

MindTree Limited
Consolidated balance sheet

	Schedule	As at September 30, 2009	(Rs) As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	391,877,590	379,966,860
Share application money		-	3,000
Reserves and surplus	2	<u>5,146,610,034</u>	<u>5,132,752,781</u>
		5,538,487,624	5,512,722,641
Minority interest		-	327,595,434
Loan funds			
Secured loans	3	-	1,375,666,670
Unsecured loans	4	30,536,000	18,006,000
		<u>5,569,023,624</u>	<u>7,233,990,745</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	4,487,324,951	4,940,873,671
Accumulated depreciation		<u>(1,756,812,048)</u>	<u>(2,109,609,728)</u>
Net block		2,730,512,903	2,831,263,943
Capital work-in-progress		<u>132,312,597</u>	<u>130,354,970</u>
		2,862,825,500	2,961,618,913
Goodwill	16 (3)	-	1,460,494,507
Investments	6	477,936,117	1,013,301,543
Deferred tax assets, net		207,143,911	189,747,773
Current assets, loans and advances			
Sundry debtors	7	2,294,210,575	2,792,345,904
Cash and bank balances	8	488,005,013	487,580,966
Loans and advances	9	<u>1,817,256,804</u>	<u>1,411,106,229</u>
		4,599,472,392	4,691,033,099
Current liabilities and provisions			
Current liabilities	10	2,208,226,604	2,859,912,086
Provisions	11	<u>370,127,692</u>	<u>222,293,004</u>
Net current assets		2,021,118,096	1,608,828,009
		<u>5,569,023,624</u>	<u>7,233,990,745</u>

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

MindTree Limited
Consolidated profit and loss account

	Schedule	For the half year ended		(Rs) For the year ended
		September 30, 2009	September 30, 2008	March 31, 2009
Income				
Income from software development				
- Overseas		5,772,404,396	5,060,424,609	11,608,775,429
- Domestic		425,108,525	299,290,419	765,897,190
Other income	12	370,816,545	68,440,513	115,189,498
		<u>6,568,329,466</u>	<u>5,428,155,541</u>	<u>12,489,862,117</u>
Expenditure				
Software development expenses	13	3,802,793,327	3,055,393,465	6,967,839,994
Administrative and other expenses	14	1,228,652,757	1,774,656,732	4,186,621,946
		<u>5,031,446,084</u>	<u>4,830,050,197</u>	<u>11,154,461,940</u>
Profit before interest, depreciation, tax and minority interest		1,536,883,382	598,105,344	1,335,400,177
Interest	15	24,891,477	69,004,667	161,991,560
Depreciation	5	320,371,419	249,603,386	569,554,222
Profit before tax and minority interest		1,191,620,486	279,497,291	603,854,395
Provision for taxation including FBT		150,483,074	51,891,058	138,596,961
Deferred tax credit		(17,256,732)	5,302,787	(68,087,645)
MAT credit entitlement		(7,733,178)	-	(3,264,717)
Net profit after tax, before share of profits of associates and minority interest		1,066,127,322	222,303,446	536,609,796
Share of profits of associates		-	27,400,000	27,388,626
Net profit before minority interest		1,066,127,322	249,703,446	563,998,422
Minority interest		-	1,800,000	40,986,709
Net profit for the year after minority interest		1,066,127,322	247,903,446	523,011,713
Dividend				
Interim		39,187,759	37,980,810	38,023,517
Proposed		-	-	-
Total dividend		39,187,759	37,980,810	38,023,517
Dividend tax		6,659,960	6,454,839	6,462,098
Balance in profit and loss account carried forward		981,091,844	165,486,987	440,502,581
Earnings per share				
(Equity shares, par value Rs 10 each)	16			
Basic		27.25	6.56	13.84
Diluted		26.48	6.41	13.70
Weighted average number of shares used in computing earnings per share				
Basic		39,130,777	37,767,694	37,784,844
Diluted		40,257,330	38,674,526	38,174,898

