policies and notes to the accounts
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3.4 Non-current assets

3.4.1 Fixed assets

Assets	Gross block				Accumulated depreciation			Net book value	
	As at April 1, 2013	Additions during the year	Deletions during the year	As at March 31, 2014	As at April 1, 2013	For the year	Deletions during the year	As at March 31, 2014	As at March 31, 2013
Tangible assets	425	-	-	425	71	12	-	83	342
Leasehold land	1,626	285	-	1,911	289	59	-	348	1,563
Buildings	1,186	417	1	1,602	865	173	1	1,037	565
Leasehold improvements	1,296	483	209	1,978	1,018	276	209	1,085	483
Computer systems	219	-	-	218	198	20	-	217	1
Test equipment	151	41	-	191	138	20	-	157	34
Furniture and fixtures	247	114	-	360	205	52	-	256	104
Electrical installations	482	119	-	600	370	67	-	436	164
Office equipment	2	1	-	2	2	-	-	1	1
Motor vehicles	8	-	-	8	1	-	-	1	7
Plant and machinery	5,642	1,460	215	6,887	3,157	679	215	3,621	3,266
Total (A)	57	-	-	67	39	15	-	52	15
Intangible assets	698	197	3	892	622	117	2	737	155
Intellectual property	765	197	3	959	661	130	2	789	104
Computer Software	6,407	1,657	218	7,846	3,818	809	217	4,410	3,436
Total (A+B)	5,820	626	39	6,407	3,724	624	35	3,818	2,589
Previous year									

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Mindtree Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2014
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3.4.2 Non-current investments

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Investment in mutual funds (quoted)	168	223
Investment in equity instruments (unquoted)		
- Investment in Trade	8	8
- Investment in subsidiary	14	14
Less: Provision for diminution in value of investments	(1)	(1)
Total	189	244
Aggregate amount of quoted investments	168	223
Aggregate market value of quoted investments	170	224
Aggregate amount of unquoted investments	22	22

Details of investment in mutual funds are as given below:

Particulars	As at	As at
	March 31, 2014	March 31, 2013
JP Morgan Mutual Fund	-	70
Birla Sun Life Mutual Fund	-	30
IDFC Mutual Fund	-	28
Tata Mutual Fund	40	95
Reliance Mutual Fund	28	-
UTI Mutual Fund	100	-
Total	168	223

Details of investment in trade unquoted investments are as given below:

Particulars	As at	As at
	March 31, 2014	March 31, 2013
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 at premium of US \$ 0.2557 each in 30 Second Software Inc	7	7
Total	8	8

Details of investment in subsidiary are as given below:

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Mindtree Software (Shanghai) Co., Ltd ('MSSCL')	14	14
Total	14	14

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Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2014

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

3.4.3 Taxes

Particulars	For the year ended March 31,	
	2014	2013
Tax expense		
Current tax	1,317	887
Deferred tax	(42)	(40)
Total	1,275	847

The Company has units at Bangalore, Hyderabad and Chennai registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

The Company also has STPI units at Bangalore and Pune which are registered as a 100 percent Export Oriented Unit, which were earlier entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961.

Deferred tax assets (net):

Deferred tax assets included in the balance sheet comprises the following:

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Excess of depreciation as per books over depreciation allowed under Income Tax Act, 1961	213	215
Provision for doubtful debts	31	10
Provision for compensated absence	100	84
Provision for volume discount	29	34
Others	29	17
Total deferred tax assets	402	360



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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3.4.4 Long-term loans and advances

Particulars	As at	As at
	March 31, 2014	March 31, 2013
<i>(Unsecured considered good)</i>		
Capital advances	136	127
Security deposits*	512	426
Advances recoverable in cash or in kind or for value to be received*	110	64
Total	758	617

*Refer note 3.15 for related party balances.

3.4.5 Other non-current assets

Particulars	As at	As at
	March 31, 2014	March 31, 2013
<i>(Unsecured considered good)</i>		
Advance tax and tax deducted at source, net of provision for taxes	853	848
MAT credit entitlement	160	165
Other non-current assets	26	33
Total	1,039	1,046

3.5 Current assets

3.5.1 Current investments

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Investment in mutual funds (quoted)	4,760	3,628
Less: Provision for diminution in the value of investments	-	(1)
Term deposits	400	400
Total	5,160	4,027
Aggregate amount of quoted investments	4,760	3,628
Aggregate market value of quoted investments	4,912	3,710
Aggregate amount of unquoted investments	400	400

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Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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Details of investment in mutual funds are as given below:

Particulars	As at	As at
	March 31, 2014	March 31, 2013
ICICI Prudential Mutual Fund	366	409
IDFC Mutual Fund	365	228
UTI Mutual Fund	193	248
HSBC Mutual Fund	80	70
Franklin Templeton Mutual Fund	449	310
DSP Blackrock Mutual Fund	419	248
Birla Sun Life Mutual Fund	440	371
Reliance Mutual Fund	367	349
Tata Mutual Fund	306	152
DWS Mutual Fund	156	198
SBI Mutual Fund	315	358
HDFC Mutual Fund	513	440
Axis Mutual Fund	103	51
Principal Mutual Fund	-	30
Kotak Mutual Fund	54	51
JP Morgan Mutual Fund	203	-
Sundaram Mutual Fund	106	50
Pinebridge Mutual Fund	30	30
L & T Mutual Fund	142	-
IDBI Mutual Fund	153	35
Total	4,760	3,628

Details of investments in term deposit are as given below:

Particulars	As at	As at
	March 31, 2014	March 31, 2013
HDFC Limited	400	400
Total	400	400

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Mindtree Limited
 Significant accounting policies and notes to the accounts (continued)
 For the year ended March 31, 2014
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3.5.2 Trade receivables

Particulars	As at March 31, 2014	As at March 31, 2013
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- considered good	95	175
- considered doubtful	131	36
Other debts		
- considered good	5,909	4,333
- considered doubtful	5	10
Less: Provision for doubtful debts	(136)	(46)
Total	6,004	4,508

3.5.3 Cash and bank balances

Particulars	As at March 31, 2014	As at March 31, 2013
Balances with banks in current and deposit accounts [^] *	1,171	1,235
Cash on hand	-	-
Other bank balances**	4	3
Total	1,175	1,238

[^]The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

* Balances with banks include the following:

Particulars	As at March 31, 2014	As at March 31, 2013
Balance with banks held as margin money towards guarantees	1	1

**Other bank balances represent balances in respect of unpaid dividends and are considered restricted in nature.

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Mindtree Limited
 Significant accounting policies and notes to the accounts (continued)
 For the year ended March 31, 2014
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3.5.4 Short-term loans and advances

Particulars	As at March 31, 2014	As at March 31, 2013
<i>(Unsecured considered good)</i>		
Advances recoverable in cash or in kind or for value to be received*	627	440
Less: Provision for doubtful advances	(15)	(10)
Total	612	430

*Refer note 3.15 for related party balances.

3.5.5 Other current assets

Particulars	As at March 31, 2014	As at March 31, 2013
Unbilled revenue	1,014	637
Other current assets*	712	643
Total	1,726	1,280

*Includes derivative asset of Rs 93 (As at March 31, 2013: Rs 181).

3.6 Other income

Particulars	For the year ended March 31,	
	2014	2013
Interest income	66	64
Dividend income	150	128
Net gain on sale of investments	130	133
Foreign exchange gain/ (loss)	118	-
Other non-operating income	30	25
Total	494	350

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Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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3.7 Expenses

Employee benefits expense	For the year ended March 31,	
	2014	2013
Salaries and wages	16,189	13,029
Contribution to provident and other funds	1,404	1,107
Expense on employee stock based compensation	79	2
Staff welfare expenses	148	136
Total	17,820	14,274

Finance costs	For the year ended March 31,	
	2014	2013
Interest expense	4	10
Total	4	10

Other expenses	For the year ended March 31,	
	2014	2013
Travel expenses	1,466	935
Sub-contractor charges	1,406	861
Computer consumables	325	256
Legal and professional charges	383	249
Power and fuel	255	206
Rent (Refer note 3.16)	537	412
Repairs to buildings	42	55
Repairs to machinery	28	20
Insurance	39	20
Rates and taxes	74	72
Exchange loss, net	-	340
Other expenses	1,835	1,398
Total	6,390	4,824

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Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2014

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3.8 Contingent liabilities and commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2014 is Rs 854 (March 31, 2013: Rs 470).
- b) As of the balance sheet date, the Company's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is Rs 5,683 (March 31, 2013: Rs 4,018).
- c) The Company has received an income tax assessment for the financial year 2008-09 wherein demand of Rs 24 has been raised against the Company on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from the manner of adjustment of brought forward losses in arriving at the taxable profits of the Company and disallowance of portion of profit earned outside India from the STP and SEZ units.

Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

The Company has received a favourable order from the Commissioner of Income tax (Appeals) for majority of grounds and considering the order passed, there will not be any demand on the Company. On the other grounds which are not favourable, the Company has filed an appeal before the Income Tax Appellate Tribunal ('ITAT').

- d) The Company has received income tax assessments for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to Rs 11 and Rs 10 on account of certain disallowances/ adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received. The Company has not deposited the amount of demand with the department.
- e) The Company has received income tax assessments under Section 143(3) of the Income-tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 wherein demand of Rs 91, Rs 49, Rs 61, Rs 28, Rs 58, Rs 119, Rs 214 and Rs 63 respectively has been raised against the Company. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Company has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Company has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Company has deposited Rs 15 with the department against these demands. The department has adjusted pending refunds amounting to Rs 363 against these demands



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The Company received a favourable order from the Commissioner of Income Tax (Appeals) for the year 2001-02 where in the Commissioner of Income Tax (Appeals) accepted the Company's contentions and quashed the demand raised. The Income tax department appealed against the above mentioned order with ITAT. ITAT, in an earlier year passed an order setting aside both the orders of the Commissioner of Income Tax (Appeals) as well as the Assessing Officer and remanded the matter back to the Assessing Officer for re-assessment. The Company preferred an appeal with the Hon'ble High Court of Karnataka against the order of the ITAT. The Hon'ble High Court of Karnataka has dismissed the appeal filed against the order of ITAT and upheld the order passed by the ITAT and accordingly the case is pending before Assessing Officer for re-assessment

The Company has appealed against the demands received for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09. Based on favourable order received by the Company for the financial year 2001-02 and an evaluation of the facts and circumstances, no provision has been made against the above orders in the financial statements.

- f) The Company received an assessment order for financial year 2006-07 for the erstwhile subsidiary Mindtree Wireless Private Limited from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs 39 on account of certain other disallowances/ transfer pricing adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the demand received.

The Company has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Company has filed an appeal before Income Tax Appellate Tribunal. The final order giving effect by the Assessing Officer is completed and the demand is reduced to Rs 33. The Company has deposited Rs 5 with the department against this demand.

- g) The Company has received a draft assessment order for financial year 2009-10 from the Deputy Commissioner of Income Tax with a demand amounting to Rs 60 due to non-adjustment of brought forward losses and transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company will file an appeal with Commissioner of Income Tax (Appeals) once the final order is received.

3.9 Quantitative details

The Company is engaged in software development services. Such services are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under paragraphs 5(viii)(c) of general instructions for preparation of the statement of profit and loss as per revised Schedule VI to the Companies Act, 1956.



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 Significant accounting policies and notes to the accounts (continued)
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3.10 Value of imports on CIF basis

Particulars	For the year ended March 31,	
	2014	2013
Capital goods	292	238
Others	-	4
Total	292	242

3.11 Expenditure in foreign currency

Particulars	For the year ended March 31,	
	2014	2013
Branch office expenses	11,203	7,821
Travel expenses	251	134
Professional charges	28	21
Others	288	97
Total	11,770	8,073

3.12 Earnings in foreign currency

Particulars	For the year ended March 31,	
	2014	2013
Income from software development	29,484	22,598
Other income	5	17
Total	29,489	22,615

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3.13 During the year ended March 31, 2014, the Company has remitted in foreign currency dividend of Rs 21 (year ended March 31, 2013: Rs 8 million)

For the year ended March 31, 2014				
Dividend	Year to which it relates	Number of shares held	Number of shareholders	Amount remitted
Second interim dividend	2012-13	1,125,384	78	4.5
Final dividend	2012-13	1,124,402	79	5.6
First interim dividend	2013-14	1,098,098	50	5.4
Second interim dividend	2013-14	1,121,908	51	5.6

For the year ended March 31, 2013				
Dividend	Year to which it relates	Number of shares held	Number of shareholders	Amount remitted
Final dividend	2011-12	1,743,465	46	3
First interim dividend	2012-13	1,693,943	45	5

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3.14 Segmental reporting

Effective April 1, 2013, the Company has restructured its organisational and management structure and its internal financial reporting structure to be better aligned to market needs. Pursuant to such re-organization, the Company has identified Manufacturing, BFSI, Hitech, Travel and Transport and Others as its reportable business segments. Accordingly, as required by the accounting standards, comparatives have been restated and presented in line with the current segments.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

Business segments

Statement of profit and loss	For the year ended March 31,	
	2014	2013
Segment revenue		
Manufacturing	6,528	4,498
BFSI	6,986	5,293
Hitech	8,464	7,210
Travel & Transportation	6,077	4,691
Others	2,261	1,926
Total	30,316	23,618
Segment operating income		
Manufacturing	1,594	875
BFSI	450	642
Hitech	1,811	1,543
Travel & Transportation	1,363	1,103
Others	888	697
Total	6,106	4,860
Unallocable expenses	(809)	(964)
Profit for the year before interest, other income and tax	5,297	3,896
Interest expense	(4)	(10)
Other income	494	350
Net profit before taxes	5,787	4,236
Income taxes	(1,275)	(847)
Net profit after taxes	4,512	3,389

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Geographical segments

Revenues	For the year ended March 31,	
	2014	2013
America	17,558	13,411
Europe	8,540	6,944
India	1,449	1,462
Rest of World	2,769	1,801
Total	30,316	23,618

3.15 Related party transactions

Name of related party	Nature of relationship
Mindtree Software (Shanghai) Co., Ltd ('MSSCL'), Republic of China	Subsidiary
Janaagraha Centre for Citizenship & Democracy	Entity with common key management person
Amalgamated Bean Coffee Trading Company Limited ('ABCTCL') Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.84 % equity stake in Mindtree, and the group has a nominee on the Mindtree Board.

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Mindtree Limited
 Significant accounting policies and notes to the accounts (continued)
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Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	For the year ended March 31,	
		2014	2013
Amalgamated Bean Coffee Trading Company Limited	Procurement of supplies	17	13
Janaagraha Centre for Citizenship & Democracy	Donation paid	3	-
Tanglin Developments Limited	Leasing office buildings and land	399	310
	Advances/ deposits paid		
	- towards electricity deposit/ charges	3	220
	- towards lease rentals	486	259
	Advances/ deposits received back:		
	- towards electricity deposit/ charges	48	108
	- towards lease rentals	327	147
	Interest on advance towards electricity charges/ deposit	22	3

Balances payable to related parties are as follows:

Name of related party	As at March 31, 2014	As at March 31, 2013
Tanglin Developments Limited	-	9

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Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
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Balances receivable from related parties are as follows:

Name of related party	Nature of transactions	As at March 31, 2014	As at March 31, 2013
Tanglin Developments Limited	Rental Advance		
	- Current	126	112
	- Non-current	94	-
	Advance towards electricity charges		
	- Current	48	48
	- Non-current	16	64
	Security deposit (including electricity deposit) returnable on termination of lease	399	345
	Interest accrued on advance towards electricity charges	3	3

Key Managerial Personnel:

Subroto Bagchi	Executive Chairman
Krishnakumar Natarajan	CEO & Managing Director
S. Janakiraman	Executive Director, President and Chief Technology Officer
N.S. Parthasarathy	Executive Director, President and Chief Operating Officer
Dr. Albert Hieronimus	Independent Director and Non-Executive Vice Chairman
V.G.Siddhartha	Non-Executive Director
Prof. David B. Yoffie	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan	Independent Director
Apurva Purohit	Independent Director
Rostow Ravanan	Chief Financial Officer and Alternate Director to Mr. N.S.Parthasarathy
Anjan Lahiri**	-
R. Srinivasan*	-

*R Srinivasan retired with effect from July 19, 2013

**Anjan Lahiri resigned with effect from May 6, 2013.




Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

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The Board of Directors appointed Apurva Purohit as an Independent Director and N S Parthasarathy as an Executive Director, effective January 1, 2014. Further, the Board of Directors appointed Rostow Ramanan as an Alternate Director to N S Parthasarathy, effective January 17, 2014.

Remuneration paid to key managerial personnel during the year ended March 31, 2014 amounts to Rs 151 (for the year ended March 31, 2013: Rs 96). Dividends paid to directors during the year ended March 31, 2014 amounts to Rs 134 (year ended March 31, 2013 amounts to Rs 30).

The above remuneration excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

3.16 Lease transactions

Lease rental expense under non-cancellable operating lease during the year ended March 31, 2014 amounted to Rs 266 (for the year ended March 31, 2013: Rs 161). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Payable -- Not later than one year	267	203
Payable -- Later than one year and not later than five years	473	521

Additionally, the Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancelable operating lease during the year ended March 31, 2014 was Rs 271 (for the year ended March 31, 2013: Rs 251).

3.17 Earnings per equity 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 year ended March 31, 2014		For the year ended March 31, 2013	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	41,588,758	41,588,758	40,974,712	40,974,712
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	307,651	-	521,584
Weighted average number of equity shares for calculation of earnings per share	41,588,758	41,896,409	40,974,712	41,496,296



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2014
(Rupees in millions, except share and per share data, unless otherwise stated)

3.18 Auditor's remuneration

Particulars	For the year ended March 31,	
	2014	2013
Statutory audit	15	14
Certification	2	2
Total	17	16

3.19 The Company has a development center at Gainesville, Florida, US. The state of Florida has offered various incentives targeted to the needs of the development center. The nature and the extent of the government grant is given below:

Nature of expenses	For the year ended March 31,	
	2014	2013
Reimbursement of rent	3	2
Grant towards workforce training	28	4
Total	31	6

The Company has availed a non-monetary grant of USD 950,000 for renovation of project facility in the previous year. This grant is subject to fulfillment of certain conditions such as creation of minimum employment with specified average salary and capital investment at the development center at Gainesville, Florida, US.



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2014

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

3.20 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2014 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	Nil	Nil
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
The amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid);	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year; and	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

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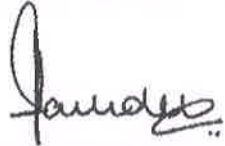
Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2014
(Rupees in millions, except share and per share data, unless otherwise stated)

3.21 The financial statements are presented in Rs in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest Rs in million are given as follows:

Balance Sheet items Particulars	Amount in Rs	
	As at March 31, 2014	As at March 31, 2013
Share application money pending allotment	27,235	-
Cash on hand	25,277	12,328

3.22 Corresponding figures for the previous year presented have been regrouped, where necessary, to conform to the current year's classification.

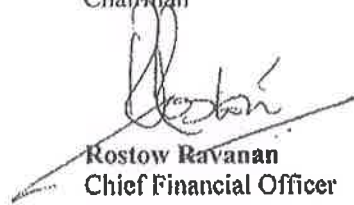
As per our report attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W



Supreet Sachdev
Partner
Membership No. : 205385



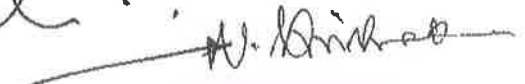
Subroto Bagchi
Chairman



Rostow Ramanan
Chief Financial Officer

For Mindtree Limited

CERTIFIED TRUE COPY



N. Krishnakumar
CEO & Managing Director



Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date: April 16, 2014

Place: Bangalore
Date: April 16, 2014



B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Independent Auditor's Report**To the Members of Mindtree Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Mindtree Limited ('Mindtree' or 'the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

For Mindtree Limited
Redu
Company Secretary

B S R & Co. (a partnership firm with
Registration No. BA81223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011



Independent Auditor's Report (continued)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

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For Mindtree Limited
Company Secretary

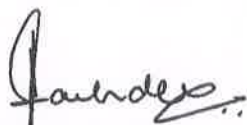
B S R & Co. LLP

- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3.8 to the financial statements;
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 3.3.2 to the financial statements;
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022



Supreet Sachdev

Partner

Membership number: 205385

Bangalore

16 April 2015



Annexure to the Independent Auditors' Report

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were observed on such verification.
- (ii) The Company is a service company, primarily rendering software development services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. The Company does not have any purchase of inventories or sale of goods since it is a service Company. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Wealth tax, Sales-tax, Service tax, Value added tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Custom Duty and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Wealth tax, Sales-tax, Service tax, Value added tax, cess and other material statutory dues were in arrears, as at 31 March 2015, for a period of more than six months from the date they became payable.



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- (b) According to the information and explanations given to us, there are no dues of Wealth tax, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. The Company, however, disputes the following Income tax, Service tax and Sales tax dues:

Name of the statute	Nature of the dues	Amount (Rs in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest	197.74*	Assessment year 2002-03	Assessing Officer, Bangalore**
Income Tax Act, 1961	Tax and interest	46.70*	Assessment year 2003-04	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	60.84	Assessment year 2004-05	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	8.45*	Assessment year 2007-08	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax and interest	11.16	Assessment year 2007-08	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	10.10	Assessment year 2008-09	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	27.91*	Assessment year 2007-08	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax and interest	23.56	Assessment year 2009-10	Commissioner of Income Taxes (Appeals), Bangalore ^{ss}



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Name of the statute	Nature of the dues	Amount (Rs in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest	122.95*	Assessment year 2008-09	Income Tax Appellate Tribunal Bangalore
Income Tax Act, 1961	Tax and interest	62.90	Assessment year 2009-10	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax and interest	61.46	Assessment year 2010-11	Commissioner of Income Taxes (Appeals), Bangalore
The Finance Act, 1994	Service tax and interest	11.29	June 2005 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Bangalore***
The Finance Act, 1994	Service tax and interest	24.27	July 2003 to March 2006	Customs, Excise and Service Tax Appellate Tribunal, Bangalore***
The Finance Act, 1994	Tax, interest and penalty	64.47	July 2004 to November 2005	Customs, Excise and Service Tax Appellate Tribunal, Bangalore****
The Finance Act, 1994	Tax, interest and penalty	3.11*	April 2007 to March 2008	Customs, Excise and Service Tax Appellate Tribunal, Bangalore ****
The Finance Act, 1994	Tax, interest and penalty	22.68	September 2004 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Bangalore****
The Finance Act, 1994	Tax, interest and penalty	4.68	April 2007 to February 2008	Customs, Excise and Service Tax Appellate Tribunal, Bangalore



Name of the statute	Nature of the dues	Amount (Rs in millions)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Tax, interest and penalty	4.80	April 2008 to March 2009	Assistant Commissioner of Commercial taxes (Recovery), Bangalore
Karnataka Sales Tax Act, 1957	Tax and penalty	0.28*	Upto July 2004	Assistant Commissioner of Commercial taxes (Recovery), Bangalore

* The above amounts are net of amount paid under protest.

\$\$ The Company is awaiting the order giving effect order from the Assessing Officer as at the date of this report

** The Company has not obtained the final assessment order as at the date of this report.

*** Stay granted by Customs, Excise and Service Tax Appellate Tribunal, Bangalore vide original order dated 6 January 2012 and further order received dated 21 February 2013.

**** Stay granted by Customs, Excise and Service Tax Appellate Tribunal, Bangalore vide order dated 27 September 2012.

Note: The Income-Tax authorities have adjusted refund amounting to Rs.162 million in respect of the aforementioned demands without earmarking amounts to the Assessment Year which has not been reflected in the above disclosure.

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the Company has not taken any term loans during the year.



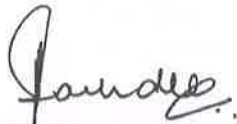
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- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

for **B S R & Co. LLP**

Chartered Accountants

Firm registration No. 101248W / W-100022



Supreet Sachdev

Partner

Membership No. 205385

Bangalore

16 April 2015



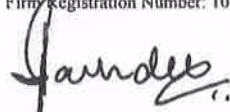
Mindtree Limited
Balance sheet

	Note	As at March 31, 2015	Rs in million As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	837	417
Reserves and surplus	3.1.2	19,271	15,992
		<u>20,108</u>	<u>16,409</u>
Share application money pending allotment	3.1.1 (g)	4	-
Non-current liabilities			
Long-term borrowings	3.2.1	23	27
Other long-term liabilities	3.2.2	334	129
Long-term provisions	3.2.3	-	39
		<u>357</u>	<u>195</u>
Current liabilities			
Trade payables		503	82
Other current liabilities	3.3.1	3,443	2,737
Short-term provisions	3.3.2	2,046	1,574
		<u>5,992</u>	<u>4,393</u>
		<u>26,461</u>	<u>20,997</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3.4.1	4,507	3,266
Intangible assets	3.4.1	119	170
Capital work-in-progress		354	496
Non-current investments	3.4.2	1,113	189
Deferred tax assets (net)	3.4.3	449	402
Long-term loans and advances	3.4.4	653	758
Other non-current assets	3.4.5	1,003	1,039
		<u>8,198</u>	<u>6,320</u>
Current assets			
Current investments	3.5.1	5,343	5,160
Trade receivables	3.5.2	6,798	6,004
Cash and bank balances	3.5.3	3,669	1,175
Short-term loans and advances	3.5.4	836	612
Other current assets	3.5.5	1,617	1,726
		<u>18,263</u>	<u>14,677</u>
		<u>26,461</u>	<u>20,997</u>

Significant accounting policies and notes to the accounts 2&3

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

As per our report of even date attached
For **BSR & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022



Supreet Sachdev
Partner
Membership Number: 205385

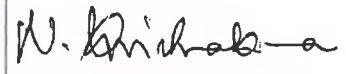


Subroto Bagchi
Chairman



Jagannathan Chakravarthi
Chief Financial Officer

For Mindtree Limited



N. Krishnakumar
CEO & Managing Director

Place: Bangalore
Date: April 16, 2015

Place: Bangalore
Date: April 16, 2015



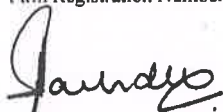
Mindtree Limited
Statement of profit and loss

Particulars	Note	Rs in million, except share and per share data	
		For the year ended	
		March 31, 2015	March 31, 2014
Revenue from operations		35,474	30,316
Other income	3.6	831	494
Total revenues		36,305	30,810
Expenses:			
Employee benefits expense	3.7	20,646	17,820
Finance costs	3.7	1	4
Depreciation and amortisation expense	3.4.1	1,017	809
Other expenses	3.7	7,764	6,390
Total expenses		29,428	25,023
Profit before tax		6,877	5,787
Tax expense:	3.4.3		
Current tax		1,581	1,317
Deferred tax		(47)	(42)
Profit for the year		5,343	4,512
Earnings per equity share	3.17		
Equity shares of par value Rs 10/- each			
Basic		63.90	54.25
Diluted		63.62	53.90
Weighted average number of equity shares used in computing earnings per share			
Basic		83,619,436	83,177,516
Diluted		83,998,716	83,716,693


Significant accounting policies and notes to the accounts 2&3

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


As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022


Supreet Sachdev
Partner
Membership Number: 205385


Subroto Bagchi
Chairman


Jagannathan Chakravarthi
Chief Financial Officer

For Mindtree Limited


N. Krishnakumar
CEO & Managing Director

Place: Bangalore
Date : April 16, 2015

Place: Bangalore
Date : April 16, 2015

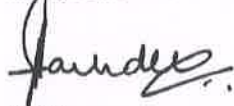


Mindtree Limited
Cash flow statement

	Rs in million	
	For the year ended March 31, 2015	2014
Cash flow from operating activities		
Profit before tax	6,877	5,787
Adjustments for :		
Depreciation and amortisation	1,017	809
Amortization of stock compensation cost	168	79
Interest expense	1	4
Interest/ dividend income	(294)	(215)
Profit on sale of fixed assets	(6)	(3)
Profit on sale of investments	(286)	(130)
Exchange difference on derivatives	(21)	-
Effect of exchange differences on translation of foreign currency borrowings	-	25
Effect of exchange differences on translation of foreign currency cash and cash equivalents	9	(69)
Operating profit before working capital changes	<u>7,465</u>	<u>6,287</u>
Changes in trade receivables	(794)	(1,496)
Changes in loans and advances and other assets	(33)	(837)
Changes in liabilities and provisions	879	568
Net cash provided by operating activities before taxes	<u>7,517</u>	<u>4,522</u>
Income taxes paid	(1,540)	(1,297)
Net cash provided by operating activities	<u><u>5,977</u></u>	<u><u>3,225</u></u>
Cash flow from Investing activities		
Purchase of fixed assets	(1,995)	(1,520)
Proceeds from sale of fixed assets	8	3
Investment in Subsidiary	(600)	-
Interest/ dividend received from investments	219	222
Purchase of investments	(9,982)	(11,444)
Sale/ maturities of investments	10,252	10,495
Net cash used in investing activities	<u><u>(2,098)</u></u>	<u><u>(2,244)</u></u>
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	67	63
Interest paid on loans	(1)	(5)
Repayment of borrowings	(4)	(811)
Proceeds from loans	-	564
Dividends paid (including distribution tax)	(1,438)	(924)
Net cash used in financing activities	<u><u>(1,376)</u></u>	<u><u>(1,113)</u></u>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(9)	69
Net increase/ (decrease) in cash and cash equivalents	<u>2,494</u>	<u>(63)</u>
Cash and cash equivalents at the beginning of the year	<u>1,175</u>	<u>1,238</u>
Cash and cash equivalents at the end of the year (Refer note 3.5.3)	<u><u>3,669</u></u>	<u><u>1,175</u></u>

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

As per our report of even date attached
For BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022



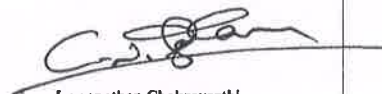
Supreet Sachdev
Partner
Membership Number: 205385

For Mindtree Limited

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director



Jagannathan Chakravarthi
Chief Financial Officer

Place: Bangalore
Date: April 16, 2015

Place: Bangalore
Date: April 16, 2015



Mindtree Limited
Significant accounting policies and notes to the accounts
For the year ended March 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated).

1. Background

Mindtree Limited ('Mindtree' or 'the Company') is an international Information Technology consulting and implementation company that delivers business solutions through global software development. The Company is structured into five verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Hitech and Media Services (HTMS), Travel and Hospitality (TH) and Others. The Company offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business's, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is head quartered in Bangalore and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France, Ireland and Republic of China.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified and applicable) and guidelines issued by the Securities and exchange Board of India (SEBI).

2.2 Use of estimates

The preparation of 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.