Significant accounting policies and notes to the accounts 16

MindTree Limited
Consolidated cash flow statement

	For the quarter ended September 30, 2009	(Rs) For the year ended March 31, 2009
Cash flow from operating activities		
Profit before tax	537,406,119	603,854,395
Adjustments for :		
Depreciation	159,347,124	569,554,222
Amortization of stock compensation	1,750,871	9,982,210
Interest expense	924,516	161,991,560
Interest / dividend income	(7,470,997)	(87,029,007)
Profit on sale of fixed assets	286,283	(18,920,283)
Profit on sale of investments	(1,681,188)	(5,750,038)
Exchange difference on derivatives	-	1,522,924,878
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	(4,122,816)
Operating profit before working capital changes	690,562,728	2,752,485,121
Decrease in sundry debtors	473,546,695	(335,198,968)
Increase in loans and advances	(119,921,535)	(2,093,671)
(Decrease) / increase in current liabilities and provisions	120,558,749	(330,388,559)
Income taxes and FBT paid	(75,060,036)	(286,852,593)
Net cash provided by operating activities	1,089,686,601	1,797,951,330
Cash flow from investing activities		
(Purchase)/Sale of fixed assets	(99,044,034)	(434,567,964)
Proceeds from sale of fixed assets	1,814,557	65,112,650
Purchase of business/acquisition	(288,575,674)	(2,919,519,314)
Interest /dividend received from investments	7,470,997	62,682,476
Purchase of investments	(2,515,983,551)	(8,076,388,561)
Sale/maturities of investments	2,342,961,828	9,079,178,187
Net cash used in investing activities	(551,355,876)	(2,223,502,526)
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	16,029,558	5,588,850
Receipt of share application money	-	3,000
Interest paid on loans	(924,516)	(158,568,493)
Proceeds from term loans	-	1,018,006,000
Repayment of term loans	-	(1,369,107,327)
Repayment of finance lease obligation	-	(38,201,551)
Proceeds / (repayments) of other loans, net	(437,470,000)	858,272,931
Dividends paid (including distribution tax)	-	(90,404,786)
Net cash provided by financing activities	(422,364,958)	225,588,624
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	4,122,816
Net (decrease)/ increase in cash and cash equivalents	115,965,767	(195,839,756)
Cash and cash equivalents at the beginning of the year	372,039,246	683,420,722
Cash and cash equivalents at the end of the year	488,005,013	487,580,966

MindTree Limited
Schedules to the consolidated balance sheet

	As at September 30, 2009	(Rs) As at March 31, 2009
1. Share capital		
Authorised capital		
79,620,000 equity shares of Rs 10 each (previous year 79,620,000 equity shares of Rs 10 each)	796,200,000	796,200,000
Issued, subscribed and paid-up capital		
39,121,413 equity shares of Rs 10 each fully paid (previous year 37,996,686 equity shares of Rs 10 each) (of the above shares, 1,300,965 shares were allotted to the shareholders of Aztecsoft Limited for consideration other than cash)	391,877,590	379,966,860
	<u>391,877,590</u>	<u>379,966,860</u>
2. Reserves and surplus		
Securities premium account		
At the commencement of the year	2,552,486,546	2,761,421,384
Additions during the year		
Allotment of shares to shareholders of Aztecsoft Limited in accordance with the scheme of Amalgamation	261,559,013	-
On exercise of employee stock options	17,172,885	5,374,670
	<u>2,831,218,444</u>	<u>2,766,796,054</u>
Deductions during the year		
Adjustment of goodwill arising on amalgamation of MindTree Technologies Private Limited, in accordance with scheme of amalgamation.(Note 3 of Schedule 16)	-	(214,309,508)
Adjustment of goodwill arising on amalgamation of Aztecsoft Limited in accordance with scheme of amalgamation.(Refer Schedule 16)	1,407,210,756	-
	<u>1,424,007,688</u>	<u>2,552,486,546</u>
Capital Reserve	1,891,100	-
General reserve		
At the commencement of the year	1,891,100	194,231,525
Add: Transfer from profit and loss account	199,841,729	7,501,304
	<u>201,732,829</u>	<u>201,732,829</u>
Stock option outstanding account	51,396,455	51,848,455
Add: Deferred employee compensation expense	(5,462,950)	(9,580,080)
	<u>45,933,505</u>	<u>42,268,375</u>
Hedge reserve (Note 16 of Schedule 16)		
At the commencement of the year	(98,442,323)	-
Additions during the year	116,500,278	(98,442,323)
	<u>18,057,955</u>	<u>(98,442,323)</u>
Balance in profit and loss account	3,454,986,957	2,434,707,354
	<u>5,146,610,034</u>	<u>5,132,752,781</u>
3. Secured loans		
From banks		
- Term loans (Term loans are secured by a first, pari passu charge on fixed assets)	-	515,666,670
- Other loans (Loans from banks are secured by a pari passu charge on book debts and other current assets)	-	860,000,000
	<u>-</u>	<u>1,375,666,670</u>
4. Unsecured loans		
Council for Scientific and Industrial Research	30,536,000	18,006,000
	<u>30,536,000</u>	<u>18,006,000</u>