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2.3 Fixed assets and depreciation

- 2.3.1 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.
- 2.3.2 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 Company.
- 2.3.3 Leases under which the Company 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.
- 2.3.4 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.
- 2.3.5 Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Company. Depreciation for assets purchased/ sold during a period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The Company estimates the useful lives for fixed assets as follows:

Asset classification	Useful life
Buildings	5-30 years
Computer systems	2-3 years
Computer software	2 years
Test equipment	3 years
Furniture and fixtures	5 years
Electrical installations	3 years
Office equipment	4 years
Motor vehicles	4 years
Plant and machinery	4 years
Intellectual property	5 years

The Company 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 which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.



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2.3.6 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.

2.4 Investments

2.4.1 Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.

2.4.2 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.

2.4.3 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.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand and balance in bank in current accounts and deposit accounts.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby 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 Company are segregated.

2.7 Employee benefits

2.7.1 Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by ICICI Prudential Life Insurance Company, SBI Life Insurance Company and Life Insurance Corporation of India. Actuarial gains and losses are charged to the statement of profit and loss.

2.7.2 Compensated absences are a long-term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.

2.7.3 Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.



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2.8 Revenue recognition

2.8.1 The Company 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.

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

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

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

2.9 Foreign exchange transactions

2.9.1 The Company is exposed to foreign currency transactions including foreign currency revenues, receivables and borrowings. With a view to minimize the volatility arising from fluctuations in currency rates, the Company enters into foreign exchange forward contracts and other derivative instruments.

2.9.2 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 statement of profit and loss for the period.

2.9.3 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 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.



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- 2.9.4 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 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 statement of profit and loss.
- 2.9.5 Forward exchange contracts and other similar instruments that are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts and other similar instruments covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/ fair value at the reporting date, or based on the spot exchange rate on the reporting date. For contracts recorded at the spot exchange rates, the premium or discount at the inception is amortized as income or expense over the life of the contract.
- 2.9.6 For forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecasted transactions, the Company has adopted Accounting Standard ('AS') 30, 'Financial Instruments: Recognition and Measurement' to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of cash flow hedge accounting, are fair valued at balance sheet date and the resultant exchange loss/ gain is debited/ credited to the hedge reserve until the transaction is completed. Other derivative instruments are recorded at fair value at the reporting date and the resultant exchange loss/ gain is debited/ credited to statement of profit and loss.

2.10 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.

2.11 Provision and contingent liabilities

The Company 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.



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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.

2.12 Taxation

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company. 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.

Minimum alternate tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the balance sheet if there is a convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant assets can be measured reliably. MAT credit entitlement can be carried forward and utilized for a period of ten years from the period in which such credit is availed.

The Company offsets, 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.

2.13 Earnings per share

In determining earnings per share, the Company considers the 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.



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2.14 Impairment of assets

The Company 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 Company 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 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.

2.15 Employee stock based compensation

The Company measures the compensation cost relating to stock options, restricted shares and phantom stock options using the intrinsic value method. The compensation cost is amortised over the vesting/ service period.

2.16 Government grants

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

- (i) the Company 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 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 Company 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.



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3. Notes to the accounts

3.1 Shareholders' funds

3.1.1 Share capital

a)

Particulars	As at	
	March 31, 2015	March 31, 2014
Authorised 800,000,000 (March 31, 2014: 79,620,000) equity shares of Rs 10/- each	8,000	796
Issued, subscribed and paid-up capital 83,732,372 (March 31, 2014: 41,689,731) equity shares of Rs 10/- each fully paid	837	417
Total	837	417

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at		As at	
	March 31, 2015		March 31, 2014	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the year	41,689,731	417	41,535,055	415
Add: Shares issued on exercise of employee stock options and restricted shares	276,980	2	154,676	2
Add: Bonus shares issued *	41,765,661	418	-	-
Number of shares outstanding at the end of the year	83,732,372	837	41,689,731	417

*Refer note 3.1.1 (e).

c) The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

The Company declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

The Board of Directors at its meeting held on October 15, 2014 declared an interim dividend of 30% (Rs 3 per equity share of par value Rs 10/- each) for the quarter ended September 30, 2014. At its meeting held on January 19, 2015, the Board declared a second interim dividend of 40% (Rs 4 per equity share of par value Rs 10/- each) for the quarter ended December 31, 2014. Further, the Board of Directors at its meeting held on April 16, 2015 have recommended a final dividend of 100% (Rs 10 per equity share of par value Rs 10 each).

During the year ended March 31, 2014, the amount of per share dividend recognized as distributions to equity shareholders was Rs 25 per equity share.



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In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below:

Sr. No.	Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
		Number of shares	%	Number of shares	%
1	Coffee Day Enterprises Limited	8,730,884	10.4%	4,365,442	10.5%
2	Nalanda India Fund Limited	7,898,178	9.4%	3,949,089	9.5%
3	Global Technology Ventures Limited	5,297,122	6.3%	2,648,561	6.4%

- e) In the period of five years immediately preceding March 31, 2015:
- The Company has allotted 41,765,661 fully paid up equity shares during the quarter ended June 30, 2014 pursuant to 1:1 bonus share issue approved by shareholders. Consequently, options/ units granted under the various employee share based plans are adjusted for bonus share issue.
 - The Company has not bought back any class of equity shares.
 - The Company has allotted a total of 1,300,965 equity shares as fully paid up without payment being received in cash. These shares were allotted to the shareholders of erstwhile Aztecsoft Limited pursuant to the scheme of amalgamation during the financial year ended March 31, 2010.

f) Employee stock based compensation

The Company instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors ('the Board'). The Company currently administers seven stock option programs, a restricted stock purchase plan and a phantom stock option plan.

Program 1 [ESOP 1999]

Options under this program are exercisable at an exercise price of Rs 10 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees who have joined on or before September 30, 2001 or have been issued employment offer letters on or before August 7, 2001. This plan was terminated on September 30, 2001. The contractual life of each option is 11 years after the date of grant. There are no options outstanding as at the reporting date.



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Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of Rs 50 per option (Rs 25 per option post bonus issue). All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees who have joined on or after October 1, 2001 or have been issued employment offer letters on or after August 8, 2001 or options granted to existing employees with grant date on or after October 1, 2001. This plan was terminated on April 30, 2006. The contractual life of each option is 11 years after the date of grant.

Particulars	Year ended March 31,	
	2015	2014
Outstanding options, beginning of the year	54,777*	47,918
Granted during the year	-	-
Exercised during the year	29,401	12,868
Lapsed during the year	2,304	3,821
Forfeited during the year	-	-
Outstanding options, end of the year	23,072	31,229
Options vested and exercisable, end of the year	23,072	31,229

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Program 3 [ESOP 2006 (a)]

Options under this program have been granted to employees at an exercise price of Rs 250 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees to whom the options are granted on or after May 1, 2006. This plan was terminated on October 25, 2006. The contractual life of each option is 5 years after the date of grant. There are no options outstanding as at the reporting dates.



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Program 4 [ESOP 2006 (b)]

Options under this program are granted to employees at an exercise price periodically determined by the Nomination and Remuneration Committee. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees to whom the options are granted on or after October 25, 2006. The contractual life of each option is 5 years after the date of grant.

Particulars	Year ended March 31,	
	2015	2014
Outstanding options, beginning of the year	213,750*	304,650
Granted during the year	-	-
Exercised during the year	92,000	57,600
Lapsed during the year	-	28,475
Forfeited during the year	47,750	71,325
Outstanding options, end of the year	74,000	147,250
Options vested and exercisable, end of the year	74,000	89,175

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Program 5 [ESOP 2008A]

Options under this program are granted to employees of erstwhile Aztecsoft Limited as per swap ratio of 2:11 as specified in the merger scheme. Each option is entitled to 1 equity share of Rs 10 each.

Particulars	Year ended March 31,	
	2015	2014
Outstanding options, beginning of the year	168,295*	108,248
Granted during the year	-	-
Exercised during the year	51,293	20,614
Lapsed during the year	33,926	2,610
Forfeited during the year	-	-
Outstanding options, end of the year	83,076	85,024
Options vested and exercisable, end of the year	83,076	85,024

*Adjusted for bonus issue. Refer note 3.1.1 (e)

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Significant accounting policies and notes to the accounts (continued)

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Directors' Stock Option Plan, 2006 ('DSOP 2006')

Options under this program have been granted to independent directors at an exercise price periodically determined by the Nomination and Remuneration Committee. All stock options vest equally over three year vesting term at the end of 1, 2 and 3 years respectively from the date of the grant and become fully exercisable. Each option is entitled to 1 equity share of Rs 10 each. The contractual life of each option is 4 years after the date of the grant.

Particulars	Year ended March 31,	
	2015	2014
Outstanding options, beginning of the year	75,000*	135,000
Granted during the year	-	-
Exercised during the year	35,000	45,000
Lapsed during the year	-	10,000
Forfeited during the year	-	25,000
Outstanding options, end of the year	40,000	55,000
Options vested and exercisable, end of the year	26,666	41,666

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Program 7 [ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received by the Company from the BSE and NSE for 1,135,000 equity shares of Rs 10 each. No options have been granted under the program as at March 31, 2015.

Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

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



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Particulars	Year ended March 31,	
	2015	2014
Outstanding shares, beginning of the year	-	-
Granted during the year	69,286	18,594
Exercised during the year	69,286	18,594
Lapsed during the year	-	-
Forfeited during the year	-	-
Outstanding shares, end of the year	-	-
Shares vested and exercisable, end of the year	-	-

During the year ended March 31, 2015, 69,286 equity shares were granted by the Company under Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was Rs 840 using the Black-Scholes model with the following assumptions:

Weighted average grant date share price	Rs 851
Weighted average exercise price	Rs 10
Dividend yield %	0.31%
Expected life	1-2 years
Risk free interest rate	8.53%
Volatility	84.99%

The Company has also granted phantom stock options and letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the grant/issue as at March 31, 2015 are given below:

Particulars	Phantom stock options plan*	ERSP 2012 plan*
Total no. of units/ shares	765,000	230,000
Vested units/ shares	100,980	28,248
Lapsed units/ shares	13,770	3,852
Forfeited units/ shares	-	16,000
Cancelled units/ shares (Refer note below)	497,250	-
Outstanding units/ shares as at the end of the year	153,000	181,900
Contractual life	2 years	5 years
Date of grant	18-Jul-13	18-Jul-13**
Price per share/ unit	Grant price of Rs 455	Exercise price of Rs 10**

*Adjusted for bonus issue. Refer note 3.1.1 (e).

**Based on Letter of Intent

During the year ended March 31, 2015, the Phantom stock units which were expected to vest during the financial years 2015-16 and 2016-17 have been cancelled by the Company. As a result of the cancellation of these units, the Company has reversed the stock based compensation recorded in earlier years of Rs 57 in the statement of profit and loss for the year ended March 31, 2015.



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The following table summarizes information about the weighted average exercise price of options/ shares exercised under various programs:

Particulars	Amount in Rs	
	Year ended March 31,	
	2015*	2014
Program 1	-	-
Program 2	30.25	50.00
Program 3	-	-
Program 4	344.77	507.14
Program 5	201.88	387.64
DSOP 2006	560.00	560.00
ERSP 2012	10.00	10.00

*Exercise price is adjusted post bonus issue.

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2015 and March 31, 2014 respectively:

Particulars	As at March 31, 2015		
	Number of options/ shares*	Weighted average remaining contractual life (in years)	Weighted average exercise price* (in Rs)
Program 1	-	-	-
Program 2	23,072	0.70	25.00
Program 3	-	-	-
Program 4	74,000	0.32	265.07
Program 5	83,076	2.32	215.18
DSOP 2006	40,000	1.10	278.00
ERSP 2012	-	-	-

*Adjusted for bonus issue. Refer note 3.1.1 (e).

Particulars	As at March 31, 2014		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in Rs)
Program 1	-	-	-
Program 2	31,229	1.13	50.00
Program 3	-	-	-
Program 4	147,250	1.78	496.58
Program 5	85,024	2.28	393.90
DSOP 2006	55,000	1.24	558.55
ERSP 2012	-	-	-

The Company has recorded compensation cost for all grants using the intrinsic value-based method of accounting, in line with prescribed SEBI guidelines.



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Had stock based compensation been determined under the fair value approach described in the Guidance Note on, "Accounting for employee share based payments" issued by ICAI, the Company's net profit and basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

Particulars	Year ended March 31,	
	2015	2014
Net profit as reported	5,343	4,512
Add: Stock-based employee compensation expense (intrinsic value method)	168	79
Less: Stock-based employee compensation expense (fair value method)	(173)	18
Pro forma net profit	5,338	4,609
Basic earnings per share as reported	63.90	54.25
Pro forma basic earnings per share	63.85	55.42
Diluted earnings per share as reported	63.62	53.90
Pro forma diluted earnings per share	63.56	55.06

- g) The Company has received Rs 4 towards allotment of 15,000 equity shares and 276 equity shares at exercise prices of Rs 285 each and Rs 25 each respectively and is shown under Share application money pending allotment. The Company expects to make the allotment during the quarter ended June 30, 2015. The Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money.



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3.1.2 Reserves and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
Capital reserve		
Opening balance	87	87
	<u>87</u>	<u>87</u>
Securities premium reserve		
Opening balance	2,208	2,125
Additions during the year on exercise of employee stock options/ restricted shares	108	83
Less: Amount utilised for bonus shares	(418)	-
	<u>1,898</u>	<u>2,208</u>
General reserve		
Opening balance	1,542	1,091
Add: Transfer from statement of profit and loss	-	451
	<u>1,542</u>	<u>1,542</u>
Share option outstanding account		
Opening balance	68	48
Additions during the year	10	20
	<u>78</u>	<u>68</u>
Hedge reserve		
Opening balance	49	173
Movement during the year	(49)	(124)
	<u>-</u>	<u>49</u>
Surplus (Balance in the statement of profit and loss)		
Opening balance	12,038	9,198
Add: Amount transferred from statement of profit and loss	5,343	4,512
Amount available for appropriations	<u>17,381</u>	<u>13,710</u>
Appropriations:		
Interim dividend	(586)	(624)
Final dividend	(838)	(417)
Dividend distribution tax	(291)	(180)
Amount transferred to general reserve	-	(451)
	<u>15,666</u>	<u>12,038</u>
Total	19,271	15,992



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3.2 Non-current liabilities

3.2.1 Long-term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured)</i>		
Other loans and advances	23	27
Total	23	27

Long-term borrowings represent the amount received from Council for Scientific and Industrial Research (CSIR) to develop a project under "Development of Intelligent Video Surveillance Server (IVSS) system".

The loan is an unsecured loan carrying a simple interest of 3% p.a on the outstanding amount of loan. Repayment of loan is in 10 equal annual installments from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay.

There is no continuing default in the repayment of the principal loan and interest amounts.

3.2.2 Other long-term liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Other long-term liabilities	334	97
Employee related liabilities	-	32
Total	334	129

3.2.3 Long-term provisions

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for discount	-	39
Total	-	39

Refer note 3.3.2 for the disclosure of provisions movement as required under the provisions of Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets' ('AS 29').



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3.3 Current liabilities

3.3.1 Other current liabilities

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Current maturities of long-term debt*	5	5
Interest accrued but not due on borrowings	1	1
Unearned income	225	100
Unpaid dividends	5	4
Creditors for capital goods	218	175
Advances from customers	27	103
Employee related liabilities	1,462	1,264
Book overdraft	155	85
Other liabilities**	1,345	1,000
Total	3,443	2,737

*The details of interest rates, repayment and other terms are disclosed under note 3.2.1.

**Includes derivative liability of Rs 3 (As at March 31, 2014: Rs 44).

As at March 31, 2015, the Company has outstanding forward contracts amounting to USD 32 million (As at March 31, 2014: USD 47.5 million), GBP 2.25 million (As at March 31, 2014: Nil) and Euro 4.5 million (As at March 31, 2014: Euro 5 million). These derivative instruments have been entered to hedge highly probable forecasted sales.

In accordance with the provisions of AS 30, those forward contracts which qualify for cash flow hedge accounting have been fair valued at balance sheet date and the resultant exchange gain/ (loss) has been credited/ (debited) to hedge reserve (Refer Note 3.1.2). Other derivative instruments have been fair valued at the balance sheet date and resultant exchange gain of Rs 21 for the year ended March 31, 2015 (for the year ended March 31, 2014: Nil) has been recorded in the statement of profit and loss.

3.3.2 Short-term provisions

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Provision for employee benefits		
- Gratuity	18	2
- Compensated absences	352	320
Provision for taxes, net of advance tax and tax deducted at source	227	219
Provision for discount	367	231
Dividend payable	837	626
Dividend distribution tax payable	172	106
Provision for foreseeable losses on contracts	-	3
Provision for post contract support services	5	4
Provision for disputed dues*	68	63
Total	2,046	1,574

*Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Company has preferred an appeal with the relevant authority. In respect of the provisions of AS 29, the disclosures required have not been provided in accordance with paragraph 72 of AS 29.



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The following table sets out the status of the gratuity plan as required under AS 15- Employee Benefits.

Particulars	As at	
	March 31, 2015	March 31, 2014
Change in projected benefit obligations		
Obligations at the beginning of the year	365	324
Service cost	81	74
Interest cost	29	26
Benefits settled	(55)	(36)
Actuarial (gain)/ loss	(7)	(23)
Obligations at end of the year	413	365
Change in plan assets		
Plan assets at the beginning of the year, at fair value	363	313
Expected return on plan assets	29	26
Actuarial gain/ (loss)	5	-
Contributions	53	60
Benefits settled	(55)	(36)
Plan assets at the end of the year, at fair value	395	363

Reconciliation of the present value of the obligation and the fair value of the plan assets

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Fair value of plan assets at the end of the year	395	363	313	275	257
Present value of defined obligations at the end of the year	(413)	(365)	(324)	(276)	(265)
Asset/ (liability) recognised in the balance sheet	(18)	(2)	(11)	(1)	(8)



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Particulars	For the year ended March 31,	
	2015	2014
Gratuity cost		
Service cost	81	74
Interest cost	29	26
Expected return on plan assets	(29)	(26)
Actuarial (gain)/loss	(12)	(23)
Net gratuity cost	69	51
Actual return on plan assets	29	26
Assumptions		
Interest rate	7.80%	8.80%
Expected rate of return on plan assets	8.75%	8.00%
Salary increase	6.00%	6.00%
Attrition rate	14.23%	13.00%
Retirement age	60	60

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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

Provision for post contract support services

Particulars	For the year ended March 31,	
	2015	2014
Balance at the beginning of the year	4	3
Provisions made during the year	2	1
Utilisations during the year	-	-
Released during the year	(1)	-
Provision at the end of the year	5	4



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Provision for discount

Particulars	For the year ended March 31,	
	2015	2014
Balance at the beginning of the year	270	145
Provisions made during the year	433	290
Utilisations during the year	(328)	(154)
Released during the year	(8)	(11)
Provision at the end of the year	367	270
Current	367	231
Non-current	-	39

Provision for foreseeable losses on contracts

Particulars	For the year ended March 31,	
	2015	2014
Balance at the beginning of the year	3	-
Provisions made during the year	-	3
Released during the year	(3)	-
Provision at the end of the year	-	3

The current provisions are expected to be utilized over a period of one year and the non-current provisions are expected to be utilized over a period of two to three years.

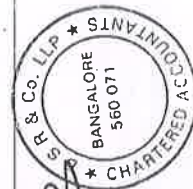


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3.4 Non-current assets

3.4.1 Fixed assets

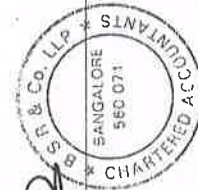
Assets	Gross block			Accumulated depreciation			Net book value		
	As at April 1, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	As at April 1, 2014	For the year	Deletions during the year	As at March 31, 2015	As at March 31, 2015
Tangible assets									
Leasehold land	425	-	-	425	83	12	-	95	330
Buildings	2,694	928	1	3,621	957	149	1	1,105	2,516
Leasehold improvements	819	197	-	1,016	428	126	-	554	462
Computer systems	1,570	569	102	2,037	1,085	416	101	1,400	637
Test equipment	218	-	1	217	217	1	1	217	-
Furniture and fixtures	191	71	5	257	157	14	5	166	91
Electrical installations	360	167	6	521	256	69	6	319	202
Office equipment	600	155	24	731	436	80	24	492	239
Motor vehicles	2	27	1	28	1	5	1	5	23
Plant and machinery	8	-	-	8	1	-	-	1	7
Total (A)	6,887	2,114	140	8,861	3,621	872	139	4,354	4,507
Intangible assets									
Intellectual property	67	-	-	67	52	13	-	65	2
Computer Software	892	94	65	921	737	132	65	804	117
Total (B)	959	94	65	988	789	145	65	869	119
Total (A+B)	7,846	2,208	205	9,849	4,410	1,017	204	5,223	4,626



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3.4.1 Fixed Assets (continued)

Assets	Gross block				Accumulated depreciation			Net book value	
	As at April 1, 2013	Additions during the year	Deletions during the year	As at March 31, 2014	As at April 1, 2013	For the year	Deletions during the year	As at March 31, 2014	As at March 31, 2014
Tangible assets									
Leasehold land	425	-	-	425	71	12	-	83	342
Buildings	2,332	362	-	2,694	829	128	-	957	1,737
Leasehold improvements	480	340	1	819	325	104	1	428	391
Computer systems	1,296	483	209	1,570	1,018	276	209	1,085	485
Test equipment	219	-	1	218	198	20	1	217	1
Furniture and fixtures	151	41	1	191	138	20	1	157	34
Electrical installations	247	114	1	360	205	52	1	256	104
Office equipment	482	119	1	600	370	67	1	436	164
Motor vehicles	2	1	1	2	2	-	1	1	1
Plant and machinery	8	-	-	8	1	-	-	1	7
Total (A)	5,642	1,460	215	6,887	3,157	679	215	3,621	3,266
Intangible assets									
Intellectual property	67	-	-	67	39	13	-	52	15
Computer Software	698	197	3	892	622	117	2	737	155
Total (B)	765	197	3	965	663	130	2	789	170
Total (A+B)	6,407	1,657	218	7,846	3,818	809	217	4,410	3,436



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3.4.2 Non-current investments

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Investment in mutual funds (quoted)	-	168
Trade investments (unquoted)		
- Investment in equity instruments	16	15
- Investment in preference shares	7	7
- Investment in Limited Liability Company	1,091	-
Less: Provision for diminution in value of investments	(1)	(1)
Total	1,113	189
Aggregate amount of quoted investments	-	168
Aggregate market value of quoted investments	-	170
Aggregate amount of unquoted investments	1,114	22

Details of investment in mutual funds are as given below:

Particulars	As at March 31, 2015		As at March 31, 2014	
	No of units	Amount	No of units	Amount
Tata Mutual Fund	-	-	4,000,000	40
Reliance Mutual Fund	-	-	2,850,000	28
UTI Mutual Fund	-	-	10,000,000	100
Total	-	-	-	168

Details of investment in equity instruments are as given below:

Particulars	As at	As at
	March 31, 2015	March 31, 2014
2,400 (previous year: 2,400) equity shares in Career Community.com Limited	1	1
12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited	-	-
950,000 (previous year: Nil) equity shares of Re.1 each in NuvePro Technologies Private Limited	1	-
Investment in wholly owned subsidiary - Mindtree Software (Shanghai) Co., Ltd ('MSSCL')	14	14
Total	16	15

Details of investment in preference shares are as given below:

Particulars	As at	As at
	March 31, 2015	March 31, 2014
643,790 (previous year: 643,790) 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
Total	7	7



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Details of investment in Limited Liability Company is as given below:

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Investment in wholly owned subsidiary - Discoverure Solutions L.L.C.	1,091	-
Total	1,091	-

The Company has acquired 100% equity interest in Discoverure Solutions L.L.C. (Discoverure), a US based IT solution provider to the insurance industry, for a consideration of Rs 1,091. The consideration includes future payments which are based on achievement of certain specific milestones which have currently been provided for based on best estimate of the Company. The transfer of membership interests and control of Discoverure is effective February 13, 2015 and consequently, Discoverure has become a 100% subsidiary of the Company effective that date.

3.4.3 Taxes

Particulars	For the year ended March 31,	
	2015	2014
Tax expense		
Current tax	1,581	1,317
Deferred tax	(47)	(42)
Total	1,534	1,275

The Company has units at Bangalore, Hyderabad, Chennai and Bhubaneswar registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

The Company also has STPI units at Bangalore and Pune which are registered as a 100 percent Export Oriented Unit, which were earlier entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961.



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Deferred tax assets (net):
Deferred tax assets included in the balance sheet comprises the following:

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Excess of depreciation as per books over depreciation allowed under Income Tax Act, 1961	205	213
Provision for doubtful debts	16	31
Provision for compensated absence	117	100
Provision for volume discount	39	29
Others	72	29
Total deferred tax assets	449	402

3.4.4 Long-term loans and advances

Particulars	As at	As at
	March 31, 2015	March 31, 2014
<i>(Unsecured considered good)</i>		
Capital advances	107	136
Security deposits*	546	512
Advances recoverable in cash or in kind or for value to be received*	-	110
Total	653	758

*Refer note 3.15 for related party balances.

3.4.5 Other non-current assets

Particulars	As at	As at
	March 31, 2015	March 31, 2014
<i>(Unsecured considered good)</i>		
Advance tax and tax deducted at source, net of provision for taxes	834	853
MAT credit entitlement	110	160
Other non-current assets	59	26
Total	1,003	1,039



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3.5 Current assets

3.5.1 Current investments

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Investment in mutual funds (quoted)	4,643	4,760
Term deposits	700	400
Total	5,343	5,160
Aggregate amount of quoted investments	4,643	4,760
Aggregate market value of quoted investments	4,790	4,912
Aggregate amount of unquoted investments	700	400

Details of investment in mutual funds are as given below:

Particulars	As at March 31, 2015		As at March 31, 2014	
	No of units	Amount	No of units	Amount
ICICI Prudential Mutual Fund	28,722,324	472	36,627,677	366
IDFC Mutual Fund	37,530,726	433	36,124,257	365
UTI Mutual Fund	13,456,138	158	27,011,640	193
HSBC Mutual Fund	-	-	79,974	80
Franklin Templeton Mutual Fund	11,695,643	290	26,910,401	449
DSP Blackrock Mutual Fund	14,790,537	351	41,938,435	419
Birla Sun Life Mutual Fund	20,007,295	454	44,008,990	440
Reliance Mutual Fund	23,725,772	428	34,640,032	367
Tata Mutual Fund	36,229,022	422	32,316,197	306
DWS Mutual Fund	4,483,697	45	15,626,078	156
SBI Mutual Fund	13,787,278	358	25,554,712	315
HDFC Mutual Fund	27,872,023	424	51,091,613	513
Axis Mutual Fund	100,840	104	103,111	103
Bank of India AXA Mutual Fund	10,000,000	100	-	-
Kotak Mutual Fund	5,681,936	58	5,305,892	54
JP Morgan India Mutual Fund	16,989,901	189	20,253,910	203
Sundaram Mutual Fund	-	-	10,462,576	106
Princbridge Mutual Fund	-	-	29,641	30
L & T Mutual Fund	98,576	100	140,743	142
IDBI Mutual Fund	254,281	257	152,373	153
Total		4,643		4,760

Details of investments in term deposit are as given below:

Particulars	As at	As at
	March 31, 2015	March 31, 2014
HDFC Limited	700	400
Total	700	400



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3.5.2 Trade receivables

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- considered good	62	95
- considered doubtful	72	131
Other debts		
- considered good	6,736	5,909
- considered doubtful	9	5
Less: Provision for doubtful debts	(81)	(136)
Total	6,798	6,004

3.5.3 Cash and bank balances

Particulars	As at March 31, 2015	As at March 31, 2014
Balances with banks in current and deposit accounts [^] *	3,664	1,171
Cash on hand	-	-
Other bank balances**	5	4
Total	3,669	1,175

[^]The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

* Balances with banks include the following:

Particulars	As at March 31, 2015	As at March 31, 2014
Balance with banks held as margin money towards guarantees	-	1

**Other bank balances represent balances in respect of unpaid dividends and are considered restricted in nature.



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3.5.4 Short-term loans and advances

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured considered good)</i>		
Advances recoverable in cash or in kind or for value to be received*	856	627
Less: Provision for doubtful advances	(20)	(15)
Total	836	612

*Refer note 3.15 for related party balances. This also includes amounts pertaining to housing deposits, vehicles, medical emergencies and salary advances given to employees to the extent of Rs 194 as at March 31, 2015.

3.5.5 Other current assets

Particulars	As at March 31, 2015	As at March 31, 2014
Unbilled revenue	981	1,014
MAT credit entitlement	36	-
Other current assets*	600	712
Total	1,617	1,726

*Includes derivative asset of Rs 24 (As at March 31, 2014: Rs 93).

3.6 Other income

Particulars	For the year ended March 31, 2015	2014
Interest income	140	66
Dividend income	154	150
Net gain on sale of investments	286	130
Foreign exchange gain/ (loss)	177	118
Other non-operating income	74	30
Total	831	494



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3.7 Expenses

Employee benefits expense	For the year ended March 31,	
	2015	2014
Salaries and wages	18,680	16,189
Contribution to provident and other funds	1,623	1,404
Expense on employee stock based compensation*	168	79
Staff welfare expenses	175	148
Total	20,646	17,820
Finance costs	For the year ended March 31,	
	2015	2014
Interest expense	1	4
Total	1	4
Other expenses	For the year ended March 31,	
	2015	2014
Travel expenses	1,732	1,466
Communication expenses	436	370
Sub-contractor charges	2,107	1,406
Computer consumables	441	325
Legal and professional charges	406	383
Power and fuel	275	255
Rent (Refer note 3.16)	625	537
Repairs to buildings	51	42
Repairs to machinery	35	28
Insurance	49	39
Rates and taxes	93	74
Other expenses	1,514	1,465
Total	7,764	6,390

*Refer note 3.1.1 (f)



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3.8 Contingent liabilities and commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2015 is Rs 508 (March 31, 2014: Rs 854).
- b) The Company has received an income tax assessment for the financial year 2008-09 wherein demand of Rs 24 has been raised against the Company on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from the manner of adjustment of brought forward losses in arriving at the taxable profits of the Company and disallowance of portion of profit earned outside India from the STP and SEZ units.

Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

The Company has received a favourable order from the Commissioner of Income tax (Appeals) for majority of grounds and considering the order passed, there will not be any demand on the Company. On the other grounds which are not favourable, the Company has filed an appeal before the Income Tax Appellate Tribunal ('ITAT').

- c) The Company has received income tax assessments for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to Rs 11 and Rs 10 on account of certain disallowances/ adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received. The Company has not deposited the amount of demand with the department.
- d) The Company has received income tax assessments under Section 143(3) of the Income-tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 wherein demand of Rs 198, Rs 49, Rs 61, Rs 28, Rs 58, Rs 119, Rs 214 and Rs 63 respectively has been raised against the Company. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Company has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Company has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Company has deposited Rs 15 with the department against these demands. The department has adjusted pending refunds amounting to Rs 450 against these demands.



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The Company received a favourable order from the Commissioner of Income Tax (Appeals) for the year 2001-02 where in the Commissioner of Income Tax (Appeals) accepted the Company's contentions and quashed the demand raised. The Income tax department appealed against the above mentioned order with ITAT. ITAT, in an earlier year passed an order setting aside both the orders of the Commissioner of Income Tax (Appeals) as well as the Assessing Officer and remanded the matter back to the Assessing Officer for re-assessment. The Company preferred an appeal with the Hon'ble High Court of Karnataka against the order of the ITAT. The Hon'ble High Court of Karnataka has dismissed the appeal filed against the order of ITAT and upheld the order passed by the ITAT and accordingly the case is pending before Assessing Officer for re-assessment. The Assistant Commissioner of Income tax has completed the reassessment & has issued a draft assessment order with a revised demand amounting to Rs 198 due to transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company will file an appeal with Dispute Resolution Panel.

During the year, the Company has received the order from the Commissioner of Income Tax (Appeals) for the year 2004-05 and on the unfavorable grounds, the Company has a filed an appeal with ITAT, Bangalore.

The Company has appealed against the demands received for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09. Based on favourable order received by the Company for the financial year 2001-02 from the Commissioner of Income Tax (Appeals) and an evaluation of the facts and circumstances, no provision has been made against the above orders in the financial statements.

- e) The Company received an assessment order for financial year 2006-07 for the erstwhile subsidiary Mindtree Wireless Private Limited from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs 39 on account of certain other disallowances/ transfer pricing adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the demand received.

The Company has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Company has filed an appeal before Income Tax Appellate Tribunal. The final order giving effect by the Assessing Officer is completed and the demand is reduced to Rs 33. The Company has deposited Rs 5 with the department against this demand.

- f) The Company has received a final assessment order for financial year 2009-10 from the Deputy Commissioner of Income Tax with a demand amounting to Rs 61 due to non-adjustment of brought forward losses and transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal with Commissioner of Income Tax (Appeals).

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Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

3.9 Quantitative details

The Company is engaged in software development services. Such services are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under paragraphs 5(viii)(c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013.

3.10 Value of imports on CIF basis

Particulars	For the year ended March 31,	
	2015	2014
Capital goods	339	292
Total	339	292

3.11 Expenditure in foreign currency

Particulars	For the year ended March 31,	
	2015	2014
Branch office expenses	15,822	11,203
Travel expenses	244	251
Professional charges	52	28
Others	363	288
Total	16,481	11,770

3.12 Earnings in foreign currency

Particulars	For the year ended March 31,	
	2015	2014
Income from software development	34,452	29,484
Other income	31	5
Total	34,483	29,489



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2015

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

3.13 During the year ended March 31, 2015, the Company has remitted in foreign currency dividend of Rs 29 (for the year ended March 31, 2014: Rs 21)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Number of shares held		
Final dividend 2012-13	-	1,124,402
Second interim dividend 2012-13	-	1,125,384
First interim dividend 2013-14	-	1,098,098
Second interim dividend 2013-14	-	1,121,908
Third interim dividend 2013-14	1,119,693	-
Final and special dividend 2013-14	2,150,288	-
First interim dividend 2014-15	1,870,871	-
Second interim dividend 2014-15	1,878,172	-
Number of shareholders		
Final dividend 2012-13	-	79
Second interim dividend 2012-13	-	78
First interim dividend 2013-14	-	50
Second interim dividend 2013-14	-	51
Third interim dividend 2013-14	53	-
Final and special dividend 2013-14	51	-
First interim dividend 2014-15	52	-
Second interim dividend 2014-15	56	-
Amount Remitted (in Rs)		
Final dividend 2012-13	-	5 million
Second interim dividend 2012-13	-	5 million
First interim dividend 2013-14	-	6 million
Second interim dividend 2013-14	-	5 million
Third interim dividend 2013-14	6 million	-
Final and special dividend 2013-14	10 million	-
First interim dividend 2014-15	6 million	-
Second interim dividend 2014-15	7 million	-



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

3.14 Segmental reporting

The Company is structured into five verticals – RCM, BFSI, HTMS, TH and Others. During the year, the Company has classified results of Media Services in HTMS. The results were previously classified with TH segment. Accordingly, as required by the accounting standards, comparatives have been restated and presented in line with the current segments. The Company considers business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

Business segments

Statement of profit and loss	For the year ended March 31,	
	2015	2014
Segment revenue		
RCM	7,720	6,528
BFSI	8,233	6,986
HTMS	11,641	9,806
TH	5,843	4,735
Others	2,037	2,261
Total	35,474	30,316
Segment operating income		
RCM	1,503	1,594
BFSI	912	450
HTMS	2,738	2,477
TH	1,136	697
Others	793	888
Total	7,082	6,106
Unallocable expenses	(1,035)	(809)
Profit for the year before interest, other income and tax	6,047	5,297
Interest expense	(1)	(4)
Other income	831	494
Net profit before taxes	6,877	5,787
Income taxes	(1,534)	(1,275)
Net profit after taxes	5,343	4,512

Geographical segments

Revenues	For the year ended March 31,	
	2015	2014
America	21,921	17,558
Europe	8,964	8,540
India	1,350	1,449
Rest of World	3,239	2,769
Total	35,474	30,316



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

3.15 Related party transactions

Name of related party	Nature of relationship
Mindtree Software (Shanghai) Co., Ltd ('MSSCL'), Republic of China	Subsidiary
Discoverture Solutions L.L.C.	Subsidiary with effect from February 13, 2015.
Discoverture Solutions U.L.C.	Subsidiary with effect from February 13, 2015.
Discoverture Solutions Europe Limited	Subsidiary with effect from February 13, 2015.
Mindtree Foundation	Entity with common key managerial person
Janaagraha Centre for Citizenship & Democracy	Entity with common key managerial person
Coffee Day Global Limited Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.76% equity stake in Mindtree, and the group has a nominee on the Mindtree Board.

Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	For the year ended March 31,	
		2015	2014
Mindtree Software (Shanghai) Co., Ltd	Software services received	19	-
Discoverture Solutions L.L.C.	Software services rendered	22	-
Mindtree Foundation	Donation paid	13	-
Janaagraha Centre for Citizenship & Democracy	Software services rendered	1	-
	Donation paid	4	3
Coffee Day Global Limited	Procurement of supplies	17	17



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
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Tanglin Developments Limited	Leasing office buildings and land	321	399
	Advances/ deposits paid		
	- towards electricity deposit/ charges	9	3
	- towards lease rentals	-	486
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	51	48
	- towards lease rentals	156	327
	Interest on advance towards electricity charges/ deposit		
	- amount recovered	7	-
	- amount accrued	4	22

Balances payable to related parties are as follows:

Name of related party	As at March 31, 2015	As at March 31, 2014
Mindtree Software (Shanghai) Co., Ltd	6	-

Balances receivable from related parties are as follows:

Name of related party	Nature of transactions	As at March 31, 2015	As at March 31, 2014
Discoverure Solutions L.L.C.	Trade receivables	22	-
Tanglin Developments Limited	Rental Advance		
	- Current	94	126
	- Non-current	-	94
	Advance towards electricity charges		
	- Current	16	48
	- Non-current	-	16
	Security deposit (including electricity deposit) returnable on termination of lease	375	399



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
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Interest accrued on advance towards electricity charges - 3

Key Managerial Personnel:

Subroto Bagchi	Executive Chairman
Krishnakumar Natarajan	CEO and Managing Director
S. Janakiraman*	President, Chief Technology Officer and Executive Director
N.S. Parthasarathy	President, Chief Operating Officer and Executive Director
Rostow Ravanan**	Chief Financial Officer and Executive Director
Dr. Albert Hieronimus	Independent Director and Non-Executive Vice Chairman
Apurva Purohit	Independent Director
Prof. David B. Yoffie***	Independent Director
Manisha Girotra	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan	Independent Director
V.G.Siddhartha	Non-Executive Director
Rajesh Srichand Narang****	Vice President - Legal and Company Secretary

*S Janakiraman resigned with effect from October 20, 2014.

**Rostow Ravanan has been designated as Head – Europe and has also taken over certain Key Accounts and Service Lines effective April 1, 2015 and Jagannathan Chakravarthi has been appointed as the Chief Financial Officer, effective April 1, 2015.

***Prof. David B. Yoffie resigned with effect from March 30, 2015.

**** Rajesh Srichand Narang resigned with effect from February 13, 2015.

The Board of Directors appointed Ms. Manisha Girotra as an Independent Director and Mr. Rostow Ravanan as an Executive Director, effective May 20, 2014.

Remuneration to key managerial personnel during the year ended March 31, 2015 amounts to Rs 224 (for the year ended March 31, 2014: Rs 151). Dividends paid to directors during the year ended March 31, 2015 amounts to Rs 173 (for the year ended March 31, 2014 amounts to Rs 134).

The above remuneration excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
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3.16 Lease transactions

Lease rental expense under non-cancellable operating lease during the year ended March 31, 2015 amounted to Rs 361 (for the year ended March 31, 2014: Rs 266). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Payable -- Not later than one year	390	267
Payable -- Later than one year and not later than five years	541	473
Payable -- later than five years	106	4

Additionally, the Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancelable operating lease during the year ended March 31, 2015 was Rs 264 (for the year ended March 31, 2014: Rs 271).

3.17 Earnings per equity 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 year ended March 31, 2015		For the year ended March 31, 2014*	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	83,619,436	83,619,436	83,177,516	83,177,516
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	379,280	-	539,177
Weighted average number of equity shares for calculation of earnings per share	83,619,436	83,998,716	83,177,516	83,716,693

*In accordance with Accounting Standard 20 on 'Earnings Per Share', basic and diluted earnings per share is adjusted for 1:1 bonus issue for previous year presented.



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

3.18 Auditor's remuneration

Particulars	For the year ended March 31,	
	2015	2014
Statutory audit	16	15
Certification	2	2
Total	18	17

3.19 The Company has a development center at Gainesville, Florida, US. The state of Florida has offered various incentives targeted to the needs of the development center. The nature and the extent of the government grant is given below:

Nature of expenses	For the year ended March 31,	
	2015	2014
Reimbursement of rent	-	3
Grant towards workforce training	24	28
Total	24	31

The Company had availed a non-monetary grant of USD 950,000 for renovation of project facility. This grant is subject to fulfillment of certain conditions such as creation of minimum employment with specified average salary and capital investment at the development center at Gainesville, Florida, US.

3.20 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2015 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2015	March 31, 2014
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	Nil	Nil
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
the amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid);	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year; and	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

3.21 Total of expenditure incurred on Corporate Social Responsibility activities during the year ended March 31, 2015 is Rs 40.



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2015
(Rupees in millions, except share and per share data, unless otherwise stated)

3.22 The financial statements are presented in Rs in million. Those items which are required to be disclosed and which are not presented in the financial statement due to rounding off to the nearest Rs in million are given as follows:

Balance Sheet items Particulars	Amount in Rs	
	As at March 31, 2015	As at March 31, 2014
Share application money pending allotment	-	27,235
Cash on hand	21,148	25,277
12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited	126,400	126,400

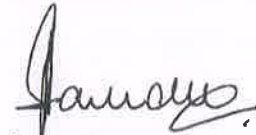
3.23 As of the balance sheet date, the Company's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is Rs 6,319 (March 31, 2014: Rs 5,683).

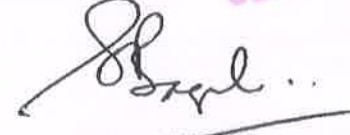
3.24 Corresponding figures for the previous year presented have been regrouped, where necessary, to conform to the current year's classification.

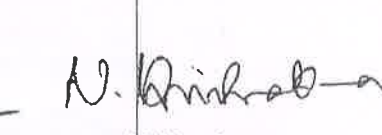
As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

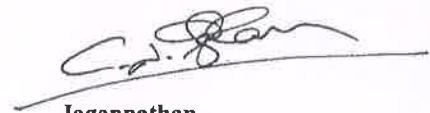
For Mindtree Limited

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Supreet Sachdev
Partner
Membership No. : 205385


Subroto Bagchi
Chairman


N. Krishnakumar
CEO & Managing Director


Jagannathan Chakravarthi
Chief Financial Officer

Place: Bangalore
Date: April 16, 2015

Place: Bangalore
Date: April 16, 2015



Deloitte Haskins & Sells

Chartered Accountants
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Bengaluru- 560 025
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINDTREE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MINDTREE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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For Mindtree Limited

Company Secretary



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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**Deloitte
Haskins & Sells**

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

V. Balaji

V. Balaji
Partner
(Membership No. 203685)

BENGALURU, April 18, 2016
VB/UB/VMS/2016



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MINDTREE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

V. Balaji

V. Balaji
Partner
(Membership No. 203685)

BENGALURU, April 18, 2016
VB/UB/VMS/2016



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed/ approved building plan provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold as at the balance sheet date, are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Act in respect of investments made. According to the information and explanations given to us, the Company has not granted any loan or provided any guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits.
- (vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order with regard to cost records is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

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- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (Rs. in millions)	Amount Unpaid (Rs. in millions)
Income-tax Act, 1961	Income-tax	Commissioner of Income Taxes (Appeals)	AY 2002-03 to 2004-05	324.75	202.29
			AY 2007-08 and 2008-09	21.26	3.14
			AY 2010-11	61.47	61.47
			AY 2013-14	15.30	15.30
		Income Tax Appellate Tribunal	AY 2005-06 to 2009-10	538.10	163.00
The Finance Act, 1994	Service tax	Customs, Excise and Service Tax Appellate Tribunal	July 2003 to May 2008	141.70	131.09
			Assistant Commissioner of Commercial Taxes (Recovery)	April 2008 to March 2009	4.80
The Karnataka Sales Tax Act, 1957	Value added tax	Assistant Commissioner of Commercial Taxes (Recovery)	Upto July 2004	0.79	0.29
The Central Sales Tax Act, 1956	Sales tax	Commissioner (Appeals)	2011-12	0.46	0.46

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to bank and government. There are no borrowings from financial institutions and the Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

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**Deloitte
Haskins & Sells**

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

CERTIFIED TRUE COPY

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

V. Balaji

V. Balaji
Partner
(Membership No. 203685)

BENGALURU, April 18, 2016
VB/UB/VMS/2016



Mindtree Limited
Balance sheet

	Note	As at March 31, 2016	Rs in million As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	1,078	837
Reserves and surplus	3.1.2	22,486	19,271
		<u>24,164</u>	<u>20,108</u>
Share application money pending allotment	3.1.1 (g)	-	4
Non-current liabilities			
Long-term borrowings	3.2.1	18	23
Other long-term liabilities	3.2.2	1,072	334
		<u>1,090</u>	<u>357</u>
Current liabilities			
Short-term borrowings	3.3.1	400	-
Trade payables			
Payable to micro and small enterprises	3.20	4	-
Others		1,242	1,188
Other current liabilities	3.3.2	3,712	2,776
Short-term provisions	3.3.3	2,153	2,028
		<u>7,511</u>	<u>5,992</u>
		<u>32,765</u>	<u>26,461</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3.4.1	4,304	4,507
Intangible assets	3.4.1	92	119
Capital work-in-progress		232	354
Non-current investments	3.4.2	9,052	1,113
Deferred tax assets (net)	3.4.3	593	449
Long-term loans and advances	3.4.4	1,842	1,639
Other non-current assets	3.4.5	276	17
		<u>16,391</u>	<u>8,198</u>
Current assets			
Current investments	3.5.1	2,101	5,343
Trade receivables	3.5.2	8,825	6,798
Cash and bank balances	3.5.3	1,924	3,669
Short-term loans and advances	3.5.4	1,476	1,448
Other current assets	3.5.5	2,048	1,005
		<u>16,374</u>	<u>18,263</u>
		<u>32,765</u>	<u>26,461</u>

Significant accounting policies and notes to the accounts 2&3

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

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

For and on behalf of the Board of Directors of Mindtree Limited

V. Balaji

Partner
Membership Number: 203685

N. Krishnakumar

Chairman

Rostow Ramanan

CEO & Managing Director

Jagannathan Chakravarthi

Chief Financial Officer

Vedavalli Sridharan

Company Secretary



Place: Bengaluru
Date: April 18, 2016

Place: Bengaluru
Date: April 18, 2016



CERTIFIED TRUE COPY

Mindtree Limited
Statement of profit and loss

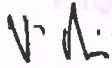
Particulars	Note	Rs in million, except share and per share data For the year ended	
		March 31, 2016	March 31, 2015
Revenue from operations		43,565	35,474
Other income	3.6	939	831
Total revenues		44,504	36,305
Expenses:			
Employee benefits expense	3.7	25,766	20,608
Finance costs	3.7	3	1
Depreciation and amortisation expense	3.4.1	1,309	1,017
Other expenses	3.7	9,691	7,802
Total expenses		36,769	29,428
Profit before tax		7,735	6,877
Tax expense:	3.4.3		
Current tax		1,830	1,581
Deferred tax		(144)	(47)
Profit for the year		6,049	5,343
Earnings per equity share	3.17		
Equity shares of par value Rs 10/- each			
Basic		36.08	31.95
Diluted		35.99	31.83
Weighted average number of equity shares used in computing earnings per share			
Basic		167,649,773	167,238,871
Diluted		168,091,689	167,893,221

Significant accounting policies and notes to the accounts 2&3

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

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

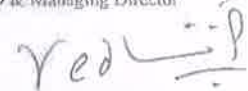
For and on behalf of the Board of Directors of **Mindtree Limited**


V. Balaji
Partner
Membership Number: 203685


N. Krishnakumar
Chairman


Rostow Ramanan
CEO & Managing Director


Jagannathan Chakravarthi
Chief Financial Officer


Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date : April 18, 2016



Place: Bengaluru
Date : April 18, 2016



Mindtree Limited
Cash flow statement

	Rs In million	
	For the year ended March 31,	
	2016	2015
Cash flow from operating activities		
Profit before tax	7,735	6,877
Adjustments for :		
Depreciation and amortisation expense	1,309	1,017
Expense on employee stock based compensation	90	168
Finance costs	3	1
Interest/ dividend income	(400)	(294)
Profit on sale of fixed assets	(30)	(6)
Profit on sale of investments	(131)	(286)
Exchange difference on derivatives	(31)	(21)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(97)	9
Operating profit before working capital changes	8,448	7,465
Changes in trade receivables	(2,027)	(794)
Changes in loans and advances and other assets	(1,098)	(33)
Changes in liabilities and provisions	657	879
Net cash provided by operating activities before taxes	5,980	7,517
Income taxes paid	(1,929)	(1,540)
Net cash provided by operating activities	4,051	5,977
Cash flow from investing activities		
Purchase of fixed assets	(1,570)	(1,995)
Proceeds from sale of fixed assets	269	8
Investment in subsidiaries	(6,659)	(600)
Interest/ dividend received from investments	479	219
Purchase of investments	(10,062)	(9,982)
Sale/ maturities of investments	13,385	10,252
Net cash used in investing activities	(4,158)	(2,098)
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	24	67
Finance costs	(3)	(1)
Repayment of borrowings	(5)	(4)
Proceeds from short-term loans	400	
Dividends paid (including distribution tax)	(2,151)	(1,438)
Net cash used in financing activities	(1,735)	(1,376)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	97	(9)
Net (decrease)/ Increase in cash and cash equivalents	(1,745)	2,494
Cash and cash equivalents at the beginning of the year	3,669	1,175
Cash and cash equivalents at the end of the year (Refer note 3.5.3)	1,924	3,669

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

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

For and on behalf of the Board of Directors of Mindtree Limited

V. Balaji

V. Balaji
Partner

Membership Number: 203685

N. Krishnakumar

N. Krishnakumar
Chairman

Rostov Ramanan

Rostov Ramanan
CEO & Managing Director

Jagannathan Chakravarthi

Jagannathan Chakravarthi
Chief Financial Officer

Vedavalli Sridharan

Vedavalli Sridharan
Company Secretary



Place: Bengaluru
Date: April 18, 2016

Place: Bengaluru
Date: April 18, 2016



Mindtree Limited

Significant accounting policies and notes to the accounts

For the year ended March 31, 2016

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

1. Background

Mindtree Limited ('Mindtree' or 'the Company') is an international Information Technology consulting and implementation company that delivers business solutions through global software development. The Company is structured into five verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS), Travel and Hospitality (TH) and Others. The Company offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business's, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is head quartered in Bengaluru and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France and Ireland.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP, inter alia comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act'), the provisions of the Act (to the extent notified and applicable) and guidelines issued by the Securities and Exchange Board of India (SEBI).

2.2 Use of estimates

The preparation of 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.



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2016
(Rupees in millions, except share and per share data, unless otherwise stated)

2.3 Fixed assets and depreciation

- 2.3.1 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.
- 2.3.2 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 Company.
- 2.3.3 Leases under which the Company 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.
- 2.3.4 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.
- 2.3.5 Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Company. Depreciation for assets purchased/ sold during a period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The Company estimates the useful lives for fixed assets as follows:

Asset classification	Useful life
Buildings	5-30 years
Computer systems	2-3 years
Computer software	2 years
Test equipment	3 years
Furniture and fixtures	5 years
Electrical installations	3 years
Office equipment	4 years
Motor vehicles	4 years
Plant and machinery	4 years
Intellectual property	5 years

The Company 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 which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2016

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

- 2.3.6 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.

2.4 Investments

- 2.4.1 Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.
- 2.4.2 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.
- 2.4.3 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.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand and balance in bank in current accounts and deposit accounts that are highly liquid and are readily convertible to known amounts of cash.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby 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 Company are segregated.

2.7 Employee benefits

- 2.7.1 Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by ICICI Prudential Life Insurance Company, SBI Life Insurance Company and Life Insurance Corporation of India. Actuarial gains and losses are charged to the statement of profit and loss.
- 2.7.2 Compensated absences are a long-term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.
- 2.7.3 Contributions payable to the social security plans, which are a defined contribution scheme, are charged to the statement of profit and loss in the period in which the employee renders services.



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2016

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

2.8 Revenue recognition

2.8.1 The Company 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.

2.8.2 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.

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

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

2.9 Foreign exchange transactions

2.9.1 The Company is exposed to foreign currency transactions including foreign currency revenues, receivables and borrowings. With a view to minimize the volatility arising from fluctuations in currency rates, the Company enters into foreign exchange forward contracts and other derivative instruments.

2.9.2 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 statement of profit and loss for the period.

2.9.3 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 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.



S.H.



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2016

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

- 2.9.4 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 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 statement of profit and loss.
- 2.9.5 Forward exchange contracts and other similar instruments that are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts and other similar instruments covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/ fair value at the reporting date, or based on the spot exchange rate on the reporting date. For contracts recorded at the spot exchange rates, the premium or discount at the inception is amortized as income or expense over the life of the contract.
- 2.9.6 For forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecasted transactions, the Company has adopted Accounting Standard ('AS') 30, 'Financial Instruments: Recognition and Measurement' to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of cash flow hedge accounting, are fair valued at balance sheet date and the resultant exchange loss/ gain is debited/ credited to the hedge reserve until the transaction is completed. Other derivative instruments are recorded at fair value at the reporting date and the resultant exchange loss/ gain is debited/ credited to statement of profit and loss.

2.10 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.

2.11 Provision and contingent liabilities

The Company 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.



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2016

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

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.

2.12 Taxation

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company. 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 supported by convincing evidence 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.

Minimum alternate tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the balance sheet if there is a convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant assets can be measured reliably. MAT credit entitlement can be carried forward and utilized for a period of ten years from the period in which such credit is availed.

The Company offsets, 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.

2.13 Earnings per share

In determining earnings per share, the Company considers the 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. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.



8 S.F.



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2016

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

2.14 Impairment of assets

The Company 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 Company 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 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.

2.15 Employee stock based compensation

The Company measures the compensation cost relating to stock options, restricted shares and phantom stock options using the intrinsic value method. The compensation cost is amortised over the vesting/ service period.

2.16 Government grants

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

- (i) the Company 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 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 Company 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.



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2016
(Rupees in millions, except share and per share data, unless otherwise stated)

3. Notes to the accounts

3.1 Shareholders' funds

3.1.1 Share capital

a)

Particulars	As at	
	March 31, 2016	March 31, 2015
Authorised		
800,000,000 (March 31, 2015: 800,000,000) equity shares of Rs 10/- each	8,000	8,000
Issued, subscribed and paid-up capital		
167,786,176 (March 31, 2015: 83,732,372) equity shares of Rs 10/- each fully paid	1,678	837
Total	1,678	837

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year is as given below:

Particulars	As at		As at	
	March 31, 2016		March 31, 2015	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the year	83,732,372	837	41,689,731	417
Add: Shares issued on exercise of stock options and restricted shares	160,716	2	276,980	2
Add: Bonus shares issued *	83,893,088	839	41,765,661	418
Number of shares outstanding at the end of the year	167,786,176	1,678	83,732,372	837

*Refer note 3.1.1 (e).

c) The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

The Company declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

The Board of Directors at its meeting held on July 16, 2015, October 15, 2015 and January 18, 2016 had declared an interim dividend of 30% (Rs 3 per equity share of par value Rs 10/- each) for the quarter ended June 30, 2015, 40% (Rs 4 per equity share of par value Rs 10/- each) for the quarter ended September 30, 2015 and 40%



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2016

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

(Rs 4 per equity share of par value Rs 10/- each) for the quarter ended December 31, 2015 respectively.

During the year, the Company has issued bonus shares in the ratio of 1:1 after approval of shareholders through postal ballot.

The Board of Directors at its meeting held on March 23, 2016, have declared an interim dividend of 20% (Rs 2 per equity share (after bonus issue) of par value of Rs 10/- each) for the quarter ended March 31, 2016. Further, the Board of Directors at its meeting held on April 18, 2016 have recommended a final dividend of 30% (Rs 3 per equity share (after bonus issue) of par value Rs 10/- each) for the year ended March 31, 2016.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below:

Sr. No.	Name of the shareholder	As at March 31, 2016*		As at March 31, 2015	
		Number of shares	%	Number of shares	%
1	Coffee Day Enterprises Limited	17,461,768	10.4%	8,730,884	10.4%
2	Nalanda India Fund Limited	15,796,356	9.4%	7,898,178	9.4%
3	Coffee Day Trading Limited	10,594,244	6.3%	5,297,122	6.3%

*Post bonus issue

- e) In the period of five years immediately preceding March 31, 2016:
- The Company has allotted 83,893,088 and 41,765,661 fully paid up equity shares during the quarter ended March 31, 2016 and June 30, 2014 respectively, pursuant to 1:1 bonus share issue approved by shareholders. Consequently, options/ units granted under the various employee share based plans are adjusted for bonus share issue.
 - The Company has not bought back any equity shares.
 - The Company has not allotted any equity shares as fully paid up without payment being received in cash.

f) **Employee stock based compensation**

The Company instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors ('the Board'). The Company has various stock option programs, a restricted stock purchase plan and a phantom stock option plan.

Program 1 [ESOP 1999]

This plan was terminated on September 30, 2001 and there are no options outstanding as at the reporting date.



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Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of Rs 50 per option (Rs 25 per option post bonus issue). All stock options have a four-year vesting term and vest and become fully exercisable at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees who have joined on or after October 1, 2001 or have been issued employment offer letters on or after August 8, 2001 or options granted to existing employees with grant date on or after October 1, 2001. This plan was terminated on April 30, 2006. The contractual life of each option is 11 years after the date of grant.

Particulars	Year ended March 31,	
	2016	2015
Outstanding options, beginning of the year	32,976*	54,777*
Granted during the year	-	-
Exercised during the year	10,894	29,401
Lapsed during the year	3,722	2,304
Forfeited during the year	-	-
Outstanding options, end of the year	18,360	23,072
Options vested and exercisable, end of the year	18,360	23,072

* Adjusted for bonus issue. Refer note 3.1.1 (e)

Program 3 [ESOP 2006 (a)]

This plan was terminated on October 25, 2006 and there are no options outstanding as at the reporting dates.

Program 4 [ESOP 2006 (b)]

Options under this program are granted to employees at an exercise price periodically determined by the Nomination and Remuneration Committee. All stock options have a four-year vesting term and vest and become fully exercisable at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant. Each option is entitled to 1 equity share of Rs 10 each. This program extends to employees to whom the options are granted on or after October 25, 2006. The contractual life of each option is 5 years after the date of grant.



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Particulars	Year ended March 31,	
	2016	2015
Outstanding options, beginning of the year	74,000	213,750*
Granted during the year	-	-
Exercised during the year	74,000	92,000
Lapsed during the year	-	-
Forfeited during the year	-	47,750
Outstanding options, end of the year	-	74,000
Options vested and exercisable, end of the year	-	74,000

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Program 5 [ESOP 2008A]

Options under this program are granted to employees of erstwhile Aztecsoft Limited as per swap ratio of 2:11 as specified in the merger scheme. Each option is entitled to 1 equity share of Rs 10 each.

Particulars	Year ended March 31,	
	2016	2015
Outstanding options, beginning of the year	159,244*	168,295*
Granted during the year	-	-
Exercised during the year	6,908	51,293
Lapsed during the year	-	33,926
Forfeited during the year	-	-
Outstanding options, end of the year	1,52,336	83,076
Options vested and exercisable, end of the year	1,52,336	83,076

*Adjusted for bonus issue. Refer note 3.1.1 (e)

Directors' Stock Option Plan, 2006 ('DSOP 2006')

Options under this program have been granted to independent directors at an exercise price periodically determined by the Nomination and Remuneration Committee. All stock options vest and become fully exercisable equally over three year vesting term at the end of 1, 2 and 3 years respectively from the date of the grant. Each option is entitled to 1 equity share of Rs 10 each. The contractual life of each option is 4 years after the date of the grant.



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Particulars	Year ended March 31,	
	2016	2015
Outstanding options, beginning of the year	60,000*	75,000*
Granted during the year	-	-
Exercised during the year	20,000	35,000
Lapsed during the year	-	-
Forfeited during the year	-	-
Outstanding options, end of the year	40,000	40,000
Options vested and exercisable, end of the year	40,000	26,666

*Adjusted for bonus issue. Refer note 3.1.1 (e)

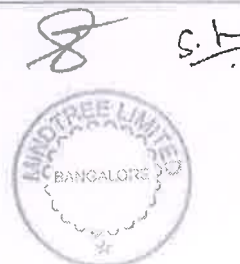
Program 7 [ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received by the Company from the BSE and NSE for 1,135,000 equity shares of Rs 10 each. No options have been granted under the program as at March 31, 2016.

Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

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

Particulars	Year ended March 31,	
	2016	2015
Outstanding shares, beginning of the year	-	-
Granted during the year	48,914	69,286
Exercised during the year	48,914	69,286
Lapsed during the year	-	-
Forfeited during the year	-	-
Outstanding shares, end of the year	-	-
Shares vested and exercisable, end of the year	-	-



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Other stock based compensation arrangements

The Company has also granted phantom stocks and letter of intent to issue shares under ERSP 2012 plan to certain employees which is subject to certain vesting conditions. Details of the grant/issue as at March 31, 2016 are given below:

Particulars	Phantom stocks plan*
Total no. of units	1,195,000
Vested units	-
Lapsed units	-
Forfeited units	-
Cancelled units	-
Outstanding units as at the end of the year	1,195,000
Contractual life	2 years
Date of grant	21-Oct-15
Price per share/ unit	Grant price of Rs 686

Particulars	ERSP 2012 plan*
Outstanding units/shares, beginning of the year	308,000
Number of units/shares issued under letters of intent	94,250
Vested units/ shares	38,102
Lapsed units/ shares	4,448
Forfeited units/ shares	17,000
Cancelled units/ shares	-
Outstanding units/ shares as at the end of the year	342,700
Contractual life	2 - 4 years
Date of grant**	18-Jul-13, 12-May-15, 21-Oct-15, 27-Oct-15, 25-Feb-16
Price per share/ unit**	Exercise price of Rs 10

*Adjusted for bonus issue. Refer note 3.1.1 (e).

**Based on Letter of Intent

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was Rs 1,418 (Rs. 705, after bonus issue) using the Black-Scholes model with the following assumptions:

	Pre bonus issue	Post bonus issue
Weighted average grant date share price	Rs 1,435	Rs 717
Weighted average exercise price	Rs 10	Rs 10
Dividend yield %	0.22%	0.31%
Expected life	1-4 years	1-4 years
Risk free interest rate	7.43%	7.43%
Volatility	45.53%	45.53%



Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2016

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The following table summarizes information about the weighted average exercise price of options/ shares exercised under various programs:

Particulars	Amount in Rs	
	Year ended March 31,	
	2016	2015
Program 2	25.00	30.25
Program 4	265.07	344.77
Program 5	239.25	201.88
DSOP 2006	309.50	560.00
ERSP 2012	10.00	10.00

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2016 and March 31, 2015 respectively:

Particulars	As at March 31, 2016		
	Number of options/ shares*	Weighted average remaining contractual life (in years)	Weighted average exercise price* (in Rs)
Program 2	18,360	0.67	12.50
Program 5	152,336	1.33	106.50
DSOP 2006	40,000	0.04	123.25

*Adjusted for bonus issue. Refer note 3.1.1 (e).

Particulars	As at March 31, 2015		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in Rs)
Program 2	23,072	0.70	25.00
Program 4	74,000	0.32	265.07
Program 5	83,076	2.32	215.18
DSOP 2006	40,000	1.10	278.00

The Company has recorded compensation cost for all grants using the intrinsic value-based method of accounting.



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Had stock based compensation been determined under the fair value approach described in the Guidance Note on, "Accounting for employee share-based payments" issued by ICAI, the Company's net profit and basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

Particulars	Year ended March 31,	
	2016	2015
Net profit as reported	6,049	5,343
Add: Stock-based employee compensation expense (intrinsic value method)	90	168
Less: Stock-based employee compensation expense (fair value method)	(92)	(173)
Pro forma net profit	6,047	5,338
Basic earnings per share as reported	36.08	31.95
Pro forma basic earnings per share	36.07	31.92
Diluted earnings per share as reported	35.99	31.83
Pro forma diluted earnings per share	35.98	31.80

- g) As at March 31, 2015, the Company had received Rs 4 towards allotment of 15,000 equity shares and 276 equity shares at exercise prices of Rs 285 each and Rs 25 each respectively and it was shown under Share application money pending allotment. The Company made the allotment for these 15,276 equity shares during the year ended March 31, 2016.



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3.1.2 Reserves and surplus

Particulars	As at March 31, 2016	As at March 31, 2015
<i>Capital reserve</i>		
Opening balance	87	87
	<u>87</u>	<u>87</u>
<i>Securities premium reserve</i>		
Opening balance	1,898	2,208
Additions during the year	63	108
Less: Amount utilised for bonus shares	(839)	(418)
	<u>1,122</u>	<u>1,898</u>
<i>General reserve</i>		
Opening balance	1,542	1,542
	<u>1,542</u>	<u>1,542</u>
<i>Share option outstanding account</i>		
Opening balance	78	68
Additions during the year	29	10
	<u>107</u>	<u>78</u>
<i>Hedge reserve</i>		
Opening balance	-	49
Movement during the year	-	(49)
	<u>-</u>	<u>-</u>
<i>Surplus (Balance in the statement of profit and loss)</i>		
Opening balance	15,666	12,038
Add: Amount transferred from statement of profit and loss	6,049	5,343
Amount available for appropriations	<u>21,715</u>	<u>17,381</u>
Appropriations:		
Interim dividend	(1,238)	(586)
Final dividend	(504)	(838)
Dividend distribution tax (net)	(325)	(291)
	<u>19,628</u>	<u>15,666</u>
Total	22,486	19,271



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3.2 Non-current liabilities

3.2.1 Long-term borrowings

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<i>(Unsecured)</i>		
Other loans	18	23
Total	18	23

Long-term borrowings represent the amount received from Council for Scientific and Industrial Research (CSIR) to develop a project under "Development of Intelligent Video Surveillance Server (IVSS) system".

The loan is an unsecured loan carrying a simple interest of 3% p.a on the outstanding amount of loan. Repayment of loan is in 10 equal annual installments from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay.

There is no continuing default in the repayment of the principal loan and interest amounts.

3.2.2 Other long-term liabilities

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Other long-term liabilities*	1,072	334
Total	1,072	334

*Includes payable for acquisition of businesses Rs. 990 (As at March 31, 2015: Rs. 227)



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3.3 Current liabilities

3.3.1 Short-term borrowings

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<i>(Secured)</i>		
Other loans from banks	400	-
Total	400	-

Short-term borrowings represent the packing credit loan from bank secured against receivables.

3.3.2 Other current liabilities

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Current maturities of long-term debt*	5	5
Interest accrued but not due on borrowings	1	1
Unearned income	230	225
Unpaid dividends	7	5
Dividend payable	336	-
Creditors for capital goods	185	218
Advances from customers	42	27
Employee related liabilities	1,091	1,462
Book overdraft	395	155
Gratuity payable (net)	138	18
Other liabilities**	1,282	660
Total	3,712	2,776

*The details of interest rates, repayment and other terms are disclosed under note 3.2.1.

**Includes derivative liability of Rs 1 (As at March 31, 2015: Rs 3) and payable for acquisition of businesses Rs. 714 (As at March 31, 2015: Rs. 269)

As at March 31, 2016, the Company has outstanding forward contracts amounting to USD 30.5 million (As at March 31, 2015: USD 32 million), GBP 1.5 million (As at March 31, 2015: GBP 2.25 million) and Euro 3.25 million (As at March 31, 2015: Euro 4.5 million). These derivative instruments have been entered to hedge highly probable forecasted sales.

The derivative instruments have been fair valued at the balance sheet date and resultant exchange gain Rs 31 for the year ended March 31, 2016 (for the year ended March 31, 2015: Exchange gain of Rs 21) has been recorded in the statement of profit and loss.



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The following table sets out the status of the gratuity plan as required under AS 15- Employee Benefits.

Particulars	As at	
	March 31, 2016	March 31, 2015
Change in projected benefit obligations		
Obligations at the beginning of the year	413	365
Service cost	91	81
Interest cost	29	29
Benefits settled	(50)	(55)
Actuarial (gain)/ loss	30	(7)
Obligations at end of the year	513	413
Change in plan assets		
Plan assets at the beginning of the year, at fair value	395	363
Expected return on plan assets	32	29
Actuarial gain/ (loss)	(6)	5
Contributions	4	53
Benefits settled	(50)	(55)
Plan assets at the end of the year, at fair value	375	395

Summary of the present value of the obligation, the fair value of the plan assets and experience adjustments

Particulars	As at March 31,				
	2016	2015	2014	2013	2012
Fair value of plan assets at the end of the year	375	395	363	313	275
Present value of defined obligations at the end of the year	(513)	(413)	(365)	(324)	(276)
Asset/ (liability) recognised in the balance sheet	(138)	(18)	(2)	(11)	(1)
Experience adjustment on plan liabilities	30	(7)	(23)	8	25
Experience adjustment on plan assets	(6)	5	-	1	38



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Particulars	For the year ended March 31,	
	2016	2015
Gratuity cost		
Service cost	91	81
Interest cost	29	29
Expected return on plan assets	(32)	(29)
Actuarial (gain)/loss	36	(12)
Net gratuity cost	124	69
Actual return on plan assets	36	29
Assumptions		
Interest rate	7.70%	7.80%
Expected rate of return on plan assets	8.75%	8.75%
Salary increase	5.00%	6.00%
Attrition rate	14.23%	14.23%
Retirement age	60	60

The Company has invested the plan assets in the insurer managed funds. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of obligation. Expected contribution to the fund for the year ending March 31, 2017 is Rs. 138.

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

3.3.3 Short-term provisions

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Provision for compensated absences	530	352
Provision for taxes, net of advance tax and tax deducted at source	270	227
Provision for discount	663	367
Dividend payable	504	837
Dividend distribution tax payable	103	172
Provision for post contract support services	7	5
Provision for disputed dues*	76	68
Total	2,153	2,028

*Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Company has preferred an appeal with the relevant authority. In respect of the provisions of AS 29, the disclosures required have not been provided in accordance with paragraph 72 of AS 29.



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

Provision for discount

Particulars	For the year ended March 31,	
	2016	2015
Balance at the beginning of the year	367	270
Provisions made during the year	486	433
Utilisations during the year	(172)	(328)
Released during the year	(18)	(8)
Provision at the end of the year	663	367

Provision for post contract support services

Particulars	For the year ended March 31,	
	2016	2015
Balance at the beginning of the year	5	4
Provisions made during the year	2	2
Utilisations during the year	-	-
Released during the year	-	(1)
Provision at the end of the year	7	5

Provision for disputed dues

Particulars	For the year ended March 31,	
	2016	2015
Balance at the beginning of the year	68	62
Provisions made during the year	8	6
Utilisations during the year	-	-
Released during the year	-	-
Provision at the end of the year	76	68



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3.4 Non-current assets

3.4.1 Fixed assets

Assets	Gross block		Accumulated depreciation		Net book value	
	As at April 1, 2015	Additions during the year	Deletions during the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016
Tangible assets						
Leasehold land	425	-	13	412	1	306
Buildings	3,621	417	992	3,046	360	2,085
Leasehold improvements	1,016	170	-	1,186	-	486
Computer systems	2,037	631	68	2,600	68	719
Test equipment	217	-	-	217	-	-
Furniture and fixtures	257	139	49	347	49	194
Electrical installations	521	121	32	610	32	212
Office equipment	731	156	78	809	77	281
Motor vehicles	28	-	-	28	9	14
Plant and machinery	8	-	-	8	-	7
Total (A)	8,861	1,634	1,232	9,263	1,192	4,304
Intangible assets						
Intellectual property	67	-	-	67	2	67
Computer Software	921	90	5	1,006	5	92
Total (B)	988	90	5	1,073	5	92
Total (A+B)	9,849	1,724	1,237	10,336	1,309	4,396

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3.4.1 Fixed Assets (continued)

Assets	Gross block				Accumulated depreciation			Net book value	
	As at April 1, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	As at April 1, 2014	For the year	Deletions during the year	As at March 31, 2015	As at March 31, 2015
Tangible assets	425	-	-	425	83	12	-	95	330
Leasehold land	2,694	928	-	3,621	957	149	1	1,105	2,516
Buildings	819	197	-	1,016	428	126	-	554	462
Leasehold improvements	1,570	569	102	2,037	1,085	416	101	1,400	637
Computer systems	218	-	1	217	217	1	1	217	-
Test equipment	191	71	5	257	157	14	5	166	91
Furniture and fixtures	360	167	6	521	256	69	6	319	202
Electrical installations	600	155	24	731	436	80	24	492	239
Office equipment	2	27	1	28	1	5	1	5	23
Motor vehicles	8	-	-	8	1	-	-	1	7
Plant and machinery	6,887	2,114	140	8,861	3,621	872	139	4,354	4,507
Total (A)	67	-	-	67	52	13	-	65	2
Intangible assets	892	94	65	921	737	132	65	804	117
Intellectual property	959	94	65	988	789	145	65	869	119
Computer Software									
Total (B)									
Total (A+B)	7,846	2,208	205	9,849	4,410	1,017	204	5,723	4,626



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3.4.2 Non-current investments

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Investment in non-convertible bonds (quoted)	50	-
Trade investments (unquoted)		
- Investment in equity instruments	4,813	16
- Investment in preference shares	7	7
- Investment in Limited Liability Company	4,183	1,091
Less: Provision for diminution in value of investments	(1)	(1)
Total	9,052	1,113
Aggregate amount of quoted investments	50	-
Aggregate market value of quoted investments	50	-
Aggregate amount of unquoted investments	9,003	1,114

Details of investment in non-convertible bonds are as given below:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
50 secured redeemable non-convertible bonds of Rs 1 million in the nature of promissory notes in PNB Housing Finance Limited	50	-
Total	50	-

Details of investment in equity instruments are as given below:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Investment in equity instruments of wholly owned subsidiaries		
Mindtree Software (Shanghai) Co., Ltd ('MSSCL')	14	14
1,104,124 (previous year: Nil) fully paid equity shares of ₹0.001 each in Bluefin Solutions Limited	4,236	-
1,000 (previous year: Nil) fully paid equity shares in Relational Solutions, Inc.	561	-
Investment in equity instruments of other companies		
2,400 (previous year: 2,400) equity shares in Career Community.com Limited	1	1
12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited	-	-
950,000 (previous year: 950,000) equity shares of ₹1 each in NuvePro Technologies Private Limited	1	1
Total	4,813	16



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Significant accounting policies and notes to the accounts (continued)

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The Company has acquired 100% of the equity interest in Bluefin Solutions Limited ('Bluefin'), a leading UK based IT solutions provider specializing in SAP HANA solutions, in an all cash transaction for GBP 42.3 million. The consideration includes an upfront payment of GBP 34 million and earn out of GBP 8.3 million payable over the next three years. The transfer of equity interests and control of Bluefin is effective July 16, 2015 and consequently, Bluefin has become a 100% subsidiary of the Company effective that date.

The Company has also acquired 100% of the equity interest in Relational Solutions, Inc a US based IT solutions provider specializing in technology services to the consumer goods industry, in an all cash transaction for USD 8.6 million. The consideration includes an upfront payment of USD 7.1 million and earn out of USD 1.5 million payable over the next two years. The transfer of equity interests and control of Relational Solutions, Inc is effective July 16, 2015 and consequently, Relational Solutions, Inc has become a 100% subsidiary of the Company effective that date.

Details of investment in preference shares are as given below:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
643,790 (previous year: 643,790) 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
Total	7	7

Details of investment in Limited Liability Company is as given below:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Investment in wholly owned subsidiary -		
Discoverure Solutions L.L.C.	1,091	1,091
Magnet 360, L.L.C.	3,092	-
Total	4,183	1,091

The Company acquired 100% membership interest in Discoverure Solutions L.L.C. (Discoverure), a US based IT solution provider to the insurance industry, for a consideration of USD 17 million during the year ended March 31, 2015. The consideration includes future payments which are based on achievement of certain specific milestones which have currently been provided for based on best estimate of the Company. The transfer of membership interests and control of Discoverure is effective February 13, 2015 and consequently, Discoverure has become a 100% subsidiary of the Company effective that date.

The Company has also acquired 100% membership interest in Magnet 360, LLC, a US-based platinum salesforce partner specializing in multi-cloud solutions, consulting services and implementation, in an all cash transaction for USD 45.9 million. The consideration includes an upfront payment of USD 37.3 million and earn out of up to USD 8.6 million over the next two years. The transfer of membership interests and control of Magnet 360, LLC is effective January 19, 2016 and consequently, Magnet 360, LLC has become a 100% subsidiary of the Company effective that date.



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3.4.3 Taxes

Particulars	For the year ended March 31,	
	2016	2015
Tax expense		
Current tax	1,880	1,581
- MAT credit entitlement	(50)	-
	1,830	1,581
Deferred tax	(144)	(47)
Total	1,686	1,534

The Company has units at Bengaluru, Hyderabad, Chennai and Bhubaneshwar registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under Section 10AA of the Income Tax Act, 1961.

The Company also has STPI units at Bengaluru and Pune which are registered as a 100 percent Export Oriented Unit, which were earlier entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961.

Deferred tax assets (net):

Deferred tax assets included in the balance sheet comprises the following:

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Excess of depreciation as per books over depreciation allowed under Income Tax Act, 1961	250	205
Provision for doubtful trade receivables	22	16
Provision for compensated absence	201	117
Provision for volume discount	73	39
Others	47	72
Total deferred tax assets	593	449

3.4.4 Long-term loans and advances

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<i>(Unsecured considered good)</i>		
Capital advances	42	107
Security deposits*	560	546
Advance tax and tax deducted at source, net of provision for taxes	926	834
Service tax credit receivable	138	-
MAT credit entitlement	148	110
Other loans and advances	28	42
Total	1,842	1,639

* Includes dues from related parties Rs.298 as at March 31, 2016. (As at March 31, 2015 Rs.391) (Refer note 3.15)



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3.4.5 Other non-current assets

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<i>(Unsecured considered good)</i>		
Other non-current assets	276	17
Total	276	17

3.5 Current assets

3.5.1 Current investments

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Investment in mutual funds (quoted)	1,751	4,643
Investment in non-convertible bonds (quoted)	100	-
Term deposits (unquoted)	250	700
Total	2,101	5,343
Aggregate carrying amount of quoted investments	1,851	4,643
Aggregate market value of quoted investments	2,016	4,790
Aggregate amount of unquoted investments	250	700

Details of investment in mutual funds are as given below:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No of units	Amount	No of units	Amount
ICICI Prudential Mutual Fund	17,401,890	296	28,722,324	472
IDFC Mutual Fund	16,285,532	192	37,530,726	433
UTI Mutual Fund	3,456,138	58	13,456,138	158
Franklin Templeton Mutual Fund	-	-	11,695,643	290
DSP Blackrock Mutual Fund	-	-	14,790,537	351
Birla Sun Life Mutual Fund	14,185,302	212	20,007,295	454
Reliance Mutual Fund	17,651,564	303	23,725,772	428
Tata Mutual Fund	21,243,549	325	36,229,022	422
DWS Mutual Fund	-	-	4,483,697	45
SBI Mutual Fund	5,597,950	87	13,787,278	358
HDFC Mutual Fund	3,635,659	178	27,872,023	424
Axis Mutual Fund	-	-	100,840	104
Bank of India AXA Mutual Fund	10,000,000	100	10,000,000	100
Kotak Mutual Fund	-	-	5,681,936	58
JP Morgan India Mutual Fund	-	-	16,989,901	189
L & T Mutual Fund	-	-	98,576	100
IDBI Mutual Fund	-	-	254,281	257
Total		1,751		4,643



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Details of investment in non-convertible bonds are as given below:

Particulars	As at March 31, 2016	As at March 31, 2015
50 secured redeemable non-convertible debentures of Rs 1 million in Kotak Mahindra Prime Limited	50	-
50 secured redeemable non-convertible debentures of Rs 1 million in Kotak Mahindra Investments Limited	50	-
Total	100	-

Details of investments in term deposit are as given below:

Particulars	As at March 31, 2016	As at March 31, 2015
HDFC Limited	-	700
IL&FS Limited	100	-
Bajaj Finance Limited	50	-
Kotak Mahindra Investments Limited	50	-
LIC Housing Finance Limited	50	-
Total	250	700

3.5.2 Trade receivables

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured)</i>		
Receivables overdue for a period exceeding six months		
- considered good	34	62
- considered doubtful	82	72
Other receivables		
- considered good	8,791	6,736
- considered doubtful	20	9
Less: Provision for doubtful receivables	(102)	(81)
Total	8,825	6,798

3.5.3 Cash and bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with banks in current and deposit accounts*	1,581	3,664
Cash on hand	-	-
Other bank balances**	343	5
Total	1,924	3,669

*The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

**Other bank balances represent earmarked balances in respect of unpaid dividends and dividend payable.



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3.5.4 Short-term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured considered good)</i>		
Security deposits	36	143
MAT credit entitlement	49	36
Advances recoverable in cash or in kind or for value to be received*	1,411	1,289
Less: Provision for doubtful advances	(20)	(20)
Total	1,476	1,448

* Includes dues from related parties Rs. Nil as at March 31, 2016. (As at March 31, 2015 Rs.94) (Refer note 3.15)

This also includes amounts pertaining to housing deposits, vehicles, medical emergencies, travel and salary advances given to employees to the extent of Rs 431 as at March 31, 2016. (As at March 31, 2015: Rs 287)

3.5.5 Other current assets

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled revenue	1,830	981
Other current assets*	218	24
Total	2,048	1,005

*Includes derivative asset of Rs 53 (As at March 31, 2015: Rs 24).

3.6 Other income

Particulars	For the year ended March 31, 2016	2015
Interest income	165	140
Dividend income from current investments	73	154
Dividend income from subsidiaries	162	-
Net gain on sale of current investments	131	286
Foreign exchange gain	365	177
Other non-operating income	43	74
Total	939	831



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3.7 Expenses

Employee benefits expense	For the year ended March 31,	
	2016	2015
Salaries and wages	24,126	19,215
Contribution to provident and other funds**	1,375	1,050
Expense on employee stock based compensation*	90	168
Staff welfare expenses	175	175
Total	25,766	20,608

Finance costs	For the year ended March 31,	
	2016	2015
Interest expense	3	1
Total	3	1

Other expenses	For the year ended March 31,	
	2016	2015
Travel expenses	2,086	1,732
Communication expenses	615	436
Sub-contractor charges	2,599	2,107
Computer consumables	617	441
Legal and professional charges	478	406
Power and fuel	316	275
Rent (Refer note 3.16)	689	625
Repairs to buildings	52	51
Repairs to machinery	47	35
Insurance	57	48
Rates and taxes	123	93
Other expenses	2,012	1,553
Total	9,691	7,802

*Refer note 3.1.1 (f)

**includes contribution to defined contribution plans Rs 1,251 (For the year ended March 31, 2015: Rs 981)



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3.8 Contingent liabilities

- a) The Company has received an income tax assessment for the financial year 2008-09 wherein demand of Rs 24 has been raised against the Company on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from the manner of adjustment of brought forward losses in arriving at the taxable profits of the Company and disallowance of portion of profit earned outside India from the STP and SEZ units.

Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

The Company has received a favourable order from the Commissioner of Income tax (Appeals) for majority of grounds and considering the order passed, there will not be any demand on the Company. On the other grounds which are not favourable, the Company has filed an appeal before the Income Tax Appellate Tribunal ('ITAT').

- b) The Company has received income tax assessments for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to Rs 11 and Rs 10 on account of certain disallowances/ adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received. The Company has not deposited the amount of demand with the department. The department has adjusted pending refunds amounting to Rs 18 against these demands.
- c) The Company has received income tax assessments under Section 143(3) of the Income-tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 wherein demand of Rs 215, Rs 49, Rs 61, Rs 28, Rs 58, Rs 119, Rs 214 and Rs 63 respectively has been raised against the Company. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Company has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Company has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Company has deposited Rs 15 with the department against these demands. The department has adjusted pending refunds amounting to Rs 478 against these demands.



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The Company received a favourable order from the Commissioner of Income Tax (Appeals) for the year 2001-02 where in the Commissioner of Income Tax (Appeals) accepted the Company's contentions and quashed the demand raised. The Income tax department appealed against the above mentioned order with ITAT. ITAT, in an earlier year passed an order setting aside both the orders of the Commissioner of Income Tax (Appeals) as well as the Assessing Officer and remanded the matter back to the Assessing Officer for re-assessment. The Company preferred an appeal with the Hon'ble High Court of Karnataka against the order of the ITAT. The Hon'ble High Court of Karnataka has dismissed the appeal filed against the order of ITAT and upheld the order passed by the ITAT and accordingly the case is pending before Assessing Officer for re-assessment. The Deputy Commissioner of Income tax has completed the reassessment & has issued a Final assessment order with a revised demand amounting to Rs 202 due to transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal with Commissioner of Income Tax (Appeals).

The Company has received the order from the Commissioner of Income Tax (Appeals) for the year 2004-05 and on the unfavorable grounds, the Company has a filed an appeal with ITAT.

The Company has appealed against the demands received for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09. Based on favourable order received by the Company for the financial year 2001-02 from the Commissioner of Income Tax (Appeals) and an evaluation of the facts and circumstances, no provision has been made against the above orders in the financial statements.

- d) The Company received an assessment order for financial year 2006-07 for the erstwhile subsidiary Mindtree Wireless Private Limited from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs 39 on account of certain other disallowances/ transfer pricing adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the demand received.

The Company has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Company has filed an appeal before Income Tax Appellate Tribunal. The final order giving effect by the Assessing Officer is completed and the demand is reduced to Rs 33. The Company has deposited Rs 5 with the department against this demand.

- e) The Company has received a final assessment order for financial year 2009-10 from the Deputy Commissioner of Income Tax with a demand amounting to Rs 61 due to non-adjustment of brought forward losses and transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal with Commissioner of Income Tax (Appeals).



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- f) The Company has received a final assessment order for financial year 2012-13 from the Deputy Commissioner of Income Tax with a demand amounting to Rs 15 on account of certain disallowances. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal with Commissioner of Income Tax (Appeals).

3.9 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2016 is Rs 262 (March 31, 2015: Rs 508).

3.10 Value of imports on CIF basis

Particulars	For the year ended March 31,	
	2016	2015
Capital goods	270	339
Total	270	339

3.11 Expenditure in foreign currency

Particulars	For the year ended March 31,	
	2016	2015
Branch office expenses	20,635	15,822
Travel expenses	269	244
Professional charges	60	52
Others	295	363
Total	21,259	16,481

3.12 Earnings in foreign currency

Particulars	For the year ended March 31,	
	2016	2015
Income from software development	42,566	34,452
Dividend income from subsidiaries	162	-
Other income	9	31
Total	42,737	34,483



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- 3.13 During the year ended March 31, 2016, the Company has remitted in foreign currency dividend of Rs 38 (year ended March 31, 2015: Rs 29)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Number of shares held		
Final dividend 2014-15	1,870,100	-
First interim dividend 2015-16	1,870,600	-
Second interim dividend 2015-16	1,796,998	-
Third interim dividend 2015-16	1,695,047	-
Third interim dividend 2013-14	-	1,119,693
Final and special dividend 2013-14	-	2,150,288
First interim dividend 2014-15	-	1,870,871
Second interim dividend 2014-15	-	1,878,172
Number of shareholders		
Final dividend 2014-15	55	-
First interim dividend 2015-16	55	-
Second interim dividend 2015-16	52	-
Third interim dividend 2015-16	52	-
Third interim dividend 2013-14	-	53
Final and special dividend 2013-14	-	51
First interim dividend 2014-15	-	52
Second interim dividend 2014-15	-	56
Amount Remitted (in Rs)		
Final dividend 2014-15	19	-
First interim dividend 2015-16	5	-
Second interim dividend 2015-16	7	-
Third interim dividend 2015-16	7	-
Third interim dividend 2013-14	-	6
Final and special dividend 2013-14	-	10
First interim dividend 2014-15	-	6
Second interim dividend 2014-15	-	7



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3.14 Segmental reporting

The Company is structured into five verticals – RCM, BFSI, TMS, TH and Others. The Company considers business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

Business segments

Statement of profit and loss	For the year ended March 31,	
	2016	2015
Segment revenue		
RCM	9,346	7,720
BFSI	10,979	8,233
TMS	14,505	11,641
TH	7,164	5,843
Others	1,571	2,037
Total	43,565	35,474
Segment operating income		
RCM	2,040	1,503
BFSI	1,455	912
TMS	2,681	2,738
TH	1,255	1,136
Others	677	793
Total	8,108	7,082
Unallocable expenses	(1,309)	(1,035)
Profit for the year before interest, other income and tax	6,799	6,047
Finance costs	(3)	(1)
Other income	939	831
Net profit before taxes	7,735	6,877
Income taxes	(1,686)	(1,534)
Net profit after taxes	6,049	5,343



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Other information	For the year ended March 31,	
	2016	2015
Depreciation and Amortisation (Unallocable)	1,309	1,017
Other significant non-cash expense (Allocable)		
RCM	15	-
BFSI	8	-
TMS	33	-
TH	8	11
Others	-	-

Geographical segments

Revenues	For the year ended March 31,	
	2016	2015
America	29,296	21,921
Europe	9,717	8,964
India	1,411	1,350
Rest of World	3,141	3,239
Total	43,565	35,474



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3.15 Related party transactions

Name of related party	Nature of relationship
Mindtree Software (Shanghai) Co., Ltd ('MSSCL'), Republic of China	Subsidiary
Discoverure Solutions L.L.C.	Subsidiary with effect from February 13, 2015
Discoverure Solutions U.L.C.*	Subsidiary with effect from February 13, 2015
Discoverure Solutions Europe Limited**	Subsidiary with effect from February 13, 2015
Janaagraha Centre for Citizenship & Democracy	Entity with common key managerial person
Mindtree Foundation	Entity with common key managerial person
Bluefin Solutions Limited	Subsidiary with effect from July 16, 2015
Bluefin Solutions Inc.	Subsidiary with effect from July 16, 2015
Bluefin Solutions Sdn Bhd	Subsidiary with effect from July 16, 2015
Blouvin (Pty) Limited	Subsidiary with effect from July 16, 2015
Bluefin Solutions Pte Ltd	Subsidiary with effect from July 16, 2015
Relational Solutions, Inc	Subsidiary with effect from July 16, 2015
Magnet 360, LLC	Subsidiary with effect from January 19, 2016
Reside, LLC	Subsidiary with effect from January 19, 2016
M360 Investments, LLC	Subsidiary with effect from January 19, 2016
Numerical Truth, LLC	Subsidiary with effect from January 19, 2016
Coffee Day Global Limited	
Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.72% equity stake in Mindtree.
Mysore Amalgamated Coffee Estate Ltd	

*Dissolved with effect from November 19, 2015.