MindTree Limited
Schedules to the consolidated balance sheet

5. Fixed Assets

Assets	Gross Block			Accumulated Depreciation			Net Book value				
	As at Apr 1,2009	Adjustments on account of amalgamation	Additions during Apr - Sep 09	Deletions during Apr - Sep 09	As at 30-Sep-09	As at Apr 1,2009	Adjustments on account of amalgamation	Charges Apr - Sep 09	Deletion Apr - Sep 09	As at 30-Sep-09	As at 30-Sep-09
Leasehold Land	424,814,890	-	-	-	424,814,890	23,507,779	12,117,523	5,817,845	0	29,325,624	395,489,266
Building	1,507,757,241	10,047,913	96,026,883	-	1,497,709,228	78,155,311	56,111,901	26,292,251	0	92,330,039	1,405,379,289
Leasehold Premises	849,376,961	58,628,288	63,847,697	58,565,965	828,209,591	416,965,936	368,349,012	73,375,625	57,397,563	376,832,098	451,377,493
Computer Systems	1,413,277,652	347,589,534	14,988,478	23,007,113	1,106,528,703	1,162,980,165	47,344,340	122,038,088	2,085,491	914,583,750	191,944,953
Furniture & Fixtures	174,269,507	56,657,327	24,783,703	2,342,678	130,257,981	105,082,800	43,682,274	22,085,671	2,226,048	77,598,083	52,659,897
Electrical Installations	188,764,279	48,021,424	22,112,133	929,678	164,596,880	100,724,512	73,764,804	29,262,921	454,797	85,850,362	78,746,518
Office equipments	367,381,612	59,572,724	0	31	329,920,990	212,854,885	39,635,639	1,863,378	31	178,725,689	151,195,300
Motor Vehicles	15,231,529	7,399,030	0	2,545,910	5,286,589	9,338,340	7,399,032	1,566,402	2,236,295	1,566,402	3,720,187
Total	4,940,873,671	587,916,240	221,758,894	87,391,374	4,487,324,951	2,109,609,728	608,768,886	320,371,419	64,400,224	1,756,812,048	2,730,512,903

Schedules to the balance sheet (continued)