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



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Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	For the year ended March 31,	
		2016	2015
Mindtree Software (Shanghai) Co., Ltd	Software services received	20	19
Relational Solutions, Inc	Software license fees paid	3	-
Discoverture Solutions L.L.C.	Software services rendered	248	22
	Software services received	92	-
Bluefin Solutions Limited	Software services rendered	4	-
	Software services received	7	-
Mysore Amalgamated Coffee Estate Ltd	Reimbursement of travel expenses	1	-
Mindtree Foundation	Donation paid	36	13
Janaagraha Centre for Citizenship & Democracy	Software services rendered	-	1
	Donation paid	4	4
Coffee Day Global Limited	Procurement of supplies	23	17
	Software services rendered	27	-



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Tanglin Developments Limited	Leasing office buildings and land	375	321
	Advances/ deposits paid		
	- towards electricity deposit/ charges	-	9
	Advance/ deposits received back:		
	- towards electricity deposit/ charges	16	51
	- towards lease rentals	172	156
	Interest on advance towards electricity charges/ deposit		
	- amount recovered	-	7
	- amount accrued	-	4

Balances payable to related parties are as follows:

Name of related party	As at March 31, 2016	As at March 31, 2015
Mindtree Software (Shanghai) Co., Ltd	1	6
Discoverture Solutions L.L.C.	15	-
Bluefin Solutions Limited	4	-
Coffee Day Global Limited	1	-

Balances receivable from related parties are as follows:

Name of related party	Nature of transactions	As at March 31, 2016	As at March 31, 2015
Discoverture Solutions L.L.C.	Trade receivables	98	22
Bluefin Solutions Limited	Trade receivables	4	-
Coffee Day Global Limited	Trade receivables	25	-



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Tanglin Developments Limited	<i>Short-term loans and advances</i>		
	Rental Advance		94
	<i>Long-term loans and advances:</i>		
	Advance towards electricity charges		16
	Security deposit (including electricity deposit) returnable on termination of lease	298	375

Key Managerial Personnel:

Subroto Bagchi***	Executive Chairman
Krishnakumar Natarajan^	CEO and Managing Director
N.S. Parthasarathy	Executive Director, President and Chief Operating Officer
Rostow Ravanan^	Executive Director, Head – Europe, Service lines and Key Accounts
Dr. Albert Hieronimus	Non-Executive Vice Chairman and Independent Director
Apurva Purohit	Independent Director
Manisha Girotra	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan	Independent Director
V.G.Siddhartha	Non-Executive Director
Jagannathan Chakravarthi*	Chief Financial Officer
Vedavalli Sridharan**	Company Secretary

*Appointed with effect from April 1, 2015.

**Appointed with effect from June 22, 2015.

***Effective April 1, 2016, Subroto Bagchi ceased to be the Executive Chairman and will continue as Non-executive director.

^Effective April 1, 2016, Krishnakumar Natarajan has been elevated as Executive Chairman and Rostow Ravanan, as CEO and Managing Director.



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Remuneration to key managerial personnel during the year ended March 31, 2016 amounts to Rs 135 (for the year ended March 31, 2015 amounts to Rs 224).

The above remuneration excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

Dividends paid to directors during the year ended March 31, 2016 amounts to Rs 230 (for year ended March 31, 2015 amounts to Rs 173).

3.16 Lease transactions

Lease rental expense under non-cancellable operating lease during the year ended March 31, 2016 amounted to Rs 419 (for the year ended March 31, 2015: Rs 361). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at	
	March 31, 2016	March 31, 2015
Payable -- Not later than one year	297	390
Payable -- Later than one year and not later than five years	317	541
Payable -- later than five years	89	106

Additionally, the Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancellable operating lease during the year ended March 31, 2016 was Rs 270 (for the year ended March 31, 2015: Rs 264).

3.17 Earnings per equity 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 year ended March 31, 2016		For the year ended March 31, 2015*	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	167,649,773	167,649,773	167,238,871	167,238,871
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	441,916	-	654,350
Weighted average number of equity shares for calculation of earnings per share	167,649,773	168,091,689	167,238,871	167,893,221

* In accordance with Accounting Standard 20 on 'Earnings Per Share', basic and diluted earnings per share is adjusted for bonus issue for previous period presented.



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3.18 Auditor's remuneration

Particulars	For the year ended March 31,	
	2016	2015
Audit	20	15
Taxation matters	1	1
Other services	1	1
Reimbursement of expenses and levies	1	1
Total	23	18

3.19 The Company has a development center at Gainesville, Florida, US. The state of Florida has offered various incentives targeted to the needs of the development center. The nature and the extent of the government grant is given below:

Nature of expenses	For the year ended March 31,	
	2016	2015
Grant towards workforce training	15	24
Total	15	24

The Company had availed a non-monetary grant of USD 950,000 for renovation of project facility. This grant is subject to fulfillment of certain conditions such as creation of minimum employment with specified average salary and capital investment at the development center at Gainesville, Florida, US.



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

3.20 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	For the year ended	
	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	4	Nil
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
the amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid);	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year; and	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil



S.Y.

Mindtree Limited

Significant accounting policies and notes to the accounts (continued)

For the year ended March 31, 2016

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

3.21 Total of expenditure incurred on Corporate Social Responsibility activities during the year ended March 31, 2016 is Rs 94 (during the year ended March 31, 2015 is Rs 40).

3.22 The financial statements are presented in Rs in million. Those items which are required to be disclosed and which are not presented in the financial statement due to rounding off to the nearest Rs in million are given as follows:

Balance Sheet items Particulars	Amount in Rs	
	As at March 31, 2016	As at March 31, 2015
Share application money pending allotment	42,300	4,281,900
Provision for foreseeable losses on contracts	277,996	275,752
Cash on hand	15,350	21,148
12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited	126,400	126,400

Statement of Profit and Loss items Particulars	Amount in Rs	
	For the year ended March 31, 2016	2015
Adjustment to the carrying amount of investments	(319,056)	3,259,370

3.23 As of the balance sheet date, the Company's net foreign currency exposure that is not hedged by a derivative instrument is given below:

Particulars	As at	
	March 31, 2016	March 31, 2015
Receivable	10,347	6,483
Payable	(3,281)	(164)



Mindtree Limited
Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2016
(Rupees in millions, except share and per share data, unless otherwise stated)

- 3.24 The Company has filed an application before the Hon'ble High Court of Karnataka for a composite scheme of amalgamation ("the scheme") of Discoverture Solutions L.L.C. and Relational Solutions Inc., wholly owned subsidiaries of the Company, with the Company with an appointed date of April 1, 2015. Pending the requisite approvals, no effect has been given for the scheme in these financial statements.
- 3.25 Corresponding figures for the previous year presented have been regrouped, where necessary, to conform to the current year's classification.

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No.: 008072S

For and on behalf of the Board of
Directors of **Mindtree Limited**

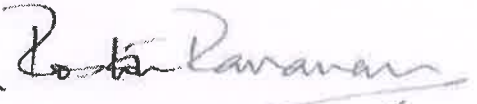
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V. Balaji
Partner
Membership No. : 203685

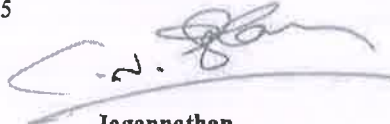


N. Krishnakumar
Chairman



Rostow Ramanan
CEO & Managing Director





Jagannathan Chakravarthi
Chief Financial Officer



Vedavalli Sridharan
Company Secretary

Place: Bengaluru
Date: April 18, 2016

Place: Bengaluru
Date: April 18, 2016



**Magnet 360, LLC
and Subsidiaries**

Consolidated Financial Statements

December 31, 2013 and 2012



Magnet 360, LLC and Subsidiaries

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Independent Auditor's Report

The Members
Magnet 360, LLC and Subsidiaries
Minneapolis, Minnesota

We have audited the accompanying consolidated financial statements of Magnet 360, LLC and Subsidiaries which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of income, equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Magnet 360, LLC and Subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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For Mindtree Limited
Ved
Company Secretary

Lurie Besikof Lapidus & Company, LLP

Lurie Besikof Lapidus & Company, LLP
Minneapolis, Minnesota

March 14, 2014



Magnet 360, LLC and Subsidiaries

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Consolidated Balance Sheets

December 31	2013	2012
ASSETS		
Current Assets		
Cash	\$ 1,592,580	\$ 963,193
Accounts receivable, net of allowance for doubtful accounts of approximately \$73,300 and \$31,300	4,665,893	4,264,953
Prepaid expenses and other assets	370,552	215,361
Unbilled receivables	218,256	181,770
Current maturities of other receivables	50,778	60,526
Escrow receivable	270,036	-
Total Current Assets	7,168,095	5,685,803
Property and Equipment	614,982	325,260
Investments	-	16,000
Other Receivables - less current maturities	48,100	91,724
Goodwill	4,533,430	4,533,430
Intangible Assets	336,087	655,076
Total Assets	\$ 12,700,694	\$ 11,307,293
LIABILITIES AND EQUITY		
Current Liabilities		
Line of credit	\$ -	\$ 154,286
Current maturities of long-term debt	-	133,589
Accounts payable and accrued liabilities	620,811	1,094,425
Accounts payable - related parties	64,170	74,474
Due to Gage Group, LLC	2,195,413	1,828,740
Deferred revenue	894,255	948,559
Total Current Liabilities	3,774,649	4,234,073
Long-Term Debt - less current maturities	-	310,127
Total Liabilities	3,774,649	4,544,200
Members' Equity	8,926,045	6,763,093
Total Liabilities and Equity	\$ 12,700,694	\$ 11,307,293

See notes to consolidated financial statement

For Mindtree Limited
 Company Secretary



Magnet 360, LLC and Subsidiaries

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Consolidated Statements of Income

Years Ended December 31	2013	2012
Revenue	\$ 25,475,142	\$ 17,118,715
Direct Costs	18,787,347	11,680,274
Gross Profit	6,687,795	5,438,441
Operating Expenses	7,029,874	6,023,678
Loss from Operations	(342,079)	(585,237)
Other Income (Expense)		
Gain on sale of Insite	-	225,000
Gain on acquisition of Reside, Inc.	-	1,531,975
Gain on sale of enStratus	1,177,001	-
Other income (expense)	591	(1,131)
Debt forgiveness	(24,650)	-
Interest expense	(10,411)	(30,604)
Total Other Income (Expense)	1,142,531	1,725,240
Net Income	\$ 800,452	\$ 1,140,003

See notes to consolidated financial statement



Magnet 360, LLC and Subsidiaries

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Consolidated Statements of Equity

	Unit Subscription Receivable	Members' Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2011	\$ -	\$ 2,067,988	\$ 80,706	\$ 2,148,694
Acquisition of noncontrolling interest	-	58,006	(80,706)	(22,700)
Capital contributions	(227,500)	536,030	-	308,530
Purchase of equity for debt	-	(500,000)	-	(500,000)
Distribution of investments	-	(508,004)	-	(508,004)
Acquisition of Reside, Inc.	-	4,176,070	-	4,176,070
Share-based compensation	-	20,500	-	20,500
Net income	-	1,140,003	-	1,140,003
Balance, December 31, 2012	(227,500)	6,990,593	-	6,763,093
Subscriptions received	227,500	-	-	227,500
Capital contributions	-	1,035,000	-	1,035,000
Option exercise	-	100,000	-	100,000
Net income	-	800,452	-	800,452
Balance, December 31, 2013	\$ -	\$ 8,926,045	\$ -	\$ 8,926,045



See notes to consolidated financial statements.

Magnet 360, LLC and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31	2013	2012
Operating Activities		
Net income	\$ 800,452	\$ 1,140,003
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	138,672	100,991
Amortization	318,989	564,996
Gain on acquisition of Reside, Inc.	-	(1,531,975)
Loss on disposal of property and equipment	1,588	33,092
Gain on investments	(1,177,001)	(225,000)
Interest added to note receivable	(915)	-
Debt forgiveness	24,650	-
Share-based compensation	-	20,500
Changes in operating assets and liabilities:		
Accounts receivable	(400,940)	(2,115,482)
Unbilled receivables	(36,486)	(181,770)
Prepaid expenses and other assets	(155,191)	131
Accounts payable and accrued liabilities	(117,245)	1,789,111
Deferred revenue	(54,304)	769,382
Net Cash Provided (Used) by Operating Activities	(657,731)	363,979
Investing Activities		
Purchases of property and equipment	(429,982)	(161,277)
Proceeds from sale of enStratus	1,193,001	-
Escrow receivable	(270,036)	-
Proceeds from sale of Insite	-	675,000
Payments received on notes receivable	29,637	-
Issuance of other receivables	-	(88,783)
Cash acquired from Reside, Inc.	-	37,702
Net Cash Provided by Investing Activities	522,620	462,642
Financing Activities		
Proceeds on line of credit	-	409,286
Payments on line of credit	(154,286)	(505,000)
Payments on long-term debt	(443,716)	(371,089)
Members' contributions and option exercise	1,135,000	308,530
Collections on unit subscription receivables	227,500	-
Distributions	-	(22,700)
Net Cash Provided (Used) by Financing Activities	764,498	(180,973)

See notes to consolidated financial statements



Magnet 360, LLC and Subsidiaries

Consolidated Statements of Cash Flows (continued)

Years Ended December 31	2013	2012
Net Increase in Cash	629,387	645,648
Cash		
Beginning of year	963,193	317,545
End of year	\$ 1,592,580	\$ 963,193
Supplementary Disclosures of Cash Flow Information		
Cash paid for interest	\$ 10,611	\$ 28,186
Noncash investing and financing activities:		
Acquisition of Reside for issuance of shares	-	4,176,070
Purchase of equity for debt	-	500,000
Note payable assumed	-	64,148
Distribution of investments	-	508,004



See notes to consolidated financial statement

Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Magnet 360, LLC (Magnet 360) was organized in Minnesota on March 25, 2008. The Company is a marketing and technology services consultancy focused on delivering marketing solutions based on Salesforce.com technology. Marketing services are provided directly by the Company and through its network of expert, industry leading service providers.

Principles of Consolidation/Accounting for Investments in Affiliated Entities

The accompanying consolidated financial statements include the accounts of Magnet 360 and its majority-owned affiliated entities (collectively, the Company). All significant intercompany balances and transactions have been eliminated in consolidation. Noncontrolling interests represented the portion of consolidated entities not owned by the Company.

Investments in less than 20% owned entities over which the Company does not have the ability to exert significant influence over the investees' operating and financing activities are accounted for under the cost method of accounting. Under the cost method, the investment is carried at cost with earnings recognized for dividends received.

Investments are reduced for any loss in value that is other than temporary.

See Note 5 for additional details on the consolidated and investment entities.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the consolidated financial statements and accompanying notes. Actual result could differ from those estimates. Significant estimates at December 31, 2013 and 2012 include the allowance for doubtful accounts receivable, carrying value of investments, valuation of goodwill and intangibles, and deferred revenue.

Unit Subscriptions Receivable

The Company records a current asset for the portion of unit subscriptions receivable that were subsequently collected; the remaining balance is shown as a reduction in members' equity.

Revenue Recognition

Revenue is earned by the Company through the delivery of technical consulting services to its clients. Revenue is recognized based on time and materials tracking of the delivery of services team. The Company also provides media services. Revenue on media services is recognized upon delivery to the client.

Deferred Revenue

Deferred revenue consists primarily of services and licensing fees billed in advance.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies (continued)

Credit Risk

The Company maintains cash balances which at times may exceed the Federal Deposit Insurance Corporation limit. The Company has not experienced any losses in such accounts, and management believes the Company is not exposed to any significant credit risk on cash.

Accounts Receivable

Management reviews individual accounts as they become past due to determine collectability. The allowance for doubtful accounts is adjusted periodically based on management's consideration of past due accounts. Individual accounts are charged against the allowance when collection efforts have been exhausted.

Unbilled Receivables

The Company recognizes fee revenue as hours are worked on behalf of its clients. Unbilled receivables include the cost and expected profit on work completed but not billed. Management reviews unbilled receivables monthly to determine collectability.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment acquisitions which exceed \$500 and have an estimated useful life of one year or more are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of generally three to five years. Leasehold improvements are amortized over the lesser of the useful lives of the assets or the lease term.

Intangible Assets

Registered trademarks, website domains and customer lists are recorded at cost and are amortized over their estimated useful lives. The Company periodically reviews intangible assets for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. There were no impairment charges recorded in 2013 or 2012.

Goodwill

Goodwill is not amortized, but is tested for impairment annually. Management determined there was no impairment in 2013 or 2012.

Marketing

Marketing costs are expensed when incurred. Total marketing expense was \$185,764 and \$151,602 in 2013 and 2012, respectively.

Income Taxes

Profits and losses at the Company are reported on the income tax returns of the members. Accordingly, no provision for income taxes is recorded by the Company.



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes the Company is no longer subject to income tax examinations for years prior to 2010.

Reclassification

Certain reclassifications were made to the 2012 financial statements in order to conform to the 2013 presentation. The reclassification did not affect previously reported members' equity, net income or net cash flows.

2. Members' Equity and Stock Subscription Receivable

As of December 31, 2013 and 2012, the Company had Class A voting units and Class B nonvoting units. Although the Class B units will not permit their holders to vote in Company matters, the Member Control Agreement does require the Company to obtain the consent of certain holders of Class B units prior to engaging in certain strategic transactions. The Class B units have priority rights to non-tax related distributions over Class A units until such time as the Class B members shall have received distributions equal to the total capital contributions relating to their Class B units. Distributions to the Class A holders will be made in accordance with the particular series of Class A units held, with the holders of Class A-2 units receiving priority over the holders of Class A-1 units. The different series of Class A units exists solely to prioritize the rights of the holders of such units to receive non-tax related distributions after the return of Class B capital. Certain of the investor agreements contain anti-dilution protection provisions, generally for a period of 6 - 18 months, that require additional units to be issued to the investor in the event units are subsequently offered at a lower price. The following is a summary of units as of December 31, 2013 and 2012:



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

2. Members' Equity and Stock Subscription Receivable (continued)

	Class A-1 Units	Class A-2 Units	Class B Units	Total
Balance, December 31, 2011	2,000,000	2,000,000	593,333	4,593,333
Acquisition of:				
MB Services, LLC	-	-	15,443	15,443
Numerical Truth	-	-	86,298	86,298
Reside, Inc.	1,141,047	-	298,977	1,440,024
Purchase of shares for note payable	(172,414)	-	-	(172,414)
Purchased shares - capital raise	-	-	129,164	129,164
Balance, December 31, 2012	2,968,633	2,000,000	1,123,215	6,091,848
Stock option exercise	-	-	100,000	100,000
Purchased shares - capital raise	-	-	249,398	249,398
Balance, December 31, 2013	2,968,633	2,000,000	1,472,613	6,441,246

Additional Investors

In November and December 2012, the Company entered into various stock subscription agreements with investors to purchase 129,164 of Class B units at a cost of \$4.15 per unit for a total of \$536,030 in proceeds. In accordance with the agreements, a total of \$308,530 was paid prior to year end and a stock subscription receivable for \$227,500 was recorded for the amounts outstanding. The amounts were collected in December 2013.

In February 2013, the Company issued an additional 249,398 Class B units at \$4.15 for total cash payments of \$1,035,000.

3. Other Receivables

Other receivables consisted of the following:

December 31, 2013	Current	Long-Term	Total
Note receivable - employee	\$24,650	\$48,100	\$ 72,750
Note receivable - Bannerworks, LLC	19,353	-	19,353
Note receivable - former employee	6,775	-	6,775
Other Receivables	\$50,778	\$48,100	\$ 98,878



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

3. Other Receivables (continued)

December 31, 2012	Current	Long-Term	Total
Note receivable - employee	\$ 24,121	\$ 72,364	\$ 96,485
Note receivable - Bannerworks, LLC	22,730	19,360	42,090
Note receivable - former employee	13,675	-	13,675
Total	\$ 60,526	\$ 91,724	\$ 152,250

In October 2012, Magnet 360 entered into a promissory note agreement with an employee for \$96,485 plus interest at .84%. The note was a loan to an employee, the proceeds of which were used to purchase shares of common stock in Reside. Contingent upon employment, the note will be forgiven at 25% of the outstanding principal and interest accrued each year until 100% has been forgiven.

In 2012, Magnet 360's ownership interests in Bannerworks, LLC were redeemed for a \$15,000 note receivable (see Note 5).

In November 2011, the Company entered into a separation agreement with a former employee. As part of the agreement, the Company received a \$20,000 tuition reimbursement settlement. The employee pays the Company, beginning January 2012, 23 installments of \$575 with a final payment of \$6,775 due December 2013. The balance of \$6,775 was received in January 2014.

4. Property and Equipment

Property and equipment consisted of the following:

December 31	2013	2012
Computers and office equipment	\$ 354,538	\$ 237,767
Software	17,617	16,452
Furniture and fixtures	170,242	111,183
Leasehold improvements	331,623	116,134
Total cost	874,020	481,536
Less accumulated depreciation	259,038	156,276
Property and Equipment	\$ 614,982	\$ 325,260



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

5. Investments

MB Services, LLC

Effective January 1, 2012, MB Services, LLC, an entity that was substantially owned by Magnet 360, assigned to Magnet 360 all of its assets and liabilities and sold all outstanding units to Magnet 360 in exchange for 15,443 Class B units of Magnet 360 valued at \$2.81 per unit. Upon the completion of this transaction Magnet 360 became the sole owner in MB Services, LLC (MB Services Reorganization). MB Services, LLC was recapitalized to provide for three classes of units-Class A-1 voting, Class A-2 voting and Class B non voting units and Magnet 360 distributed its ownership interests in MB Services, LLC to Magnet 360's members as of December 31, 2011. The ownership in MB Services, LLC was structured to allow for the owners in Magnet 360 to have the identical ownership and class of units in MB Services, LLC. Effective January 1, 2012, Magnet 360 distributed all of its ownership interests in Kruskopf Coontz Advertising, Inc., ARAnet, Inc., Valtira, LLC and Relationship One, LLC to MB Services, LLC. The distribution was recorded at cost of \$508,004, which approximated fair value.

Cost Method Investments

enStratus Network, LLC

In May 2013, Magnet 360 sold its ownership interest and recorded a gain on the sale of \$1,177,001, which represented the proceeds in excess of their cost. Magnet received \$922,965 in cash and the remaining \$270,036 is in an escrow receivable account at year end. The Company expects to collect the receivable in November 2014.

ARAnet, Inc.

In 2012, as part of the MB Services, LLC reorganization, the Company distributed its investment in ARAnet, Inc. to MB Services, LLC.

Bannerworks

On December 30, 2010, Magnet 360 purchased \$80,000 in equipment from Bannerworks, LLC (Bannerworks). The Company paid \$30,000 on December 30, 2010 and the remaining \$50,000 (acquisition payable) was outstanding as of December 31, 2010. In 2011, the equipment and liability were transferred to MB Services. MB Services then transferred the equipment and liability to Bannerworks for a \$15,000 investment in Bannerworks (18.8%) and a \$15,000 receivable from Bannerworks. The total note receivable from Bannerworks at December 31, 2011, including this \$15,000, was \$28,467. The note bears interest at 4%. MB Services receives monthly principal and interest of \$2,025 beginning January 2012 with the final amount due in March 2013.

As part of the MB Services, LLC reorganization, the note receivable and ownership interests were transferred to Magnet 360. In October 2012, Magnet 360 sold its ownership interest in Bannerworks for a note receivable. In October 2012, this note receivable was consolidated with the existing note receivable for a total of \$44,440 due in monthly installments of \$2,000, including interest at 4%, beginning November 1, 2012, with a final payment due October 1, 2014.

Insite Software Solutions, Inc.

In December 2012, the Company sold their investment in preferred stock for \$675,000 and recorded a gain on the sale of \$225,000, which represented the proceeds in excess of their cost.



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

5. Investments (continued)

The following is a summary of investments at cost:

Description December 31, 2013 Ownership %	Magnet 360						Total
	Kruskopf Coontz Advertising, Inc. 0%	Insite Software Solutions, Inc. 0%	ARANet, Inc. 0%	Valtra, LLC 0%	enStratus Network, LLC 0%	MB Services, LLC Bannerworks, LLC 0%	
Cost, December 31, 2011	\$ 132,000	\$ 450,000	\$ 237,500	\$ 5,425	\$ 16,000	\$ 15,000	\$ 855,925
Sale of Investment	-	(450,000)	-	-	-	-	(450,000)
Converted to a note receivable	-	-	-	-	-	(15,000)	(15,000)
Distribution	(132,000)	-	(237,500)	(5,425)	-	-	(374,925)
Cost, December 31, 2012	-	-	-	-	16,000	-	16,000
Sale of Investment	-	-	-	-	(16,000)	-	(16,000)
Cost, December 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Investments at December 31, 2012 were not evaluated for impairment because (a) it is not practicable to estimate their fair values due to insufficient information being available and (b) management did not identify any events or changes in circumstances that might have a significant adverse effect on the fair value of the investment.

Consolidated Investments

M360 Investments, LLC and Numerical Truth

On December 1, 2010, Magnet 360 contributed \$90,300 to form M360 Investments, LLC (M360 Investments), which is a wholly owned subsidiary of Magnet 360. M360 Investments then purchased 56.25% of Numerical Truth, LLC (Numerical Truth) for a total of \$90,000. In 2011, an additional investor contributed \$20,000 to Numerical Truth and Magnet 360 invested \$3,500 in M360 Investments, who then invested \$3,500 in Numerical Truth. At December 31, 2011, Magnet 360 owned 51% of Numerical Truth.

On January 1, 2012, the remaining owners of Numerical Truth sold all outstanding units in Numerical Truth to Magnet 360 in exchange for a total of 86,298 Class B units of Magnet 360 valued at \$2.81 per unit and \$22,700 in cash. Upon receipt of the outstanding shares of Numerical Truth, Magnet 360 transferred all the units to its wholly owned subsidiary, M360 Investments. Upon receipt of the units, M360 Investments owns 100% of Numerical Truth.

Reside, Inc.

Effective January 1, 2012, Magnet 360 acquired all of the outstanding shares, on a dilutive basis, in Reside that it did not own for 1,440,024 Magnet 360 units valued at \$2.90 each (\$4,176,070). Magnet 360 acquired Reside to further its business relationship in alignment with the Companies' business model to provide technical consultancy services focused on delivering marketing solutions based on Salesforce.com technology. The fair value of Reside was as follows:



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

5. Investments (continued)

Description	Amount
Cash	\$ 37,702
Receivables	816,464
Other current assets	91,957
Property and equipment	77,018
Customer relationships	984,000
Goodwill	4,533,430
Total assets acquired	6,540,571
Accounts payable and other current liabilities	189,722
Line of credit	250,000
Long-term debt	114,805
Total liabilities assumed	554,527
Net Assets Acquired	\$5,986,044

As required by ASC 805, *Accounting for Business Combinations*, when a company has a pre-existing ownership in another company and an acquisition is completed where control is obtained of the acquired company, the buyer must first measure the acquisition-date fair value of its previously held equity interest in the acquired company and recognize either (1) a gain for the excess of the fair value of the previously held interest over its carrying value or (2) a loss for the excess of carrying value over fair value. As a result of this acquisition, the Company recorded a \$1,531,975 gain for the year ended December 31, 2012, for the excess fair value over its carrying cost of Reside.

The fair values recorded are Level 3 inputs determined by a third party valuation based on various market and income analyses. Significant assumptions used include a 23.9% cost of equity and 4.0% terminal growth value.

The purchase involved various transactions with the owners of Reside. The first transaction was an exchange of 2,001,877 shares of common stock in Reside for the issuance of 1,141,047 Class A-1 units of Magnet 360 valued at \$2.90 per unit. Magnet 360 granted to an owner, and the owner exercised on October 31, 2012, an option to require Magnet 360 to purchase from the owner a total of 172,414 Magnet 360 units in exchange for a \$500,000 promissory note (see Note 8).

Magnet 360 entered into an agreement to purchase all 400,000 outstanding preferred shares of Reside in exchange for 229,000 Class B units of Magnet 360 valued at \$2.90 per unit. The previous owner was granted anti-dilution protection through the issuance of additional Class B units as defined in the agreement as well as a redemption right causing Magnet 360 to redeem the Class B units at the defined redemption price. The redemption request can be made at any time after January 1, 2017 and is payable in five equal annual installments.

Magnet 360 issued a promissory note in the amount of \$96,485, the proceeds of which were used by the individual to exercise the option to purchase 122,113 shares of Reside. Magnet 360 then purchased these 122,113 shares of Reside common stock in exchange for 69,977 Class B units of Magnet 360 valued at \$2.90 per unit.



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

5. Investments (continued)

Other Investments

Relationship One

In January 2010, the Company acquired a 25% ownership interest in Relationship One, LLC (Relationship One) for \$125,000. Effective January 1, 2012, the Company distributed its investment in Relationship One to MB Services, LLC. The distribution was recorded at the carrying value of \$133,079, which approximated fair value.

6. Intangible Assets

Other intangible assets are stated at their cost less accumulated amortization computed on the straight-line basis except for certain customer lists that are amortized on an accelerated method and consist of the following:

December 31, 2013	Estimated Useful Life	Cost	Accumulated Amortization	Net
Trademark	5 years	\$ 16,085	\$ 16,085	\$ -
Website domain	5 years	11,693	11,693	-
Customer lists	3 - 5 years	1,316,700	980,613	336,087
Total		\$ 1,344,478	\$ 1,008,391	\$ 336,087

December 31, 2012	Estimated Useful Life	Cost	Accumulated Amortization	Net
Trademark	5 years	\$ 16,085	\$ 12,872	\$ 3,213
Website domain	5 years	11,693	9,354	2,339
Customer lists	3 - 5 years	1,316,700	667,176	649,524
Total		\$ 1,344,478	\$ 689,402	\$ 655,076

Future amortization of intangible assets is estimated to be as follows:

Year	Amount
2014	\$ 312,540
2015	23,547
Total	\$ 336,087



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

7. Bank Line of Credit

The Company had a \$750,000 bank line of credit that was paid off in January 2013. Interest was payable monthly at prime plus 1.75% with a minimum rate of 5.25%. Borrowings could not exceed a predetermined percentage of eligible accounts receivable, were collateralized by substantially all Company assets, and were subject to certain financial requirements. In addition, three of the Company's members had personally guaranteed the line of credit.

In September 2013, the Company changed banks and obtained a \$1,500,000 line of credit, subject to a borrowing base. The line matures in September 2014, has no personal guarantees required from the Company's members, and bears monthly interest at the greater of prime plus 0.75% (the prime rate at December 31, 2013 was 3.25%) or 4.50%. Borrowings are collateralized by substantially all Company assets, and are subject to certain financial requirements. The line of credit was not drawn on in 2013.

8. Long-Term Debt

Long-term debt consisted of the following:

December 31	2013	2012
Term note payable in monthly installments of \$4,741, with interest at 6.25%, paid in full in September 2013.	\$ -	\$ 155,089
Note payable - member payable in monthly installments totaling \$1,606 through August 2015, with interest at 5.125%, subordinated to term note, paid in full in November 2013.	-	47,856
Note payable - related party payable in monthly installments ranging from \$5,000 to \$15,000, with interest at 0.93%, subordinated to term note, paid in full in November 2013.	-	240,771
Total	-	443,716
Less current maturities	-	133,589
Long-Term Debt, less current maturities	\$ -	\$ 310,127

In May 2011, the Company entered into a \$200,000 multiple advancing term loan agreement bearing interest at 6.25%. On December 5, 2011, the loan agreement was drawn upon in the amount of \$200,000. Effective December 15, 2011, the loan was converted into a term loan bearing interest at 6.25%, an interest only payment was due through December 31, 2011 with monthly principal and interest payments of \$4,741 beginning January 31, 2012 through December 31, 2015. The agreement contained restrictive financial covenants as to levels of tangible net worth, and other nonfinancial covenants, and was collateralized by substantially all Company assets. This loan was paid in full in September 2013.

Effective January 1, 2012, the Company assumed a note payable between a member and Reside with an outstanding balance of \$64,148. The note was due in monthly installments of \$1,606 including interest at 5.125%. The note was subordinated to the term note; the Company was permitted to make the scheduled principal and interest payments; however, no prepayments could be made on the note until the term note was paid in full. This note was paid in full in November 2013.

In October 2012, the Company entered into a related party \$500,000 note payable with interest at 0.93%. The note was a result of the related party exercising a put option (see Note 5) and was subordinated to the term note. The Company was permitted to make the scheduled principal and interest payments; however, no prepayments could be made on the note until the term note was paid in full. The note had monthly payments due of \$5,000 per month for the first twelve months, \$10,000 for the next twelve months, and \$15,000 for each month thereafter until paid in full. This note was paid in full in November 2013.



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

8. Long-Term Debt (continued)

Interest expense paid to related parties was \$3,829 and \$3,951 for the years ended December 31, 2013 and 2012, respectively.

9. Retirement Plan

The Company sponsors a 401(k) profit sharing plan for employees who are 18 years of age and have met certain other eligibility requirements. The Plan allows an employee to contribute up to the limitation established by the Internal Revenue Service. The Company may make discretionary matching and other voluntary contributions to the Plan, as determined annually. The Company made matching contributions of \$146,027 and \$78,492 for the years ended December 31, 2013 and 2012, respectively.

10. Share-Based Compensation

In July 2009, the Company granted an employee options to purchase 200,000 Class B units, for ten years, at \$2.50 per unit. The options vest over three years or immediately upon an 80% or more change in ownership of the Company. In 2012, the 200,000 options became fully vested. Total compensation expense recognized in 2012 was approximately \$20,500.

In May 2013, the Company granted certain executive officers of the Company options to purchase a total of 200,000 Class B units for 10 years at \$4.15 per unit. The options vest immediately prior to, but conditioned upon, the occurrence of any merger, consolidation or sale of all or substantially all of the assets or membership interests of the Company. The vested portion of options is exercisable only upon a change in control, as defined. No unit option compensation expense was recorded due to uncertainty that these events would occur.

11. Employee Option Plan

On November 23, 2010, the Company adopted the Magnet 360 Employee Option Plan. The Plan has reserved 9,120,000 employee units for issuance pursuant to the Plan. In 2013 and 2012, the Board approved the grant of options up to 3,940,000 and 3,000,000, respectively, at an exercise price of \$.30 per unit. As of December 31, 2013, there are 1,365,750 units available for issuance. The term of each option shall not exceed ten years from the date of the grant. The options vest over three years, or immediately upon a change in control, as defined. The options are forfeited upon termination of employment.

During 2013, the Company issued 2,000,000 options at an exercise price of \$.30 per unit to a consultant. Upon an exit event, as defined, the Company is required to pay the consultant a contingent bonus of the lesser of \$600,000 or the current value of these options. In the event the consulting service agreement with the Company is terminated for any reason, the consultant has agreed to provide services to the Company under a retainer agreement.

The vested portion of options is exercisable only upon a change in control, as defined. No unit option compensation expense was recorded due to uncertainty that a change in control would occur.



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

11. Employee Option Plan (continued)

Unit option changes were as follows:

Description	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)
Outstanding, December 31, 2012	3,802,500	\$ 0.30	8.89
Granted	4,108,250	0.30	-
Forfeited, including 31,123 vested units	(156,500)	0.30	-
Outstanding, December 31, 2013	7,754,250	0.30	8.76
Vested at December 31, 2013	3,206,716	\$ 0.30	8.09

Nonvested unit option changes during 2013 were as follows:

Description	Options
Nonvested - December 31, 2012	2,398,968
Granted	4,108,250
Forfeited	(125,377)
Vested	(1,834,307)
Nonvested - December 31, 2013	4,547,534

12. Operating Leases

In January 2011, the Company entered into a sublease agreement with a nonrelated party through December 2015. In 2011, monthly rent was set at approximately \$12,500 and includes the Company's share of property taxes and common area expenses based on the office space. In August 2012, the Company increased the space leased, increasing the monthly rent to \$19,300 per month. Effective December 1, 2013, the sublease agreement was amended due to increase in the office space leased and extended through November 2018. The renewed lease requires monthly base payments of \$39,408, increasing 2.5% annually. Total rent expense was \$287,386 and \$184,049 in 2013 and 2012, respectively.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

12. Operating Leases (continued)

Future minimum rents under this lease agreement are as follows:

Year	Total
2014	\$ 474,000
2015	486,000
2016	498,000
2017	510,000
2018	478,000
Total	\$2,446,000

Effective May 2011, the Company entered into a lease agreement with a nonrelated party for office space in New York on a month-to-month basis for use of phones, common space, and certain office equipment. In 2012, rent was \$3,000 per month. In 2013, monthly rent was \$2,400 for January through November. In December 2013, monthly rent increased to \$4,500 for additional space rented. Total rent expense was \$30,900 and \$33,080 in 2013 and 2012, respectively.

Effective February 2011, Relationship One and Numerical Truth began subleasing from the Company on a month-to-month basis, each at \$890 per month which includes their share of office space, common space, use of phones, certain office equipment, and shared services. In January 2012, Relationship One was distributed to MB Services, LLC and Numerical Truth was acquired by Magnet 360. Rental income from Relationship One for 2012 was \$11,705.

Effective October 2013, the Company entered into a lease agreement with a nonrelated party for office space in Chicago on a month-to-month basis at \$1,050 per month plus fees for use of phones, common space, and certain office equipment. Total rent expense was \$4,020 in 2013.

13. Related Party Transactions

Service Agreement

The Company has an agreement with Gage Marketing Group, LLC to pay them 50% of its gross channel marketing revenue for licensing, client support and professional services and 97.5% for certain media and listed services. Total amounts paid to Gage Marketing Group, LLC under this agreement were \$10,970,843 and \$3,442,414 for the years ended December 31, 2013 and 2012, respectively.

Employment Agreements

The Company has various employment agreements with several members of management. The agreements include profit sharing and/or bonus arrangements, liquidation event bonuses, and other provisions.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

14. Concentrations

The following summarizes customers representing 10% or more of the Company's consolidated revenue and accounts receivable as of and for the years ended December 31, 2013 and 2012:

December 31	% of Revenue		% of Accounts Receivable	
	2013	2012	2013	2012
Customer				
1	47 %	14 %	49 %	35 %
2	*	18 %	*	*
3	*	*	*	10 %

* less than 10%

15. Subsequent Events

Management has evaluated subsequent events through March 14, 2014, the date at which the consolidated financial statements were available to be issued.

During the period of January 1, 2014 through March 14, 2014, the Company issued an additional 270,000 units under the employee option plan at an exercise price of \$.30 per unit. In addition, 83,000 units were forfeited during this period.

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For Mindtree Limited

Ved
Company Secretary



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**Magnet 360, LLC
and Subsidiaries**

Consolidated Financial Statements

December 31, 2014 and 2013

For Mindtree Limited
Ved
Company Secretary



Magnet 360, LLC and Subsidiaries

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For Mindtree Limited
Company Secretary



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Lurie Besikof Lapidus
& Company, LLP

Independent Auditor's Report

The Members
Magnet 360, LLC and Subsidiaries
Minneapolis, Minnesota

We have audited the accompanying consolidated financial statements of Magnet 360, LLC and Subsidiaries which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Magnet 360, LLC and Subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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CERTIFIED TRUE COPY
For Mindtree Limited
Reddy
Company Secretary

Lurie Besikof Lapidus & Company, LLP

Lurie Besikof Lapidus & Company, LLP
Minneapolis, Minnesota

March 13, 2015



Magnet 360, LLC and Subsidiaries

Consolidated Balance Sheets

December 31	2014	2013
ASSETS		
Current Assets		
Cash	\$ 22,743	\$ 1,592,580
Accounts receivable, net of allowance for doubtful accounts of approximately \$25,000 and \$73,300	5,703,577	4,665,893
Prepaid expenses and other assets	728,077	370,552
Unbilled receivables	216,292	218,256
Current maturities of other receivables	24,650	50,778
Escrow receivable	-	270,036
Total Current Assets	6,695,339	7,168,095
Property and Equipment	797,396	614,982
Other Receivables - less current maturities	288,556	48,100
Goodwill	6,955,863	4,533,430
Intangible Assets	686,980	336,087
Total Assets	\$15,424,134	\$12,700,694
LIABILITIES AND EQUITY		
Current Liabilities		
Line of credit	\$ 600,000	\$ -
Accounts payable and accrued liabilities	831,398	620,811
Accounts payable - related parties	30,471	64,170
Due to Gage Group, LLC	19,334	2,195,413
Deferred revenue	2,186,439	894,255
Total Current Liabilities	3,667,642	3,774,649
Members' Equity	11,756,492	8,926,045
Total Liabilities and Equity	\$15,424,134	\$12,700,694

See notes to consolidated financial statements.



Magnet 360, LLC and Subsidiaries

Consolidated Statements of Operations

Years Ended December 31	2014	2013
Revenue	\$26,599,676	\$25,475,142
Direct Costs	16,745,298	18,787,347
Gross Profit	9,854,378	6,687,795
Operating Expenses	10,105,589	7,029,874
Loss from Operations	(251,211)	(342,079)
Other Income (Expense)		
Gain on sale of enStratus	-	1,177,001
Other Income (expense)	(148)	591
Debt forgiveness	(24,650)	(24,650)
Interest expense	(11,182)	(10,411)
Total Other Income (Expense)	(35,980)	1,142,531
Net Income (Loss)	\$ (287,191)	\$ 800,452

See notes to consolidated financial statements.



Magnet 360, LLC and Subsidiaries

Consolidated Statements of Members' Equity

	Unit Subscription	Capital	Members' Equity
Balance, December 31, 2012	\$ (227,500)	\$ 6,990,593	\$ 6,763,093
Subscriptions received	227,500	-	227,500
Capital contributions	-	1,035,000	1,035,000
Option exercise	-	100,000	100,000
Net income	-	800,452	800,452
Balance, December 31, 2013	-	8,926,045	8,926,045
Acquisition of ADC	-	1,617,638	1,617,638
Acquisition of Irgonomics	-	1,500,000	1,500,000
Net loss	-	(287,191)	(287,191)
Balance, December 31, 2014	\$ -	\$11,756,492	\$11,756,492

See notes to consolidated financial statements.



Magnet 360, LLC and Subsidiaries

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Consolidated Statements of Cash Flows

Years Ended December 31	2014	2013
Operating Activities		
Net income (loss)	\$ (287,191)	\$ 800,452
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation	242,009	138,672
Amortization	749,107	318,989
Loss on disposal of property and equipment	1,671	1,588
Gain on investments	-	(1,177,001)
Interest added to notes receivable	(1,106)	(915)
Debt forgiveness	24,650	24,650
Changes in operating assets and liabilities:		
Accounts receivable	(340,076)	(400,940)
Unbilled receivables	1,964	(36,486)
Prepaid expenses and other assets	(287,928)	(155,191)
Accounts payable and accrued liabilities	(434,538)	(473,614)
Accounts payable - related parties	(33,699)	(10,304)
Due to - Gage Group, LLC	(2,176,079)	366,673
Deferred revenue	1,292,184	(54,304)
Net Cash Used by Operating Activities	(1,249,032)	(657,731)
Investing Activities		
Purchases of property and equipment	(426,094)	(429,982)
Proceeds from sale of enStratus	-	1,193,001
Escrow receivable	270,036	(270,036)
Payments received on notes receivable	26,128	29,637
Acquisition of Irgonomics and ADC, net of cash acquired	(526,875)	-
Net Cash Provided (Used) by Investing Activities	(656,805)	522,620
Financing Activities		
Proceeds on line of credit	1,300,000	-
Payments on line of credit	(700,000)	(154,286)
Issuance of note receivable - ADC	(264,000)	-
Payments on long-term debt	-	(443,716)
Members' contributions and option exercise	-	1,135,000
Collections on unit subscription receivables	-	227,500
Net Cash Provided by Financing Activities	336,000	764,498
Net Increase (Decrease) in Cash	(1,569,837)	629,387
Cash		
Beginning of year	1,592,580	963,193
End of year	\$ 22,743	\$ 1,592,580

See notes to consolidated financial statements.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Magnet 360, LLC (Magnet 360) was organized in Minnesota on March 25, 2008. The Company is a marketing and technology services consultancy focused on delivering marketing solutions based on Salesforce.com technology.

Principles of Consolidation/Accounting for Investments in Affiliated Entities

The accompanying consolidated financial statements include the accounts of Magnet 360 and its wholly owned affiliates Reside, Inc. and M360 Investments (including its wholly owned subsidiary Numerical Truth) (collectively, the Company). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates include the allowance for doubtful accounts receivable, purchase price allocation, useful lives and carrying value of goodwill and intangible assets, and value of units issued for acquisitions.

Revenue Recognition

Revenue is earned by the Company through the delivery of technical consulting services to its clients. Revenue is recognized based on time and materials provided to clients. The Company also provides media services. Revenue on media services is recognized upon delivery to the client.

Deferred Revenue

Deferred revenue consists primarily of services and licensing fees billed in advance.

Credit Risk

The Company maintains cash balances which at times may exceed the Federal Deposit Insurance Corporation limit. The Company has not experienced any losses in such accounts, and management believes the Company is not exposed to any significant credit risk on cash.

Accounts Receivable

Management reviews individual accounts as they become past due to determine collectibility. The allowance for doubtful accounts is adjusted periodically based on management's consideration of past due accounts. Individual accounts are charged against the allowance when collection efforts have been exhausted.

Unbilled Receivables

The Company recognizes fee revenue as hours are worked on behalf of its clients. Unbilled receivables include the cost and expected profit on work completed but not billed. Management reviews unbilled receivables monthly to determine collectability.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment acquisitions which exceed \$500 and have an estimated useful life of one year or more are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of generally three to five years. Leasehold improvements are amortized over the lesser of the useful lives of the assets or the lease term.

Intangible Assets

Registered trademarks, website domains and customer lists are recorded at cost and are amortized over their estimated useful lives. The Company periodically reviews intangible assets for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. There were no impairment charges recorded in 2014 or 2013.

Goodwill

Goodwill is not amortized, but is tested for impairment annually. Management determined there was no impairment in 2014 or 2013.

Marketing

Marketing costs are expensed when incurred. Total marketing expense was \$212,718 and \$185,764 in 2014 and 2013, respectively.

Income Taxes

Profits and losses at the Company are reported on the income tax returns of the members. Accordingly, no provision for income taxes is recorded by the Company.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Company is subject to routine audits by taxing jurisdictions. Currently the 2012 tax year is being examined by the Internal Revenue Service. Management believes the Company is no longer subject to income tax examinations for years prior to 2011.



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

2. Acquisitions

American Data Company (ADC)

In April 2014, the Company acquired certain assets and liabilities of American Data Company (ADC) for \$1,927,638. The purchase included the issuance of 294,116 Class B units valued at \$5.50 per unit (\$1,617,638) and \$310,000 cash.

Under the purchase agreement, the Company has held back 61,528 units as security for representations made by ADC and any final working capital adjustment. The holdback period is for 18 months following the closing. In addition, 48,000 units are pledged for the \$264,000 note receivable (see Note 3). The previous owner was granted anti-dilution protection through the issuance of additional Class B units as defined in the agreement.

The fair value of ADC was as follows:

Description	Amount
Cash	\$ 70,919
Receivables	372,608
Prepaid expenses and other current assets	69,597
Employment agreement	380,000
Customer relationships	230,000
Goodwill	1,449,639
Total assets acquired	2,572,763
Accounts payable and other current liabilities assumed	(645,125)
Net Assets Acquired	\$1,927,638

Irgonomics

In January 2014, the Company acquired certain assets of Irgonomics for \$1,787,974. The purchase price included the issuance of 272,728 Class B units valued at \$5.50 per unit (\$1,500,000) and \$287,794 cash.

Under the purchase agreement, the Company has held back 132,728 units as security for representations made by Irgonomics and any final working capital adjustment. The holdback period is for 18 months following the closing.

The fair value of Irgonomics was as follows:

Description	Amount
Receivables	\$ 325,000
Employment agreement	360,000
Customer relationships	130,000
Goodwill	972,794
Total Assets Acquired	\$1,787,794



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

2. Acquisitions (continued)

The above acquisitions were made for the purpose of business expansion.

3. Members' Equity and Stock Subscription Receivable

As of December 31, 2014 and 2013, the Company had Class A voting units and Class B nonvoting units. Although the Class B units will not permit their holders to vote in Company matters, the Member Control Agreement does require the Company to obtain the consent of certain holders of Class B units prior to engaging in certain strategic transactions. The Class B units have priority rights to non-tax related distributions over Class A units until such time as the Class B members shall have received distributions equal to the total capital contributions relating to their Class B units. Distributions to the Class A holders will be made in accordance with the particular series of Class A units held, with the holders of Class A-2 units receiving priority over the holders of Class A-1 units. The different series of Class A units exists solely to prioritize the rights of the holders of such units to receive non-tax related distributions after the return of Class B capital. Certain of the investor agreements contain anti-dilution protection provisions, generally for a period of 6 - 18 months, that require additional units to be issued to the investor in the event units are subsequently offered at a lower price. The following is a summary of units as of December 31, 2014 and 2013:

	Class A-1 Units	Class A-2 Units	Class B Units	Total
Balance, December 31, 2012	2,968,633	2,000,000	1,123,215	6,091,848
Stock option exercise	-	-	100,000	100,000
Purchased shares - capital raise	-	-	249,398	249,398
Balance, December 31, 2013	2,968,633	2,000,000	1,472,613	6,441,246
Acquisition of ADC	-	-	294,116	294,116
Acquisition of Irgonomics	-	-	272,728	272,728
Balance, December 31, 2014	2,968,633	2,000,000	2,039,457	7,008,090

Additional Investors

In November and December 2012, the Company entered into various stock subscription agreements with investors to purchase 129,164 of Class B units at a cost of \$4.15 per unit for a total of \$536,030 in proceeds. In accordance with the agreements, a total of \$308,530 was paid prior to December 31, 2012, and a stock subscription receivable for \$227,500 was recorded as of that date for the amounts outstanding. The amounts were collected in December 2013.

In February 2013, the Company issued an additional 249,398 Class B units at \$4.15 for total cash payments of \$1,035,000.

In April 2014, the Company issued an additional 294,116 Class B units at \$5.50 as part of the acquisition of ADC.

In January 2014, the Company issued an additional 272,728 Class B units at \$5.50 as part of the acquisition of Irgonomics.



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

4. Other Receivables

Other receivables consisted of the following:

December 31, 2014	Current	Long-Term	Total
Note receivable - employee	\$ 24,650	\$ 24,029	\$ 48,679
Note receivable - ADC	-	264,527	264,527
Other Receivables	\$ 24,650	\$ 288,556	\$ 313,206

December 31, 2013	Current	Long-Term	Total
Note receivable - employee	\$24,650	\$48,100	\$ 72,750
Note receivable - Bannerworks, LLC	19,353	-	19,353
Note receivable - former employee	6,775	-	6,775
Other Receivables	\$50,778	\$48,100	\$ 98,878

In October 2012, Magnet 360 entered into a promissory note agreement with an employee for \$96,485 plus interest at .84%. The note was a loan to an employee, the proceeds of which were used to purchase shares of common stock in Reside. Contingent upon employment, the note will be forgiven at 25% of the outstanding principal and interest accrued each year until 100% has been forgiven.

Note Receivable - ADC

In April 2014, Magnet 360 entered into a promissory note agreement, as amended, with ADC for \$264,000 plus interest at 0.28%. Principal and interest are due on the earlier of a change in control, as defined, or April 15, 2017. If a change in control does not occur prior to April 15, 2017 ADC may extend the maturity date to April 15, 2022 and the interest rate will be changed to the lowest applicable federal rate then in effect. The loan is secured by 48,000 pledged units at a unit price of \$5.50. Magnet 360 will be permitted to redeem the pledged units in connection with a change in control and ADC will be permitted to put the pledged units back to Magnet 360 to repay the loan at any time prior to maturity at a per unit price of \$5.50. If the call or put is not exercised, the note and accrued interest are payable to Magnet 360 upon the maturity date.



Magnet 360, LLC and Subsidiaries

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Notes to Consolidated Financial Statements

5. Property and Equipment

Property and equipment consisted of the following:

December 31	2014	2013
Computers and office equipment	\$ 513,076	\$ 354,538
Software	135,594	17,617
Furniture and fixtures	278,434	170,242
Leasehold improvements	368,875	331,623
Total cost	1,295,979	874,020
Less accumulated depreciation	498,583	259,038
Property and Equipment	\$ 797,396	\$ 614,982

6. Investments

Cost Method Investments

enStratus Network, LLC

In May 2013, Magnet 360 sold its ownership interest and recorded a gain on the sale of \$1,177,001, which represented the proceeds in excess of their cost. Magnet received \$922,965 in cash and the remaining \$270,036 is in an escrow receivable account at December 31, 2013. The balance of \$270,036 plus interest was received in December 2014.

7. Intangible Assets

Other intangible assets are stated at their cost less accumulated amortization computed on the straight-line basis except for certain customer lists that are amortized on an accelerated method and consist of the following:

December 31, 2014	Estimated Useful Life	Cost	Accumulated Amortization	Net
Trademark	5 years	\$ 16,085	\$ 16,085	\$ -
Website domain	5 years	11,693	11,693	-
Customer lists/relationships	3 - 5 years	1,676,699	1,495,719	180,980
Employment agreements	2 - 3 years	740,000	234,000	506,000
Total		\$2,444,477	\$ 1,757,497	\$ 686,980



Magnet 360, LLC and Subsidiaries

CONFIDENTIAL

Notes to Consolidated Financial Statements

7. Intangible Assets (continued)

December 31, 2013	Estimated Useful Life	Cost	Accumulated Amortization	Net
Trademark	5 years	\$ 16,085	\$ 16,085	\$ -
Website domain	5 years	11,693	11,693	-
Customer lists/relationships	3 - 5 years	1,316,700	980,613	336,087
Total		\$1,344,478	\$ 1,008,391	\$ 336,087

Future amortization of intangible assets is estimated to be as follows:

Year	Amount
2015	\$ 383,397
2016	294,000
2017	9,583
Total	\$ 686,980

8. Bank Line of Credit

In September 2013, the Company obtained a \$1,500,000 line of credit, subject to a borrowing base, maturing September 2015. The line of credit bears monthly interest at the greater of prime (3.25% at December 31, 2014 and 2013) plus 0.75% or 4.50%. Borrowings are collateralized by substantially all Company assets, and are subject to certain financial requirements. At December 31, 2014, the balance outstanding on the line of credit was \$600,000.

The Company had a \$750,000 bank line of credit that was paid off in January 2013. Interest was payable monthly at prime plus 1.75% with a minimum rate of 5.25%.

9. Long-Term Debt

In May 2011, the Company entered into a \$200,000 multiple advancing term loan agreement bearing interest at 6.25%. On December 5, 2011, the loan agreement was drawn upon in the amount of \$200,000. Effective December 15, 2011, the loan was converted into a term loan bearing interest at 6.25%, an interest only payment was due through December 31, 2011 with monthly principal and interest payments of \$4,741 beginning January 31, 2012 through December 31, 2015. The agreement contained restrictive financial covenants as to levels of tangible net worth, and other nonfinancial covenants, and was collateralized by substantially all Company assets. This loan was paid in full in September 2013.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

9. Long-Term Debt (continued)

Effective January 1, 2012, the Company assumed a note payable between a member and Reside with an outstanding balance of \$64,148. The note was due in monthly installments of \$1,606 including interest at 5.125%. The note was subordinated to the term note; the Company was permitted to make the scheduled principal and interest payments; however, no prepayments could be made on the note until the term note was paid in full. This note was paid in full in November 2013.

In October 2012, the Company entered into a related party \$500,000 note payable with interest at 0.93%. The note had monthly payments due of \$5,000 per month for the first twelve months, \$10,000 for the next twelve months, and \$15,000 for each month thereafter until paid in full. This note was paid in full in November 2013.

Interest expense paid to related parties was \$3,829 for the year ended December 31, 2013.

10. Retirement Plan

The Company sponsors a 401(k) profit sharing plan for employees who are 18 years of age and have met certain other eligibility requirements. The Plan allows an employee to contribute up to the limitation established by the Internal Revenue Service. The Company may make discretionary matching and other voluntary contributions to the Plan, as determined annually. The Company made matching contributions of \$189,098 and \$146,027 for the years ended December 31, 2014 and 2013, respectively.

11. Share-Based Compensation

In May 2013, the Company granted certain executive officers of the Company options to purchase a total of 200,000 Class B units for 10 years at \$4.15 per unit. The options vest immediately prior to, but conditioned upon, the occurrence of any merger, consolidation or sale of all or substantially all of the assets or membership interests of the Company. The vested portion of options is exercisable only upon a change in control, as defined. No unit option compensation expense was recorded due to uncertainty that these events would occur.

12. Employee Option Plan

On November 23, 2010, the Company adopted the Magnet 360 Employee Option Plan. The Plan has reserved 9,120,000 employee units for issuance pursuant to the Plan. The Board has approved the grant of options up to 3,940,000 at an exercise price of \$.30 per unit. As of December 31, 2014, there are 1,968,750 units available for issuance. The term of each option shall not exceed ten years from the date of the grant. The options vest over three years, or immediately upon a change in control, as defined. The options are forfeited upon termination of employment.

During 2013, the Company issued 2,000,000 options at an exercise price of \$.30 per unit to a consultant. Upon an exit event, as defined, the Company is required to pay the consultant a contingent bonus of the lesser of \$600,000 or the current value of these options. In the event the consulting service agreement with the Company is terminated for any reason, the consultant has agreed to provide services to the Company under a retainer agreement. These options were forfeited in 2014 due to the Irgonomics acquisition.

The vested portion of options is exercisable only upon a change in control, as defined. No unit option compensation expense was recorded due to uncertainty that a change in control would occur.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

12. Employee Option Plan (continued)

Unit option changes were as follows:

Description	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)
Outstanding, December 31, 2013	7,754,250	\$ 0.30	8.76
Granted	2,112,500	0.30	-
Forfeited, including 435,289 vested units	(2,715,500)	0.30	-
Outstanding, December 31, 2014	7,151,250	0.30	7.98
Vested at December 31, 2014	4,579,343	\$ 0.30	7.35

Nonvested unit option changes during 2014 were as follows:

Description	Options
Nonvested - December 31, 2013	4,547,534
Granted	2,112,500
Forfeited	(2,280,211)
Vested	(1,807,916)
Nonvested - December 31, 2014	2,571,907

13. Operating Leases

In January 2011, the Company entered into a sublease agreement with a nonrelated party through December 2015. Effective December 1, 2013, the sublease agreement was amended due to increase in the office space leased and extended through November 2018. The renewed lease requires monthly base payments of \$39,408, increasing 2.5% annually. Total rent expense was \$499,156 and \$287,386 in 2014 and 2013, respectively.

Future minimum rents under this lease agreement are as follows:

Year	Total
2015	\$ 600,000
2016	635,000
2017	545,000
2018	479,000
Total	\$2,259,000



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

13. Operating Leases (continued)

Effective May 2011, the Company entered into a lease agreement with a nonrelated party for office space in New York on a month-to-month basis for use of phones, common space, and certain office equipment. In 2014, monthly rent was \$4,500 for January through July. In August 2014, monthly rent increased to \$10,250 for additional space rented. Total rent expense was \$102,183 and \$30,900 in 2014 and 2013, respectively.

Effective October 2013, the Company entered into a lease agreement with a nonrelated party for office space in Chicago on a month-to-month basis at \$1,050 per month plus fees for use of phones, common space, and certain office equipment. In 2014, monthly rent was \$1,750 plus fees for January - August. In September 2014, monthly rent increased to \$4,410 for additional space rented. Total rent expense was \$34,085 and \$4,020 in 2014 and 2013, respectively.

Effective April 2014, in connection with the ADC acquisition, the Company entered into a lease agreement with a non-related party for office space in Los Angeles through March 2017. The agreement requires monthly base payments of \$8,463, increasing annually. Total rent expense was \$83,187 in 2014.

14. Related Party Transactions

Service Agreement

The Company has an agreement with Gage Marketing Group, LLC to pay them 50% of its gross channel marketing revenue for licensing, client support and professional services and 97.5% for certain media and listed services. Total amounts paid to Gage Marketing Group, LLC under this agreement were \$8,199,645 and \$10,970,843 for the years ended December 31, 2014 and 2013, respectively.

Employment Agreements

The Company has various employment agreements with several members of management. The agreements include profit sharing and/or bonus arrangements, liquidation event bonuses, and other provisions.

15. Concentrations

One customer accounted for 24% and 47% of the Company's consolidated revenue as of December 31, 2014 and 2013, respectively.

The same customer accounted for 49% of accounts receivable for the year ended December 31, 2013.

16. Supplementary Disclosures of Cash Flow Information

Additional cash flow information consisted of the following:

Year Ended December 31	2014	2013
Cash paid for interest	\$ 11,182	\$ 10,611
Noncash investing and financing activities:		
Units issued as a result of acquisitions	3,117,638	-



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

17. Subsequent Events

Management has evaluated subsequent events through March 13, 2015, the date at which the consolidated financial statements were available to be issued.

During the period January 1, 2015 through March 13, 2015, the Company issued an additional 452,000 units under the employee option plan at an exercise price of \$.30 per unit. In addition, 158,500 units were forfeited during this period.