				As at	(Rs)
				September 30, 2009	As at March 31, 2009
6	Investments				
	A. Long-term investments - unquoted (fully paid equity shares)				
	Unquoted (fully paid equity shares)				
	2,400 (previous year: 2,400) equity shares in Career Community.com Limited			1,398,216	1,398,216
	643,790 (previous year: nil) Series A Convertible Preferred Stock at US\$ 0.0001 each fully paid at premium of US \$ 0.2557 each in 30 Second Software Inc			6,745,334	6,745,334
	12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited			126,400	126,400
				<u>8,269,950</u>	<u>8,269,950</u>
	Less: Provision for diminution in the value of investments			<u>1,524,616</u>	<u>1,524,616</u>
				<u>6,745,334</u>	<u>6,745,334</u>
	B. Current investments				
	Non-Trade Investments - quoted (valued at lower of cost or market value)				
		Number of Units as at			
		September 30, 2009	March 31, 2009		
	HDFC Mutual Fund	899,349	4,129,288	10,322,946	41,422,954
	<i>(40,006,410 units purchased / 43,236,350 units redeemed during the year)</i>				
	ICICI Prudential Mutual Fund	2,907,778	5,249,496	30,745,392	55,505,549
	<i>(21,530,947 units purchased / 23,872,664 units redeemed during the year)</i>				
	Fortis Mutual Fund		9,666,072		96,690,682
	<i>(17,183,791 units purchased / 26,849,863 units redeemed during the year)</i>				
	IDFC Mutual Fund	10,024,117	8,812,564	100,256,205	88,136,606
	<i>(33,908,614 units purchased / 32,697,061 units redeemed during the year)</i>				
	Reliance Mutual Fund		5,567,756		107,343,547
	<i>(10,724,037 units purchased / 16,291,793 units redeemed during the year)</i>				
	Deutsche Mutual Fund		4,279,620		42,961,821
	<i>(7,809,290 units purchased / 12,088,910 units redeemed during the year)</i>				
	UTI Mutual Fund		33,975		33,985,122
	<i>(63,256 units purchased / 97,231 units redeemed during the year)</i>				
	HSBC Mutual Fund		2,857,201		30,778,039
	<i>(88,840,884 units purchased / 91,698,085 units redeemed during the year)</i>				
	Franklin Templeton Mutual Fund	15,845,431	8,305,264	159,904,279	83,148,984
	<i>(31,682,346 units purchased / 24,142,179 units redeemed during the year)</i>				
	Religare Mutual Fund - Short term Plan		8,366,813		83,943,167
	<i>(15,500,159 units purchased / 23,866,972 units redeemed during the year)</i>		5,567,756		
	JM Financial Mutual Fund		8,078,882		80,874,557
	<i>(18,250,143 units purchased / 26,329,025 units redeemed during the year)</i>				
	ICICI Prudential Mutual Fund		2,347,620		67,314,708
	<i>(2,552,205 units purchased / 4,899,825 units redeemed during the year)</i>				
	Tata Mutual Fund - Floater Fund	5,979,371	3,105,719	60,006,577	31,167,760
	<i>(22,563,541 units purchased / 19,689,889 units redeemed during the year)</i>				
	J P Morgan Mutual Fund - Treasury Fund		2,259,747		22,617,578
	<i>(4,269,845 units purchased / 6,529,592 units redeemed during the year)</i>				
	HDFC Mutual Fund		1,332,557		38,731,657
	<i>(1,769,037 units purchased / 3,101,594 units redeemed during the year)</i>				
	Fidelity Mutual Fund		1,001,860		10,021,103
	<i>(5,734 units purchased / 1,007,594 units redeemed during the year)</i>				
	Birla Sun Life Mutual Fund	11,024,991	-	110,324,878	-
	<i>(21,570,587 units purchased / 10,545,596 units redeemed during the year)</i>				
				<u>471,560,277</u>	<u>914,643,834</u>
	Less: Provision for diminution in the value of investments			<u>369,495</u>	<u>-</u>
				<u>471,190,782</u>	<u>914,643,834</u>

Description

	Market Value	
HDFC Mutual Fund	9,953,451	41,422,954
ICICI Prudential Mutual Fund	30,745,392	55,505,549
Fortis Mutual Fund	-	96,690,682
IDFC Mutual Fund	100,256,205	89,206,606
Reliance Mutual Fund	-	107,343,547
Deutsche Mutual Fund	-	43,804,821
UTI Mutual Fund	-	33,985,122
HSBC Mutual Fund	-	30,821,039
Franklin Templeton Mutual Fund	159,921,330	83,148,984
Religare Mutual Fund	-	83,943,167
JM High Liquidity Fund	-	80,874,557
ICICI Prudential Mutual Fund	-	67,505,000
Tata Mutual Fund	60,006,577	31,167,760
J P Morgan Mutual Fund	-	22,617,578
HDFC Mutual Fund	-	38,918,000
Fidelity Mutual Fund	-	10,021,103
Birla Sun Life Mutual Fund	110,324,878	-
	<u>471,207,833</u>	<u>916,976,469</u>