**Magnet 360, LLC
and Subsidiaries**

Consolidated Financial Statements

December 31, 2015 and 2014

For Mindtree Limited
Ved
Company Secretary



Magnet 360, LLC and Subsidiaries

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For Mindtree Limited
Company Secretary





Independent Auditor's Report

The Members
Magnet 360, LLC and Subsidiaries
Minneapolis, Minnesota

We have audited the accompanying consolidated financial statements of Magnet 360, LLC and Subsidiaries which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Magnet 360, LLC and Subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CERTIFIED TRUE COPY
For Mindtree Limited
Red
Company Secretary

Lurie, LLP
Lurie, LLP
Minneapolis, Minnesota

April 8, 2016



Magnet 360, LLC and Subsidiaries

Consolidated Balance Sheets

December 31	2015	2014
ASSETS		
Current Assets		
Cash	\$ 83,607	\$ 22,743
Accounts receivable, net of allowance for doubtful accounts of approximately \$47,000 and \$25,000	4,603,683	5,703,577
Prepaid expenses and other assets	398,799	728,077
Member contributions receivable - transaction costs	3,608,157	-
Unbilled receivables	690,908	216,292
Current maturities of other receivables	348,911	24,650
Total Current Assets	9,734,065	6,695,339
Property and Equipment	708,032	797,396
Other Receivables - less current maturities	-	288,556
Goodwill	6,955,863	6,955,863
Intangible Assets	-	686,980
Total Assets	\$ 17,397,960	\$ 15,424,134
LIABILITIES AND EQUITY		
Current Liabilities		
Line of credit	\$ -	\$ 600,000
Accounts payable and accrued liabilities	992,945	831,398
Accrued transaction costs - current portion	3,689,232	-
Accounts payable - related parties	-	30,471
Due to Gage Group, LLC	11,462	19,334
Deferred revenue	1,372,480	2,186,439
Total Current Liabilities	6,066,119	3,667,642
Accrued Transaction Costs, net of current portion	1,126,162	-
Total Liabilities	7,192,281	3,667,642
Members' Equity	10,205,679	11,756,492
Total Liabilities and Equity	\$ 17,397,960	\$ 15,424,134

See notes to consolidated financial statements.



Magnet 360, LLC and Subsidiaries

Consolidated Statements of Operations

Years Ended December 31	2015	2014
Revenue	\$ 25,078,815	\$ 26,599,676
Direct Costs	13,197,102	16,745,298
Gross Profit	11,881,713	9,854,378
Operating Expenses	12,015,759	10,105,589
Loss from Operations	(134,046)	(251,211)
Other Expense		
Other expense	(22,011)	(148)
Debt forgiveness	(49,055)	(24,650)
Interest expense	(1,067)	(11,182)
Transaction costs	(4,926,059)	-
Total Other Expense	(4,998,192)	(35,980)
Net Loss	\$ (5,132,238)	\$ (287,191)



See notes to consolidated financial statements.

Magnet 360, LLC and Subsidiaries

Consolidated Statements of Members' Equity

	Members' Equity
Balance, December 31, 2013	\$ 8,926,045
Acquisition of ADC	1,617,638
Acquisition of Irgonomics	1,500,000
Net loss	(287,191)
Balance, December 31, 2014	11,756,492
Redemption of units	(15,000)
Member contributions - transaction costs	3,608,157
Member distributions	(11,732)
Net loss	(5,132,238)
Balance, December 31, 2015	\$ 10,205,679



See notes to consolidated financial statements.

Magnet 360, LLC and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31	2015	2014
Operating Activities		
Net loss	\$ (5,132,238)	\$ (287,191)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation	301,044	242,009
Amortization	383,400	749,107
Impairment of intangible assets	303,580	-
Transaction costs	4,734,319	-
Loss on disposal of property and equipment	23,605	1,671
Interest added to notes receivable	(1,592)	(1,106)
Debt forgiveness	49,055	24,650
Changes in operating assets and liabilities:		
Accounts receivable	1,099,894	(340,076)
Unbilled receivables	(474,613)	1,964
Prepaid expenses and other assets	329,278	(287,928)
Accounts payable and accrued liabilities	242,619	(434,538)
Accounts payable - related parties	(30,471)	(33,699)
Due to - Gage Group, LLC	(7,872)	(2,176,079)
Deferred revenue	(813,959)	1,292,184
Net Cash Provided (Used) by Operating Activities	1,006,049	(1,249,032)
Investing Activities		
Purchases of property and equipment	(236,435)	(426,094)
Proceeds from sale of property and equipment	1,150	-
Escrow receivable	-	270,036
Payments received on notes receivable	-	26,128
Acquisition of Irgonomics and ADC, net of cash acquired	-	(526,875)
Net Cash Used by Investing Activities	(235,285)	(656,805)
Financing Activities		
Proceeds on line of credit	800,000	1,300,000
Payments on line of credit	(1,400,000)	(700,000)
Issuance of notes receivable	(83,168)	(264,000)
Member distributions	(11,732)	-
Redemption of units	(15,000)	-
Net Cash Provided (Used) by Financing Activities	(709,900)	336,000
Net Increase (Decrease) in Cash	60,864	(1,569,837)
Cash		
Beginning of year	22,743	1,592,580
End of year	\$ 83,607	\$ 22,743

See notes to consolidated financial statements.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Magnet 360, LLC (Magnet 360) was organized in Minnesota on March 25, 2008. The Company is a marketing and technology services consultancy focused on delivering marketing solutions based on Salesforce.com technology.

Principles of Consolidation/Accounting for Investments in Affiliated Entities

The accompanying consolidated financial statements include the accounts of Magnet 360 and its wholly owned affiliates Reside, Inc. and M360 Investments (including its wholly owned subsidiary Numerical Truth) (collectively, the Company). All significant intercompany balances and transactions have been eliminated in consolidation.

Unit Purchase Transaction

In January 2016, the Members of the Company entered into an agreement to sell all Company units in a purchase transaction. Upon the closing of the transaction, the Company became wholly owned by the purchaser. As this transaction constitutes a change of control as defined by the employee option purchase plan (Note 10) and certain employment agreements (Note 12) the Company recorded approximately \$4.7 million of employee related expense for the year ended December 31, 2015 and a contribution receivable from the selling members for the funding of employee related expenses of approximately \$3.6 million at December 31, 2015. In addition, the selling members assumed approximately \$1.8 million of transaction costs which therefore were not recorded by the Company.

The following is a summary of transaction costs for the year ended December 31, 2015:

Description	Amount
Transaction fees and other	\$ 191,740
Employee option plan - closing*	1,851,572
Change in control compensation and severance - closing*	1,756,585
Employee option plan - earnout	1,126,162
Total	\$4,926,059

* Funded by member contribution.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates include the allowance for doubtful accounts receivable, purchase price allocations, useful lives and carrying value of goodwill and intangible assets, the value of units issued for acquisitions, and the contingent Employee Option Plan obligation. The estimates could differ significantly under different assumptions or conditions, and it is at least reasonably possible that the estimates used will change within the near term.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue is earned by the Company through the delivery of technical consulting services to its clients. Revenue is recognized based on time and materials provided to clients. The Company also provides media services. Revenue on media services is recognized upon delivery to the client.

Deferred Revenue

Deferred revenue consists primarily of services and licensing fees billed in advance.

Credit Risk

The Company maintains cash balances which at times may exceed the Federal Deposit Insurance Corporation limit. The Company has not experienced any losses in such accounts, and management believes the Company is not exposed to any significant credit risk on cash.

Accounts Receivable

Management reviews individual accounts as they become past due to determine collectability. The allowance for doubtful accounts is adjusted periodically based on management's consideration of past due accounts. Individual accounts are charged against the allowance when collection efforts have been exhausted.

Unbilled Receivables

The Company recognizes fee revenue as hours are worked on behalf of its clients. Unbilled receivables include the cost and expected profit on work completed but not billed. Management reviews unbilled receivables monthly to determine collectability.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment acquisitions which exceed \$500 and have an estimated useful life of one year or more are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of generally three to five years. Leasehold improvements are amortized over the lesser of the useful lives of the assets or the lease term.

Intangible Assets

Intangible assets are recorded at cost and are amortized over their estimated useful lives. The Company periodically reviews intangible assets for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill

Goodwill is not amortized, but is tested for impairment annually. Management determined there was no impairment in 2015 or 2014.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies (continued)

Deferred Rent

Certain leases contain escalating rent terms. The Company recognized rent expense on a straight-line basis. Deferred rent represents the difference between straight-line rent and contractual payments.

Marketing

Marketing costs are expensed when incurred. Total marketing expense was \$257,759 and \$212,718 in 2015 and 2014, respectively.

Income Taxes

Profits and losses at the Company are reported on the income tax returns of the members. Accordingly, no provision for income taxes is recorded by the Company.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability (or asset) if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company and has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Company is subject to routine audits by taxing jurisdictions. The Internal Revenue Service conducted an examination of the Company's federal income tax return for tax year 2012 without any adjustment to the tax return. Management believes the Company is no longer subject to income tax examinations for years prior to 2012.

2. Acquisitions

American Data Company (ADC)

In April 2014, the Company acquired certain assets and liabilities of American Data Company (ADC) for \$1,927,638. The purchase included the issuance of 294,116 Class B units valued at \$5.50 per unit (\$1,617,638) and \$310,000 cash.

Under the purchase agreement, the Company has held back 61,528 units as security for representations made by ADC and any final working capital adjustment. The holdback period is for 18 months following the closing. In addition, 48,000 units are pledged for the \$264,000 note receivable (see Note 3). The previous owner was granted anti-dilution protection through the issuance of additional Class B units as defined in the agreement.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

2. Acquisitions (continued)

The fair value of ADC was as follows:

Description	Amount
Cash	\$ 70,919
Receivables	372,608
Prepaid expenses and other current assets	69,597
Employment agreement	380,000
Customer relationships	230,000
Goodwill	1,449,639
Total assets acquired	2,572,763
Accounts payable and other current liabilities assumed	(645,125)
Net Assets Acquired	\$ 1,927,638

Irgonomics

In January 2014, the Company acquired certain assets of Irgonomics for \$1,787,974. The purchase price included the issuance of 272,728 Class B units valued at \$5.50 per unit (\$1,500,000) and \$287,794 cash.

Under the purchase agreement, the Company has held back 132,728 units as security for representations made by Irgonomics and any final working capital adjustment. The holdback period is for 18 months following the closing.

The fair value of Irgonomics was as follows:

Description	Amount
Receivables	\$ 325,000
Employment agreement	360,000
Customer relationships	130,000
Goodwill	972,794
Total Assets Acquired	\$ 1,787,794

The above acquisitions were made for the purpose of business expansion.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

3. Members' Equity and Stock Subscription Receivable

As of December 31, 2015 and 2014, the Company had Class A voting units and Class B nonvoting units. Although the Class B units will not permit their holders to vote in Company matters, the Member Control Agreement does require the Company to obtain the consent of certain holders of Class B units prior to engaging in certain strategic transactions. The Class B units have priority rights to non-tax related distributions over Class A units until such time as the Class B members shall have received distributions equal to the total capital contributions relating to their Class B units. Distributions to the Class A holders will be made in accordance with the particular series of Class A units held, with the holders of Class A-2 units receiving priority over the holders of Class A-1 units. The different series of Class A units exists solely to prioritize the rights of the holders of such units to receive non-tax related distributions after the return of Class B capital. Certain of the investor agreements contain anti-dilution protection provisions, generally for a period of 6 - 18 months, that require additional units to be issued to the investor in the event units are subsequently offered at a lower price. The following is a summary of units as of December 31, 2015 and 2014:

	Class A-1 Units	Class A-2 Units	Class B Units	Total
Balance, December 31, 2013	2,968,633	2,000,000	1,472,613	6,441,246
Acquisition of ADC	-	-	294,116	294,116
Acquisition of Irgonomics	-	-	272,728	272,728
Balance, December 31, 2014	2,968,633	2,000,000	2,039,457	7,008,090
Redemption of units	-	-	(5,338)	(5,338)
Balance, December 31, 2015	2,968,633	2,000,000	2,034,119	7,002,752

Additional Investors

In April 2014, the Company issued an additional 294,116 Class B units at \$5.50 as part of the acquisition of ADC.

In January 2014, the Company issued an additional 272,728 Class B units at \$5.50 as part of the acquisition of Irgonomics.

4. Other Receivables

Other receivables consisted of the following:

December 31, 2015	Current	Long-Term	Total
Note receivable - employees	\$ 83,645	\$ -	\$ 83,645
Note receivable - ADC	265,266	-	265,266
Other Receivables	\$ 348,911	\$ -	\$ 348,911



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

4. Other Receivables (continued)

December 31, 2014	Current	Long-Term	Total
Note receivable - employee	\$ 24,650	\$ 24,029	\$ 48,679
Note receivable - ADC	-	264,527	264,527
Other Receivables	\$ 24,650	\$ 288,556	\$ 313,206

In April 2015, Magnet 360 entered into a promissory note with an executive employee and shareholder for \$71,850 plus interest at 0.85%. Principal and interest were due on the earlier of a change in control, as defined, or April 15, 2018. In January 2016, upon the change of control the employee repaid the note and accrued interest.

In December 2015, Magnet 360 entered into a promissory note with an executive employee and shareholder for \$11,318 plus interest at 0.95%. Principal and interest were due on the earlier of a change in control, as defined, or April 15, 2017. The loan was secured by 2,058 pledged units at a unit price of \$5.50. As permitted, Magnet 360 redeemed the pledged units in connection with the change in control in January 2016, and the employee pledged the units back to Magnet 360 to repay the loan at a per unit price of \$5.50.

In October 2012, Magnet 360 entered into a promissory note agreement with an employee for \$96,485 plus interest at .84%. The note was a loan to an employee, the proceeds of which were used to purchase shares of common stock in Reside. Contingent upon employment, the note was to be forgiven at 25% of the outstanding principal and interest accrued each year until 100% has been forgiven. In 2015, the Company forgave the remaining balance on the note of \$49,055.

Note Receivable - ADC

In April 2014, Magnet 360 entered into a promissory note agreement, as amended, with ADC for \$264,000 plus interest at 0.28%. Principal and interest were due on the earlier of a change in control, as defined, or April 15, 2017. The loan was secured by 48,000 pledged units at a unit price of \$5.50. As permitted, Magnet 360 redeemed the pledged units in connection with the change in control in January 2016, and ADC pledged the units back to Magnet 360 to repay the loan at a per unit price of \$5.50.

5. Property and Equipment

Property and equipment consisted of the following:

December 31	2015	2014
Computers and office equipment	\$ 648,694	\$ 513,076
Software	136,754	135,594
Furniture and fixtures	317,118	278,434
Leasehold improvements	388,022	368,875
Total cost	1,490,588	1,295,979
Less accumulated depreciation	782,556	498,583
Property and Equipment	\$ 708,032	\$ 797,396



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

6. Investments

enStratus Network, LLC

In May 2013, Magnet 360 sold its ownership interest and recorded a gain on the sale of \$1,177,001, which represented the proceeds in excess of their cost. Magnet received \$922,965 in cash and the remaining \$270,036 is in an escrow receivable account at December 31, 2013. The balance of \$270,036 plus interest was received in December 2014.

7. Intangible Assets

Other intangible assets are stated at their cost less accumulated amortization computed on the straight-line basis except for certain customer lists that are amortized on an accelerated method and consist of the following:

December 31, 2015	Estimated Useful Life	Cost	Accumulated Amortization	Net
Trademark	5 years	\$ 16,085	\$ 16,085	\$ -
Website domain	5 years	11,693	11,693	-
Customer lists/relationships	3 - 5 years	1,676,699	1,676,699	-
Employment agreements	2 - 3 years	740,000	740,000	-
Total		\$2,444,477	\$ 2,444,477	\$ -

December 31, 2014	Estimated Useful Life	Cost	Accumulated Amortization	Net
Trademark	5 years	\$ 16,085	\$ 16,085	\$ -
Website domain	5 years	11,693	11,693	-
Customer lists/relationships	3 - 5 years	1,676,699	1,495,719	180,980
Employment agreements	2 - 3 years	740,000	234,000	506,000
Total		\$2,444,477	\$ 1,757,497	\$ 686,980

In 2015 management determined that the intangible assets were impaired and recorded an impairment loss of \$303,580.

8. Bank Line of Credit

In September 2013, the Company obtained a \$1,500,000 line of credit, subject to a borrowing base, maturing September 2015. The line of credit was extended to September 2016. The line of credit bears monthly interest at the greater of prime (3.50% and 3.25% at December 31, 2015 and 2014) plus 0.75% with a minimum rate of 4.50%. Borrowings are collateralized by substantially all Company assets, and are subject to certain financial requirements. The balance outstanding on the line of credit was \$0 and \$600,000 at December 31, 2015 and 2014, respectively.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

9. Retirement Plan

The Company sponsors a 401(k) profit sharing plan for employees who are 18 years of age and have met certain other eligibility requirements. The Plan allows an employee to contribute up to the limitation established by the Internal Revenue Service. The Company may make discretionary matching and other voluntary contributions to the Plan, as determined annually. The Company made matching contributions of approximately \$247,800 and \$189,000 for the years ended December 31, 2015 and 2014, respectively.

10. Employee Option Plan

On November 23, 2010, the Company adopted the Magnet 360 Employee Option Plan. The Plan has reserved 9,120,000 employee units for issuance pursuant to the Plan. The Board has approved the grant of options up to 3,940,000 at an exercise price of \$.30 per unit. As of December 31, 2015, there are 1,119,250 units available for issuance. The term of each option shall not exceed ten years from the date of the grant. The options vest over three years, or immediately upon a change in control, as defined. The options are forfeited ninety days after termination of employment.

During 2013, the Company issued 2,000,000 options at an exercise price of \$.30 per unit to a consultant. Upon an exit event, as defined, the Company is required to pay the consultant a contingent bonus of the lesser of \$600,000 or the current value of these options. In the event the consulting service agreement with the Company is terminated for any reason, the consultant has agreed to provide services to the Company under a retainer agreement. These options were forfeited in 2014 due to the Irgonomics acquisition.

In 2015, the Company determined that employee options granted from 2010 through 2014 were issued with a strike price higher than the fair market value of the units subject to the option at the date of grant. In order to correct this, the Company committed to provide supplemental cash payments to the affected employees upon exercise of the options. The total cost of the change in exercise price was approximately \$1.3 million and was paid upon exercise of the options as a result of the change in control.

The vested portion of options is exercisable only upon a change in control, as defined. The majority of the options, approximately 7,872,000 at December 31, 2015, provide that employees receive compensation from the Company for their prorated share from the change of control transaction as if they held the units from exercise; however, under the terms of the agreement, employees do not actually receive units or obtain any other member rights. Prior to December 31, 2015, the Company had not recorded compensation expense related to the employee unit option plan due to uncertainty that a change in control would occur. As a result of the Unit Purchase Transaction, completed in January 2016, this uncertainty no longer remained. The Company recorded employee option plan expense of \$2,977,734 for the year ended December 31, 2015 for the estimated amount to be paid to employees. Of this amount, \$1,851,572 was paid to employees upon closing in January 2016. The balance of \$1,216,162 is to be paid in 2017 and 2018, and was estimated assuming all relative performance measures will be met based on an earnout formula specified in the Unit Purchase Transaction. The Company's selling members agreed that their proceeds from the Unit Purchase Transaction would be reduced to pay the portion attributable to the employee stock option plan and certain other change in control expenses at closing; the Company recorded a member contribution receivable at December 31, 2015 for such amount.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

10. Employee Option Plan (continued)

Unit option changes were as follows:

Description	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)
Outstanding, December 31, 2014	7,151,250	\$ 0.30	7.98
Granted	1,415,000	0.30	-
Forfeited, including 160,615 vested units	(565,500)	0.30	-
Outstanding, December 31, 2015	8,000,750	0.30	7.45
Vested at December 31, 2015	5,829,664	\$ 0.30	6.74

Nonvested unit option changes during 2015 were as follows:

Description	Options
Nonvested - December 31, 2014	2,571,907
Granted	1,415,000
Forfeited	(404,885)
Vested	(1,410,936)
Nonvested - December 31, 2015	2,171,086

11. Operating Leases

In January 2011, the Company entered into a sublease agreement with a nonrelated party through December 2015. Effective December 1, 2013, the sublease agreement was amended due to increase in the office space leased and extended through November 2018. The renewed lease requires monthly base payments of \$39,408, increasing 2.5% annually. Total rent expense was \$497,136 and \$499,156 in 2015 and 2014, respectively.

Effective April 2014, in connection with the ADC acquisition, the Company entered into a lease agreement with a non-related party for office space in Los Angeles through March 2017. The agreement requires monthly base payments of \$8,463, increasing annually. Total rent expense was \$99,733 and \$83,187 in 2015 and 2014, respectively.

The Company has recorded a deferred rent liability in relation to these leases of approximately \$36,700 and \$25,300 as of December 31, 2015 and 2014, respectively.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

11. Operating Leases (continued)

Future minimum rents under these lease agreements are as follows:

Year	Total
2016	\$ 635,000
2017	545,000
2018	479,000
Total	\$ 1,659,000

Effective May 2011, the Company entered into a lease agreement with a nonrelated party for office space in New York on a month-to-month basis for use of phones, common space, and certain office equipment. In 2014, monthly rent was \$4,500 for January through July. In August 2014, monthly rent increased to \$10,250 for additional space rented. Total rent expense was \$123,000 and \$102,183 in 2015 and 2014, respectively.

Effective October 2013, the Company entered into a lease agreement with a nonrelated party for office space in Chicago on a month-to-month basis at \$1,050 per month plus fees for use of phones, common space, and certain office equipment. In 2014, monthly rent was \$1,750 plus fees for January - August. In September 2014, monthly rent increased to \$4,410 for additional space rented. In 2015, the monthly rent increased to \$8,945 for additional space rented. Total rent expense was \$76,700 and \$34,085 in 2015 and 2014, respectively.

In September 2015, the Company entered into a lease agreement for an apartment in Los Angeles for \$6,500 per month plus utilities, expiring in September 2016.

12. Related Party Transactions

Service Agreement

The Company has an agreement with Gage Marketing Group, LLC to pay them 50% of its gross channel marketing revenue for licensing, client support and professional services and 97.5% for certain media and listed services. Total amounts paid to Gage Marketing Group, LLC under this agreement were \$264,043 and \$8,199,645 for the years ended December 31, 2015, and 2014, respectively.

Employment Agreements

The Company has various employment agreements with several members of management. The agreements include profit sharing and/or bonus arrangements, liquidation event bonuses, and other provisions. As a result of the Unit Purchase Transaction completed in January 2016, the Company recorded an accrual as of December 31, 2015 for approximately \$750,000 in severance and \$71,000 in benefits related to these agreements.

13. Concentrations

One customer accounted for 12% of the Company's consolidated accounts receivable balance at December 31, 2015.

One customer accounted for 24% of the Company's consolidated revenue as of December 31, 2014.



Magnet 360, LLC and Subsidiaries

Notes to Consolidated Financial Statements

14. Supplementary Disclosures of Cash Flow Information

Additional cash flow information consisted of the following:

Year Ended December 31	2015	2014
Cash paid for interest	\$ 1,067	\$ 11,182
Noncash investing and financing activities:		
Units issued as a result of acquisitions	-	3,117,638
Transaction costs funded by member contributions	3,608,157	-

15. Subsequent Events

Management has evaluated subsequent events through April 8, 2016, the date at which the consolidated financial statements were available to be issued.

For Mindtree Limited
Ved
Company Secretary



Magnet 360, LLC
Consolidated balance sheet

	Note	As at March 31, 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3.1.1	968,861,718
Reserves and surplus	3.1.2	<u>(326,706,902)</u>
		642,154,816
Current liabilities		
Short-term borrowings	3.2.1	14,907,375
Trade payables		
Payable to micro and small enterprises (Refer note 3.10)		-
Others		24,371,697
Other current liabilities	3.2.2	<u>243,394,229</u>
		282,673,301
		924,828,117
ASSETS		
Non-current assets		
Goodwill on consolidation		460,860,681
Fixed assets		
Tangible assets	3.3.1	39,436,733
Intangible assets	3.3.1	3,315,572
Capital work-in-progress		-
		<u>503,612,986</u>
Current assets		
Trade receivables	3.4.1	321,061,764
Cash and bank balances	3.4.2	19,144,777
Short-term loans and advances	3.4.3	45,489,153
Other current assets	3.4.4	<u>35,519,437</u>
		421,215,131
		924,828,117
Significant accounting policies and notes to the accounts	2 & 3	

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

CERTIFIED TRUE COPY

For Mindtree Limited

Yeduri
 Company Secretary

Parasath
 Parthasarathy N.S
 Director

For Magnet 360, LLC

Radha
 Radha R
 Director

Place: Bengaluru
 Date : April 18, 2016



Magnet 360, LLC
Consolidated statement of profit and loss

Particulars	Note	For the period 'January 19, 2015 to March 31, 2016
Revenue from operations		428,005,830
Other income	3.5	8,233
Total revenues		428,014,063
Expense:		
Employee benefits expense	3.6	343,053,994
Finance costs	3.6	7,442
Depreciation and amortisation expense	3.3.1	5,072,996
Other expenses	3.6	95,747,891
Total expenses		443,882,323
Profit before tax		(15,868,260)
Tax expense:		
Current tax		139,695
Deferred tax		-
Profit for the period		(16,007,955)

Significant accounting policies and notes to the accounts 2 & 3

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

Parasath
Parthasarathy N S
 Director

For Magnet 360, LLC
Radhe
Radha R
 Director

Place: Bengaluru
 Date : April 18, 2016

CERTIFIED TRUE COPY
 For Mindtree Limited

Company Secretary



Magnet 360, LLC
Consolidated cash flow statement

For the period 'January 19, 2015 to
31-Mar-16

Cash flow from operating activities	
Profit before tax	(16,007,955)
Adjustments for :	
Depreciation and amortisation expense	5,209,742
Finance costs	7,442
Loss on sale of fixed assets	27,068
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(602,081)
Operating profit before working capital changes	(11,365,784)
Changes in trade receivables	(16,503,717)
Changes in loans and advances and other assets	3,237,547
Changes in liabilities and provisions	(219,456,523)
Net cash provided by operating activities before taxes	(244,088,478)
Income taxes paid	-
Net cash provided by operating activities	(244,088,478)
Cash flow from investing activities	
Purchase of fixed assets	(1,057,010)
Proceeds from sale of fixed assets	54,329
Investment in subsidiaries	238,697,644
Net cash used in investing activities	237,694,963
Cash flow from financing activities	
Finance costs	(7,442)
Proceeds from short-term loans	14,907,375
Net cash used in financing activities	14,899,933
Effect of exchange differences on translation of foreign currency cash and cash equivalents	602,081
Net (decrease)/ increase in cash and cash equivalents	9,108,499
Opening cash balance in Magnet 360 L.L.C	10,036,278
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year (Refer note 3.4.2)	19,144,777

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



Parthasarathy N S
Director

For Magnet 360, LLC



Radha R
Director

Place: Bengaluru
Date : April 18, 2016



Magnet 360, LLC

Significant accounting policies and notes to the accounts

For the three months period ended March 31, 2016

1. Background

Magnet 360 (the "Company"), an Minnesota based Company, was founded in 2008. Mindtree Limited acquired the 100% holding of this entity from the promoters of the Company. The Company offers marketing and technology services consultancy focused on delivering marketing solutions based on Salesforce.com technology. The Company has three fully owned subsidiaries, Reside LLC, M360 Investments, LLC and Numerical Truth, LLC (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) under the historical cost convention on the accrual basis and for the period January 19, 2016 (nearest practicable date to the date of acquisition) to March 31, 2016.

2.2 Principles of consolidation

The financial statements of Magnet 360 LLC and its wholly owned and controlled subsidiary has 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.



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	7 years
Office equipment	5 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.



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 Contributions payable to the Provident and other plans, which are a defined contribution scheme, are charged to the statement of profit and loss in the period in which the employee renders services.

2.9 Revenue recognition

2.9.1 Revenue is earned by the Company through the delivery of technical consulting services to its clients. Revenue from technical consulting services on time-and-material basis is recognised as the related services are rendered. Revenue from media services is recognized upon delivery to the client.

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.



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.



2.14 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.

2.15 Goodwill

Goodwill arising on consolidation/ acquisition of assets is not amortised. It is tested for impairment on a periodic basis and written off to the extent of impairment, if any.



Mugdha 360, LLC
 Significant accounting policies and notes to the accounts
 For the three months period ended March 31, 2016

3.3 Non-current assets

3.3.1 Fixed assets

Assets	Gross block					Accumulated depreciation			Net book value		
	As at January 19, 2016	Additions during the year	Translation adjustment	Deletions during the year	As at March 31, 2016	As at January 19, 2016	For the year	Translation adjustment	Deletions during the year	As at March 31, 2016	As at March 31, 2016
Tangible assets											
Leasehold improvements	25,669,617	55,053	36,803	-	25,763,503	13,113,678	1,240,555	(1,157)	-	14,355,076	11,410,427
Computer systems	38,074,292	694,213	39,442	108,277	38,699,670	24,153,777	2,115,156	(1,041)	26,881	26,241,868	12,457,802
Furniture and fixtures	20,978,983	180,846	27,630	-	21,187,459	7,617,115	752,279	(1,891)	-	8,367,503	12,819,956
Office equipment	4,840,062	-	7,317	-	4,847,379	1,852,869	247,679	(1,661)	-	2,098,827	2,748,552
Total (A)	89,562,953	930,141	113,193	108,277	90,498,011	46,737,379	4,355,649	(4,872)	26,681	51,061,275	39,436,736
Intangible assets											
Computer Software	9,046,947	-	13,676	-	9,060,623	5,032,712	717,347	(5,005)	-	5,745,054	3,315,569
Total (B)	9,046,947	-	13,676	-	9,060,623	5,032,712	717,347	(5,005)	-	5,745,054	3,315,569
Total (A+B)	98,609,900	930,141	126,869	108,277	99,558,634	51,770,091	5,072,996	(9,878)	26,681	56,806,328	42,752,305



Magnet 360, LLC**Significant accounting policies and notes to the accounts****For the three months period ended March 31, 2016****3.7 Segment Reporting**

The Company is engaged in providing the marketing and technology services 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. The Company provides services in following geography only.

Particulars	For the period January 19, 2016 to
	March 31, 2016
America	428,005,830

3.8 Related party transactions

Name of related party	Nature of relationship
Mindtree Limited	Holding Company
Mindtree Software (Shanghai) Co., Ltd.	Fellow subsidiary
Discoverure Solutions L.L.C.	Fellow subsidiary with effect from February 13, 2015
Discoverure Solutions U.L.C.*	Fellow subsidiary with effect from February 13, 2015
Discoverure Solutions Europe Limited**	Fellow subsidiary with effect from February 13, 2015
Bluefin Solutions Limited	Fellow subsidiary with effect from July 16, 2015
Bluefin Solutions Inc.	Fellow subsidiary with effect from July 16, 2015
Bluefin Solutions Sdn Bhd	Fellow subsidiary with effect from July 16, 2015
Blouvin (Pty) Limited	Fellow subsidiary with effect from July 16, 2015
Bluefin Solutions Pte Ltd	Fellow subsidiary with effect from July 16, 2015
Relational Solutions, Inc	Fellow subsidiary with effect from July 16, 2015

*Dissolved with effect from November 19, 2015.