C. Current investments - Balance IPO money

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

	Number of Units as at		As at September 30, 2009	(Rs) As at March 31, 2009
	September 30, 2009	March 31, 2009		
ICICI Prudential Mutual Fund	-	5,719,676	-	60,476,995
<i>(65,805 units purchased / 5,785,481 units redeemed during the year)</i>				
Tata Mutual Fund	-	3,132,387	-	31,435,380
<i>(24,313 units purchased / 3,156,700 units redeemed during the year)</i>				
			-	<u>91,912,375</u>
Less: Provision for diminution in the value of investments			-	<u>91,912,375</u>
			<u>477,936,116</u>	<u>1,013,301,543</u>

Description

	Market Value	
ICICI Prudential Mutual Fund	-	106,031,084
Tata Mutual Fund	-	105,931,893
State Bank of India Mutual fund	-	-
	-	<u>955,328,397</u>

MindTree Limited
Schedules to the consolidated balance sheet (continued)

	As at September 30, 2009	(Rs) As at March 31, 2009
7. Sundry debtors		
<i>(Unsecured)</i>		
Debts outstanding for a period exceeding six months		
- considered good	63,646,232	55,541,600
- considered doubtful	305,097,990	268,155,002
Other debts		
- considered good	2,222,946,916	2,736,804,304
- considered doubtful	-	715,389
<i>Less:</i> Provision for doubtful debts	297,480,563	268,870,391
	<u>2,294,210,575</u>	<u>2,792,345,904</u>
8. Cash and bank balances		
Cash on hand	106,906	94,455
Balances with scheduled banks		
Current accounts	94,029,206	143,931,438
Deposit accounts	125,815,134	116,411,790
Balances with non-scheduled banks - in current accounts		
Wachovia Bank, N.A., USA	18,266,591	5,897,914
HSBC Bank, Swindon, UK	6,543,386	1,569,919
Deutsche Bank, Singapore	1,881,421	571,742
Bank of Tokyo, Mitsubishi	2,626,011	13,977,136
Silicon Valley Bank, USA	158,212,097	96,967,134
HSBC Dubai	1,602,424	968,330
HSBC Germany	12,733,051	4,731,868
May Bank, Malaysia	349,728	349,728
UBS, Basel	1,585,779	2,436,230
HSBC, Australia	11,720,669	528,548
HSBC, Singapore	21,208,759	4,007,453
HSBC, Netherlands	2,954,503	9,951,823
National Westminster Bank, London	776,919	777,644
Bank of America, California, U.S.A	2,284,760	4,900,163
Silicon Valley Bank, California, U.S.A	5,329,883	3,692,445
Wells Fargo, Seattle, U.S.A	10,712,271	72,121,610
Bank of America, California, U.S.A	9,265,515	2,292,472
Balances with non-scheduled banks - in deposit accounts		
Silicon Valley Bank, California, U.S.A	-	1,401,125
	20,387,064	
	<u>488,005,013</u>	<u>487,580,966</u>

MindTree Limited
Schedules to the consolidated balance sheet (continued)

	As at September 30, 2009	As at June 30, 2009
9. Loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances recoverable in cash or in kind or for value to be received	967,600,248	780,357,817
Unbilled revenue	372,385,740	294,870,090
Advance tax and tax deducted at source, net of provision for taxes	466,272,921	332,613,605
MAT credit entitlement	10,997,895	3,264,717
	<u>1,817,256,804</u>	<u>1,411,106,229</u>
 10. Current liabilities		
Advances from customers	42,795,224	44,089,722
Interest accrued but not due	-	3,635,808
Unearned revenue	62,958,999	47,547,930
Sundry creditors		
- dues to other than micro and small enterprises		
Expenses	174,809,640	169,710,668
Capital goods	16,197,591	46,467,642
Other liabilities	1,906,335,441	2,470,081,193
Unclaimed dividend	406,580	1,988,236
Book overdraft	4,723,129	76,390,887
	<u>2,208,226,604</u>	<u>2,859,912,086</u>
 11. Provisions		
Proposed dividend	40,676,273	-
Provision for gratuity	15,545,808	7,369,572
Leave encashment	143,378,885	142,827,714
Post contract support services	10,000,000	10,000,000
Provision for discount	59,611,370	51,354,403
Provision for foreseeable loss on contracts	14,076,103	-
Provision for		
tax on dividend	6,659,960	-
fringe benefit tax, net of taxes paid	-	-
foreign taxes	80,179,289	10,741,315
	<u>370,127,688</u>	<u>222,293,004</u>