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

Key Managerial Personnel:

Name	Designation
Matt Mecnts	CEO
Doug Andersen	Chief operating officer
Gabby Matzdorff	Chief Financial Officer
Bill Galfano	Vice President of Sales - North America
Tina Sherman	Vice President and Chief Growth Officer
Josh Youman	Vice President of talent



Magnet 360, LLC**Significant accounting policies and notes to the accounts****For the three months period ended March 31, 2016****3.9 Lease transactions**

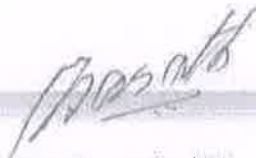
Lease rental expense under non-cancellable operating lease during the three month period ended March 31, 2016 amounted to Rs 26,736,948. Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at March 31, 2016
Payable -- Not later than one year	43,751,679
Payable -- Later than one year and not later than five years	58,951,898
Payable -- later than five years	-

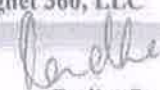
3.10 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	For the period January 19, 2016 to March 31, 2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting period;	Nil
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period;	Nil
The amount of interest due and payable for the three month period (where the principal has been paid but interest under the Act not paid);	Nil
The amount of interest accrued and remaining unpaid at the end of accounting period; and	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil


Parthasarathy N S
Director

For Magnet 360, LLC


Radha R
Director



Place: Bengaluru
Date: April 18, 2016

Deloitte Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
Bengaluru - 560 025
India

Tel : + 91 (80) 66276000
Fax: + 91 (80) 66276013

Independent Auditor's Certificate

To,
The Board of Directors,
Mindtree Limited
Global Village, RVCE Post,
Mysore Road,
Bangalore-560 059,
Karnataka, India

We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S), the statutory auditors of Mindtree Limited (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 9 of the Proposed Scheme of Amalgamation of Magnet 360 L.L.C. with Mindtree Limited in terms of the provisions of the Section 391 to 394 of the Companies Act, 1956 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013, and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Proposed Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

For ease of reference, the Proposed Scheme, duly authenticated on behalf of the Company, is annexed to this certificate, and is stamped by us only for the purposes of identification.

This Certificate is issued at the request of the Mindtree Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange of India Limited and BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

BENGALURU, 18 July, 2016
Ref: VB/ 132



For Mindtree Limited
Vedant
Company Secretary

For DELOITTE HASKINS & SELLS
Chartered Accountants
(ICAI Reg. No. 008072S)

V. Balaji
V. BALAJI
Partner
Membership No. 203685





Mindtree

Welcome to possible

Registered Office Address: Mindtree Ltd.
Global Village, RVCE Post, Mysore Road,
Bengaluru-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

August 08, 2016

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra East,
Mumbai 400 051

Dear Sirs,

Subject: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the proposed Scheme of Amalgamation of Magnet 360, LLC (Transferor Company) with Mindtree Limited (Transferee Company).

In connection with the above application, We undertake and confirm that the Company is in Compliance of the requirements of Regulation 27(2) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the Compliance Report is attached to as an Annexure 1.

Thanking you,
Yours sincerely,

for Mindtree Limited

Vedavalli S
Company Secretary





CORPORATE GOVERNANCE REPORT

Annexure I

1. Name of Listed Entity: Mindtree Limited

2. Quarter ending : June 30, 2016

Sr	Title (Mr / Ms)	Name of the Director	PAN/ DIN	Category 1 (Chairperson/ Executive/ Non-Executive/ Independent/ Nominee)	Date of appointment in the current term	Date of cessation	Tenure*	No of Directorship in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee held in listed entities including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity	Remarks
1	Mr	Krishnakumar N	AAAPK6972D 00147772	Executive Chairman	01-04-2016	30-06-2017		1	0	0	Appointed as Executive Chairman w.e.f April 01, 2016
2	Mr	Parthasarathy N S	ABLPP8001E 00146954	Executive Director CEO & Managing Director	01-01-2014	31-12-2018		1	0	0	Appointed as CEO and Managing Director
3	Mr	Rostow Ravanan	ACSPR0729D 00144557	Managing Director	01-04-2016	31-03-2021		1	1	0	





Mindtree

																				Director w.e.f April 01, 2016
4	Mr	Subroto Bagchi	ADJPB9499C 00145678	Non - Executive Director	01-04-2016	NA						2	1	0						Director w.e.f April 01, 2016. Ceased to be Executive Chairman w.e.f April 01, 2016.
5	Mr	V G Siddhartha	ABXPS1891D 00063987	Non - Executive Director	20-01-2000	NA						2	3	0						
6	Mr	Ramesh Ramanathan	AHWPR3887M 00163276	Independe nt Director	22-06- 2015	31-03-2018						1	0	1						Original date of appointment was May 2, 2012. Appointed by shareholders on June 22, 2015 to hold office as Independent Director till Mar 31, 2018. This is the first term.
7	Prof	Pankaj Chandra	ABKPC9011A 00988867	Independe nt Director	22-06- 2015	31-03-2018						1	0	0						Original date of appointment was Mar 19, 2012. Appointed by shareholders on June 22, 2015 to hold office as Independent Director till Mar 31, 2018. This is the first term.



8	Ms	Apurva Purohit	AAIPP5125B 00190097	Independent Director	18-07-2014	31-12-2018	4 years 5 months	1	1	0	Board appointment date is Jan 01, 2014. Appointed by shareholders on July 18, 2014 to hold office as Independent Director till Dec 31, 2018. 1st Term.
9	Ms	Manisha Girotra	AAEPG5908M 00774574	Independent Director	18-07-2014	19-05-2019	4 years 10 months	2	0	0	Board appointment date is May 20, 2014. Appointed by shareholders on July 18, 2014 to hold office as Independent Director till May 19, 2019. 1st Term.
10	Dr	Albert Hieronimus	ABIPH5990D 00063759	Independent Director	18-07-2014	31-03-2017	2 years 8 months	2	2	1	Original date of appointment was Oct 24, 2006. Appointed by shareholders on July 18, 2014 to hold office as Independent Director till Mar 31, 2017. This is the first term.





Mindtree

⁵SPAN number of any director would not be displayed on the website of Stock Exchange
&Category of directors means executive/non-executive/independent/Nominee. if a director fits into more than one category write all categories separating them with hyphen
* to be filled only for Independent Director. Tenure would mean total period from which Independent director is serving on Board of directors of the listed entity in continuity without any cooling off period.

Note 1: Where a director is a Chairman in a Committee, He is not included as the member of the Committee.

II. Composition of Committees

Name of Committee	Name of Committee members	Category (Chairperson/Executive/Nonexecutive/independent/Nominee) ⁵	Chairperson/Member
1. Audit Committee	1. Mr. Ramesh Ramanathan 2. Dr. Albert Hieronimus 3. Ms. Apurva Purohit 4. Mr. V.G. Siddhartha	Independent Director Independent Director Independent Director Non-Executive Director	Chairperson Member Member Member
2. Nomination & Remuneration Committee	1. Ms. Apurva Purohit 2. Dr. Albert Hieronimus 3. Prof. Pankaj Chandra 4. Mr. Subroto Bagchi 5. Krishnakumar N	Independent Director Independent Director Independent Director Non-Executive Director Executive Chairman	Chairperson Member Member Member Member
3. Risk Management Committee	1. Mr. Krishnakumar N 2. Mr. Rostow Ravanan 3. Mr. Parthasarathy N S	Executive Chairman CEO & Managing Director Executive Director	Chairperson Member Member
4. Stakeholders Relationship Committee	1. Dr. Albert Hieronimus 2. Mr. Rostow Ravanan	Independent Director CEO & Managing Director	Chairperson Member





Mindtree

<i>*Category of directors means executive/non-executive/independent/Nominee. If a director fits into more than one category write all categories separating them with hyphen</i>		

III. Meeting of Board of Directors		
<i>Date(s) of Meeting (if any) in the previous quarter</i>	<i>Date(s) of Meeting (if any) in the relevant quarter</i>	<i>Maximum gap between any two consecutive (in number of days)</i>
<i>January 18, 2016</i>	<i>April 18, 2016</i>	<i>90 days</i>

IV. Meeting of Committees			
<i>Date(s) of meeting of the committee in the relevant quarter</i>	<i>Whether requirement of Quorum met (details)</i>	<i>Date(s) of meeting of the committee in the previous quarter</i>	<i>Maximum gap between any two consecutive meetings in number of days*</i>
<i>Audit Committee – April 18, 2016</i>	<i>YES. Present – All members i.e 3 Independent Directors and 1 Non-executive Director</i>	<i>January 18, 2016</i>	<i>90 days</i>





Mindtree

* This information has to be mandatorily be given for audit committee, for rest of the committees giving this information is optional

V. Related Party Transactions		Compliance status (Yes/No/NA) <small>refer note below</small>
Subject		
Whether prior approval of audit committee obtained		YES
Whether shareholder approval obtained for material RPT		NA
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee		NA

Note : All the related party transactions were at arm's length and in the ordinary course of business.

- 1 In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.
- 2 If status is "No" details of non-compliance may be given here.

VI. Affirmations

1. The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015. - YES
2. The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015 - YES
 - a. Audit Committee
 - b. Nomination & remuneration committee
 - c. Stakeholders relationship committee
 - d. Risk management committee (applicable to the top 100 listed entities) - Not applicable
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015 – YES





4. The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015 – YES.

5. This report and/ or the report submitted in the previous quarter has been placed before Board of Directors. Any comments/observations/advice of Board of Directors may be mentioned here: NONE

Vedavalli S

Name : Vedavalli S
Designation : Company Secretary & Compliance Officer




Mindtree
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Global Village, RVCE Post, Mysore Road,
Bengaluru-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

ANNEXURE II
Compliance report with the requirements specified in SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015
Ref: Application under Regulations 37 of SEBI (LODR) Regulations, 2015
Sub: Scheme of Amalgamation of Magnet 360, LLC (Transferor Company) with Mindtree Limited (Transferee Company)

In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Compliance Status (Yes / No)
1	Listed companies shall choose one of the stock exchanges having nation-wide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI.	NSE. YES
Compliance as per Para I (A) (3) of Annexure I to the Circular		
2	Documents to be submitted:	
2.a	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	Annexure A
2.b		
2.c	Valuation Report as per Para 1(A)(4) of Annexure-I of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Annexure B1
2.d	Report from the Audit Committee recommending the Draft Scheme	Annexure B2
2.e	Fairness opinion by merchant banker	Annexure C
2.f	Pre and post amalgamation shareholding pattern of unlisted company	Shareholding of Transferee Company- Annexure D1 Shareholding of Transferor Company- Annexure D2
2.g	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company;	Annexure E2
2.h	Auditor's Certificate as per Para 1(A)(5) of Annexure-I of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Annexure F
2.i	Compliance with requirements of Regulation 17 to 27 of Listing Regulations	Annexure G
2.j	Complaints Report as per Annexure III of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	This will be submitted within 7 days of expiry of 21 days





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Compliance as per Para I (A) (1) of Annexure I to the Circular		
3	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956 or under Section 230-234 of the Companies Act, 2013	NA as no shares are allotted
4	At least 25% of the post scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public holders in the transferor entity.	NA as no shares are allotted
5	The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	NA as no shares are allotted
6	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (4) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.	NA as no shares are allotted
7	The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.	NA as no shares are allotted

Date: Aug 08, 2016
Place: Bangalore


Managing Director/ Company Secretary



Mindtree Ltd.
Global Village
RVCE Post, Mysore Road
Bengaluru - 560059

T + 91 80 6706 4000
F + 91 80 6706 4100
W www.mindtree.com

Deloitte Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
Bengaluru - 560 025
India

Tel : + 91 (80) 66276000
Fax: + 91 (80) 66276013

Independent Auditor's Certificate

To,
The Board of Directors,
Mindtree Limited
Global Village,
RVCE Post,
Mysore Road,
Bangalore-560059,
Karnataka, India

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 008072S), the statutory auditors of Mindtree Limited ("the Company"), have been requested by the Company to certify the attached "Undertaking in relation to non-applicability of requirements prescribed in Paragraph 9 (a) of I.A. of Annexure I of the Securities Exchange Board of India (SEBI) Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 (together, the "SEBI Circular")" ("the undertaking"), which has been prepared by the Company and approved by its Board of Directors, and is duly stamped by us for identification purpose.
2. The Management of the Company is responsible for preparation of the undertaking and the maintenance of proper books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant to preparation of the undertaking that is free from material misstatement and for ensuring compliance with the applicable SEBI Circulars.
3. Our responsibility, for the purpose of certificate, is limited to certifying the particulars contained in the undertaking on the basis of the proposed "Scheme of Amalgamation of Magnet 360 L.L.C. with Mindtree Limited" ("Proposed Scheme"), books of account and other relevant records and documents maintained by the Company and did not include the evaluation of the adherence by the Company with all applicable guidelines. We conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purpose and Standard on Auditing issued by Institute of Chartered Accountant of India.

CERTIFIED TRUE COPY

For Mindtree Limited


Company Secretary



**Deloitte
Haskins & Sells**

4. On the basis of our verification of the Proposed Scheme and other relevant records and documents as referred to in paragraph 3 above and according to the information and explanations provided to us by the Management of the Company, we certify that the undertaking provided by the Board of Directors of the Company as referred to in paragraph 1, is in accordance with the books of account, Proposed Scheme and other relevant records and documents maintained by the Company.
5. This Certificate is issued at the request of the Mindtree Limited in connection with the Proposed Scheme for onward submission to the National Stock Exchange of India Limited and BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

BENGALURU, 18 July, 2016

Ref: VB/ 133



For DELOITTE HASKINS & SELLS
Chartered Accountants
(ICAI Reg. No. 008072S)

A handwritten signature in black ink, appearing to read "V. Balaji".

V. BALAJI
Partner
Membership No. 203685



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For Mindtree Limited

Company Secretary



Mindtree

Welcome to possible

Registered Office Address: Mindtree Ltd.
Global Village, RVCE Post, Mysore Road,
Bengaluru-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

Undertaking in relation to non-applicability of requirements prescribed in Paragraph 9 (a) of I. A. of Annexure I of the Securities Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015

This is with reference to the Draft Scheme of Arrangement between Magnet 360 L.L.C, a wholly owned subsidiary of Mindtree Limited and Mindtree Limited {"the Company"} and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956 {"the Draft Scheme"}. Capitalized terms appearing herein, unless expressly stated, shall have the meaning prescribed to them in SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 {"the SEBI Circular"}.

Accordingly, the Company hereby undertakes that the requirement of Paragraph 9(a) of I. A. of Annexure I of the SEBI Circular pertaining to voting by public shareholders through postal ballot and e-voting are not applicable to the Company for the following reasons:

- i. Where additional shares have been allotted to Promoter/ Promoter Group , Related parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group , Subsidiary/ (s) of Promoter/ Promoter Group of the listed entity.

Not applicable, since no shares would be allotted to Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of the listed Company, arising out of this merger.

- ii. Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group.

Not applicable, since the Scheme of Arrangement is with wholly owned subsidiary and does not involve any of its Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group.

- iii. Where the parent listed Company, has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter/ Promoter Group, Related parties of Promoter / Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/ (s) of Promoter/ Promoter Group of the parent listed Company, and if that subsidiary is being merged with the parent listed Company under the Scheme of arrangement.

Not applicable, since the share of Magnet 360 L.L.C was acquired by the Company from persons who were not the Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of the Company.

In view of the aforesaid, the requirement stated at paragraph 9 (a) of I.A. of Annexure 1 of the circular is not applicable to the draft scheme.

For Mindtree Limited

Date: 18th July, 2016



Mindtree Ltd.
Global Village
RVCE Post, Mysore Road
Bengaluru - 560059

T +91 80 6706 4000
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W www.mindtree.com

Deloitte Haskins & Sells

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Deloitte Centre
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100/2 Richmond Road
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Fax: + 91 (80) 66276013

INDEPENDENT AUDITOR'S CERTIFICATE

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration Number 008072S), the statutory auditors of Mindtree Limited (the "Company"), have for the purpose of issuing this certificate, examined:
 - (a) the audited standalone financial statements of the Company for the year ended March 31, 2016;
 - (b) the proposed scheme of amalgamation of Magnet 360 L.L.C. with Mindtree Limited;
 - (c) the 'Statement of computation of pre and post amalgamation net worth of the Company as at March 31, 2016' (the 'Statement'), prepared by the Company and duly stamped for identification; and
 - (d) such other information and documents, which we considered necessary for the purpose of issuing this certificate.
2. The Management of the Company is responsible for the preparation of the Statement and the maintenance of proper books of account and such other relevant records as prescribed by the applicable laws. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement from the aforesaid audited standalone financial statements and other relevant records and documents as described in paragraph 1 above. We have carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India.
3. Based on our examination conducted as described in paragraph 2 above and according to the information, explanations and representations provided to us by the Management of the Company, we certify that the particulars furnished by the Company in the said Statement, read with and subject to the notes thereon, are in agreement with the aforesaid audited standalone financial statements and other relevant records and documents maintained by the Company.
4. This Certificate is issued at the request of the Mindtree Limited in connection with the Proposed Scheme for onward submission to the National Stock Exchange of India Limited and BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

CERTIFIED TRUE COPY

BENGALURU, 18 July, 2016


Ref: VB/131



For Mindtree Limited

 Company Secretary

For DELOITTE HASKINS & SELLS
 Chartered Accountants
 (ICAI Reg. No. 008072S)


 V. BALAJI
 Partner
 Membership No. 203685



Mindtree Limited

Statement of computation of pre and post amalgamation net worth of the Company as at
March 31, 2016

(Rs In millions)

Particulars	Pre-amalgamation	Post-amalgamation
Equity Share Capital	1,678	1,678
Reserves and Surplus:		
Capital reserve	87	87
Securities premium reserve	1,122	1,122
General reserve	1,542	1,542
Surplus in the statement of profit and loss	20,129	20,129
Total Reserves and Surplus	22,880	22,880
Net worth (A + B)	24,558	24,558

Notes:

1. "Net Worth" means sum total of paid-up capital and free reserves.

As per section 2(43) of Companies Act, 2013 "Free reserves" free reserves" means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend:

Provided that—

(i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or

(ii) any change in carrying amount of an asset or of a liability recognised in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.



For Mindtree Limited

Yed...

Authorised Signatory



Place: Bangalore

Date: 18th July, 2016

For Mindtree Limited

Company Secretary



Mindtree

Welcome to possible

Registered Office Address: Mindtree Ltd.
Global Village, RVCE Post, Mysore Road,
Bengaluru-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

EXTRACT OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS HELD ON JULY 18, 2016 AT GLOBAL VILLAGE, RVCE POST, MYSORE ROAD, BENGALURU-560059

APPROVAL OF THE SCHEME OF AMALGAMATION OF MAGNET 360 LLC. WITH MINDTREE LIMITED

“RESOLVED THAT, pursuant to the provisions of sections 391 to 394 and all other applicable provisions, if any, of the Companies Act, 1956 and that of the relevant provisions of the Companies Act, 2013, if any, and enabling provisions in the Company’s Memorandum and Articles of Association, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and various circulars issued by SEBI and other Statutory Authorities from time to time and subject to confirmation of the Jurisdictional High Court / National Company Law Tribunal and approval of the Foreign Investment Promotion Board / Reserve Bank of India and other concerned authorities, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the consent of the Board be and is hereby accorded for the amalgamation of Magnet 360, LLC (Transferor Company) with the Company (Transferee Company) vide the Scheme of Amalgamation [hereinafter the “Scheme”] (the draft of which was submitted to this meeting and was initialed by the Chairman of the meeting for the purposes of identification).

“RESOLVED FURTHER THAT there is no requirement for the share entitlement ratio as the transferor company is the wholly owned subsidiary of the transferee company and no shares are allotted to them.

RESOLVED FURTHER THAT the valuation report issued by the Chartered Accountant be and is hereby taken on record.

RESOLVED FURTHER THAT the Fairness report issued by the merchant banker (which was considered by the Audit Committee) and the report of the Audit Committee recommending the Scheme of amalgamation be and are hereby taken on record.

RESOLVED FURTHER THAT the undertaking of the Company with regard to non-applicability of requirements under Paragraph 9 (a) of I (A) of Annexure I of the Securities Exchange Board of India (SEBI) Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, in respect of the scheme duly certified by the Statutory Auditors of the Company, placed before the Board, be and is hereby approved and taken on record by the Board.

RESOLVED FURTHER THAT in the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.





Mindtree

Welcome to possible

Registered Office Address: Mindtree Ltd.
Global Village, RVCE Post, Mysore Road,
Bengaluru-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

RESOLVED FURTHER THAT National Stock Exchange of India Limited be and is hereby appointed as the Designated Stock Exchange for the purpose of the Scheme.

RESOLVED FURTHER THAT for the purpose of the Scheme of amalgamation of Magnet 360, LLC with the Company, any of the Executive Directors, Mr. Jagannathan Chakravarthi, CFO, Mr. Erwan Carpentier, SVP Legal and General Counsel, Ms. Vedavalli Sridharan, Company Secretary, be and are hereby severally authorized to:

- i. to make such alterations and changes to the aforesaid Scheme of Amalgamation as may be expedient or necessary, particularly for satisfying the requirements or conditions imposed by the Central Government or by the concerned Stock Exchanges or the Court of competent jurisdiction;*
- ii. to evolve, decide upon and bring into effect the Scheme and make and give effect to any modifications, changes, variations, alterations or revision in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or may suo moto decide in its absolute discretion and to do all such acts, deeds, matters and things whatsoever, including settling any question, doubt or difficulty that may arise with regard to or in relation to the scheme as it may in its absolute discretion consider necessary, expedient, fit and proper;*
- iii. file applications/petitions/affidavits/pleadings or other documents as may be required for the scheme in the High Court of Karnataka/ National Company Law Tribunal or other relevant courts including the filings as may be required under the laws of the transferor company;*
- iv. obtain the requisite approval of the Foreign Investment Promotion Board / Reserve Bank of India; if necessary;*
- v. affix the common seal of the Company on any documents as per the Articles of Association;*
- vi. file the said Scheme with the concerned Stock exchanges for approval in terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the appointment of designated stock exchange;*
- vii. To approve various reports as may be required with regard to the filing of the scheme as may be required by the stock exchanges and various government authorities;*
- viii. settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution;*
- ix. make application to relevant authorities or other persons for their approval as may be required;*
- x. authorize any person(s) to, sign and file applications/petitions to the High Court of Karnataka/ National Company Law Tribunal and that of other competent jurisdiction for directions for holding a meeting of the Members and Creditors and for confirmation of the Scheme, including the appointment of Chairman for such meetings, to sign notices convening such meetings of shareholders, creditors and other concerned persons;*





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- xi. *authorise any person(s) to file all pleadings, reports, and sign and issue public advertisements and notices, for and in connection with the above purpose;*
- xii. *give such directors as may be considered necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the scheme or implementation hereof or in any manner whatsoever connected herewith and*
- xiii. *do all such act, deeds and things necessary, desirable or expedient in connection with or incidental to giving effect to the purpose of the above resolution;*
- xiv. *to appear before the Official Liquidator, Registrar of Companies, Income Tax Department, Regional Director and other statutory and quasi-judicial authorities in connection with matters, connected and incidental thereto;*
- xv. *to appoint Mr. N.K. Dilip, Mr. Nanjappa. M.G., Mr. Raghunath Ananthapur, Ms. Rashmi Talukdar, Mr. Bhargava. K.S., Mr. Ankush V.H and/or any other advocates of M/s Tatva Legal, Advocates having their office at B-3, 2nd Floor, Embassy Heights, Annexe Block, Magrath Road, Bangalore 560 025 as advocates to represent the Company before the High Court of Karnataka/ National Company Law Tribunal and other courts in respect of the Scheme and all matters, connected and incidental thereto and all such acts, deeds and things (incidental and ancillary) as may be considered necessary and expedient in relation thereto;*
- xvi. *to file necessary forms, papers, returns, documents etc., with the Registrar of Companies, Karnataka within stipulated time as applicable under the provisions of the Companies Act;*
- xvii. *to appoint Scrutiniser to conduct the proceedings of Court convened meeting of shareholders/creditors, if any, at a fee as they may deem fit.*

// CERTIFIED TRUE COPY//

For Mindtree Limited

Company Secretary



Annexure K2

WRITTEN ACTION OF
THE SOLE MEMBER
OF
MAGNET360, LLC

Effective as of 18th July, 2016

THE UNDERSIGNED, Mindtree Limited, a public limited company organized under the laws of the Country of India ("Mindtree"), being the sole member of Magnet360, LLC, a limited liability company organized under the laws of the State of Minnesota (the "Company"), pursuant to Chapter 322C of the Minnesota Statutes, does hereby take and adopt in writing the following preambles and resolutions:

APPROVAL OF MERGER

WHEREAS, Mindtree owns all of the issued and outstanding membership interests of the Company; and

WHEREAS, Mindtree desires the Company to merge with and into Mindtree, with Mindtree continuing as the surviving company in the transaction (the "Merger"), pursuant to the terms of a Scheme of Amalgamation in substantially in the form attached hereto as Exhibit A (the "Agreement");

NOW, THEREFORE, RESOLVED, that the Agreement (including exhibits, schedules, and ancillary agreements contemplated thereby), the Merger and all of the other actions and matters contemplated by the Agreement are hereby approved by Mindtree in all respects;

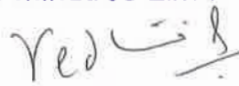
FURTHER RESOLVED, that the Company's Board of Governors (the "Board") and officers are hereby authorized to execute and deliver, as applicable, the Agreement, with such changes as the officer executing the Agreement shall approve (such approval to be conclusively evidenced by such officer's execution of the same) and, subject to such execution and delivery, to perform the Company's obligations thereunder, including without limitation, executing, delivering, and filing any other documents, agreements, certificates and instruments that the Company's officers, in their discretion, deem necessary or appropriate to complete the Merger and effectuate the transactions and other actions contemplated by the Agreement;

FURTHER RESOLVED, that the Company's Board and officers are hereby authorized, for and on behalf of the Company, to prepare, execute and deliver, acknowledge, file and record any and all such agreements, instruments and documents, to seek necessary approvals and to take or cause to be taken any and all such other actions as such officers shall deem necessary, appropriate or advisable in order to carry out the purpose of each of the foregoing resolutions and the intent thereof, including all things incidental thereto, and that this Written Action may be executed in counterparts; and

FURTHER RESOLVED, that any and all actions heretofore taken by the Company's Board and officers to effectuate or evidence the purpose and intent of the foregoing resolutions are approved, ratified and confirmed in all respects as the acts of the Company.

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For Mindtree Limited



Company Secretary



IN WITNESS WHEREOF, the undersigned sole member of the Company has executed this Written Action to be effective as of the date first written above.

SOLE MEMBER:

MINDTREE LIMITED
a public limited company organized under the
Companies Act, 1956 in the Country of India



By: [Signature]
Name: _____
Title: _____

ROSTOW RAVARAJ
CEO & Managing Director

For Mindtree Limited

Company

ANNEXURE L



Mindtree

Welcome to possible

Registered Office Address: Mindtree Ltd.
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Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

August 08 2016

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra East,
Mumbai 400 051

Dear Sirs,

Subject: Undertaking under Regulation 11 of SEBI (LODR) Regulations, 2015

The Company ensures that the Scheme of Amalgamation of Magnet 360, LLC with Mindtree Limited to be presented to any Court or Tribunal does not in any way violate, override or circumscribe the provisions of Security Laws or the Stock Exchange requirements.

Thanking you,
Yours sincerely,

for **Mindtree Limited**

A handwritten signature in black ink, appearing to read 'Vedavalli S'.

Vedavalli S
Company Secretary



Mindtree Ltd.
Global Village
RVCE Post, Mysore Road
Bengaluru - 560059

T + 91 80 6706 4000
F + 91 80 6706 4100
W www.mindtree.com


Mindtree
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August 08, 2016

National Stock Exchange of India Limited
 Exchange Plaza,
 Bandra Kurla Complex, Bandra East,
 Mumbai 400 051

Dear Sirs,

Subject: Rationale behind the Scheme

This is further to the application for the Scheme of Amalgamation of Mindtree Limited (Transferee Company) and Magnet 360, LLC (hereinafter referred to as "Transferor Company") filed with your exchange. The Rationale behind the scheme are as follows:

- (i) The amalgamation will enable the Transferee Company to integrate its business operations and provide significant impetus to the growth of the Transferee Company. The consolidation of the activities by way of an amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion. The combined entity will have a bigger portfolio of services targeted at a wider array of customers, which will strengthen its competitive position in providing IT services /software & technology related services markets This will also enable the Transferee Company to address newer solutions and services to its customers and to transferor's customers and enhance its marketing capabilities.
- (ii) The amalgamation will result in economy of scales and reduction in overheads, administrative, managerial and other expenditure, operational rationalisation, organisational efficiency, and optimal utilisation of various resources.
- (iii) The managerial expertise of the Transferor Companies will contribute to the strength of the Transferee Company. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Companies, facilitate resource mobilisation and achieve better cash flows. This would contribute substantially towards enhancement of shareholder's value of the Transferee Company.
- (iv) Duplication of administrative functions will be eliminated together with the multiple record - keeping resulting in reduced expenditure.
- (v) This amalgamation will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company.
- (vi) The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.
- (vii) There shall be impetus and increase in the area of sales, network of the Transferee Company apart from reduction in costs.





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- (viii) The amalgamation shall result in the combination of manpower of both the companies and a single management structure for the companies.
- (ix) The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.

Thanking you,
Yours sincerely,

for **Mindtree Limited**

Vedavalli S
Company Secretary



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August 08, 2016

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra East,
Mumbai 400 051

Dear Sirs,

Ref: Regulations 37 of SEBI (LODR) Regulations, 2015

Subject: Brief details of business of Mindtree Limited and Magnet 360, LLC as required under Regulations 37 of SEBI (LODR) Regulations, 2015

The details of business of Mindtree Limited are as follows:

Mindtree Limited:

The Transferee Company is involved in the business of software and technology related services, product development services, information management services etc.

Magnet 360, LLC:

The Transferor Company is involved in the business of IT Software and Services related to Salesforce suite of products and platforms

Thanking you,
Yours sincerely,

For Mindtree Limited

A handwritten signature in black ink, appearing to read 'Vedavalli S'.

Vedavalli S
Company Secretary