MindTree Limited
Schedules to the consolidated profit and loss account

	For the half year ended		(Rs)
	September 30, 2009	September 30, 2008	For the year ended March 31, 2009
12. Other income			
Interest on deposits	5,088,967	9,169,529	15,957,930
Profit on sale of investments	11,266,973	10,849,367	5,750,038
Profit from sale of fixed assets, net	(254,970)	12,746,001	18,920,283
Dividend from investments	14,593,269	33,176,855	71,071,077
Exchange gain, net	334,237,188	-	-
Miscellaneous income	5,885,118	2,498,761	3,490,170
	<u>370,816,545</u>	<u>68,440,513</u>	<u>115,189,498</u>
13. Software development expenses			
Salary and allowances	2,843,841,536	2,142,081,649	4,855,453,214
Contribution to provident and other funds	214,217,930	178,448,996	453,700,996
Staff welfare	22,951,669	34,014,648	76,722,319
Travel and conveyance	251,102,737	363,712,067	728,840,068
Communication expenses	37,643,430	29,929,662	70,201,947
Sub-contractor charges	152,991,504	101,672,921	260,631,934
Software purchases	18,436,836	8,175,529	19,644,784
Computer consumables	141,283,479	88,578,852	251,099,130
Rent	120,324,206	109,259,201	252,025,662
Post contract support services	-	(480,060)	(480,060)
	<u>3,802,793,327</u>	<u>3,055,393,465</u>	<u>6,967,839,994</u>
14. Administrative and other expenses			
Salary and allowances	632,971,487	423,263,550	939,409,431
Contribution to provident and other funds	30,886,410	20,967,520	37,981,579
Travel and conveyance	59,951,333	57,551,052	136,216,843
Power and fuel	73,705,204	74,171,209	151,694,894
Rent	45,700,307	15,519,547	38,756,502
Lease rentals/charges	8,605,513	12,161,359	22,093,258
Telephone charges	34,390,189	46,224,202	93,288,567
Printing and stationery	9,797,772	11,186,569	22,208,210
Office maintenance	29,129,312	35,270,732	82,540,338
Exchange loss, net	-	806,440,362	2,089,235,562
Staff training expenses	13,956,688	16,739,825	41,521,786
Advertisement	1,180,139	1,178,480	4,554,960
Bank charges	2,576,869	9,161,282	18,748,005
Insurance	10,569,868	7,617,493	15,610,612
Rates and taxes	28,604,349	4,174,680	28,502,099
Auditor's remuneration	4,321,288	5,510,837	9,392,755
Recruitment expenses	16,728,742	40,552,745	65,362,284
Repairs and maintenance			
- Plant and machinery	3,996,148	9,901,134	19,529,325
- Others	2,770,903	1,070,336	3,147,667
Marketing expenses	36,950,897	36,080,987	61,115,854
Donations	11,984	38,430	5,286,180
Legal and professional expenses	61,843,541	57,125,460	135,786,080
Provision for diminution in the value of investments	369,495	-	-
Provision for bad and doubtful debts and advances	29,752,309	49,049,366	80,624,135
Bad debts written off	16,853,642	-	-
Provision for foreseeable loss on contracts	14,076,103	-	-
Miscellaneous expenses	58,952,264	33,699,575	84,015,020
	<u>1,228,652,757</u>	<u>1,774,656,732</u>	<u>4,186,621,946</u>
15. Interest			
Interest on term loans	11,575,546	53,469,326	108,611,090
Interest on short term credit / finance charges	13,315,931	15,535,341	53,380,470
	<u>24,891,477</u>	<u>69,004,667</u>	<u>161,991,560</u>