

**MindTree Limited**  
**Consolidated balance sheet**

	Schedule	As at September 30, 2010	(Rs in Million) As at March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	398	395
Share application money		-	-
Reserves and surplus	2	<u>6,692</u>	<u>6,311</u>
		<u>7,090</u>	<u>6,706</u>
<b>Loan funds</b>			
Secured loans	3	95	-
Unsecured loans	4	43	31
		<u>7,228</u>	<u>6,737</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>			
Gross block	5	6,012	5,133
Less: Accumulated depreciation		<u>-2,833</u>	<u>-2,521</u>
Net block		<u>3,179</u>	<u>2,612</u>
Capital work-in-progress		<u>30</u>	<u>247</u>
		<u>3,210</u>	<u>2,859</u>
<b>Goodwill</b>		130	154
<b>Investments</b>	6	1,031	1,442
<b>Deferred tax assets, net</b>		232	214
<b>Current assets, loans and advances</b>			
Sundry debtors	7	2,977	2,370
Cash and bank balances	8	258	403
Loans and advances	9	<u>2,148</u>	<u>1,898</u>
		<u>5,383</u>	<u>4,671</u>
<b>Current liabilities and provisions</b>			
Current liabilities	10	2,155	2,114
Provisions	11	<u>602</u>	<u>490</u>
<b>Net current assets</b>		<u>2,625</u>	<u>2,068</u>
		<u>7,228</u>	<u>6,737</u>

The accompanying explanatory notes form an integral part of this condensed consolidated balance sheet

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

For **MindTree Limited**

Partner  
Membership No.

**Ashok Soota**  
Executive Chairman

**N. Krishnakumar**  
CEO & Managing Director

**Rostow Ravanan**  
Chief Financial Officer

**Rajesh Srichand Narang**  
Company Secretary

Place: Bangalore  
Date : October 19, 2010

Place: Bangalore  
Date : October 19, 2010

**MindTree Limited**  
**Consolidated profit and loss account**

	Schedule	For the qtr ended September 30, 2010	For the qtr ended September 30, 2009	For the half year ended September 30, 2010	(Rs in Million) For the half year ended September 30, 2009
<b>Income</b>					
Income from software development					
- Overseas		3,501	2,956	6,704	5,772
- Domestic		343	194	627	425
		<u>3,844</u>	<u>3,150</u>	<u>7,331</u>	<u>6,198</u>
<b>Expenditure</b>					
Cost of services and sales	12	2,559	1,883	4,869	3,817
Administrative and other expenses	13	819	607	1,573	1,215
		<u>3,378</u>	<u>2,491</u>	<u>6,443</u>	<u>5,031</u>
<b>Operating profit before interest, depreciation, other income and tax</b>		<b>465</b>	<b>659</b>	<b>888</b>	<b>1,166</b>
Interest	14	0.3	0.9	0.4	25
Depreciation	5	177	159	322	320
<b>Operating profit before tax and other income</b>		<b>288</b>	<b>499</b>	<b>565</b>	<b>821</b>
Other income	15	25	38	46	371
<b>Profit before tax</b>		<b>313</b>	<b>537</b>	<b>611</b>	<b>1,192</b>
Provision for taxation		94	63	239	150
Deferred tax charge/ (credit)		-14	-17	-18	-17
MAT credit entitlement		-	-8	-	-8
<b>Net profit after tax</b>		<b>232</b>	<b>499</b>	<b>391</b>	<b>1,066</b>
<b>Balance in profit and loss account brought forward</b>		<b>4,395</b>	<b>3,002</b>	<b>4,237</b>	<b>2,435</b>
		<u><b>4,628</b></u>	<u><b>3,501</b></u>	<u><b>4,628</b></u>	<u><b>3,501</b></u>
<b>Amount available for appropriation</b>					
<b>Dividend</b>					
Interim		50	39	50	39
Proposed		-	-	-	-
Total dividend		50	39	50	39
Dividend tax		8	7	8	7
Amount transferred to general reserve		20	-	20	-
<b>Balance in profit and loss account carried forward</b>		<b>4,549</b>	<b>3,455</b>	<b>4,549</b>	<b>3,455</b>
		<u><b>4,549</b></u>	<u><b>3,455</b></u>	<u><b>4,549</b></u>	<u><b>3,455</b></u>
Earnings per share					
(Equity shares, par value Rs 10 each)					
Basic		5.85	12.74	9.85	27.25
Diluted		5.68	12.28	9.54	26.48
Weighted average number of shares used in computing earnings per share					
Basic		39,719,670	39,149,761	39,651,308	39,130,777
Diluted		40,903,713	40,604,802	40,947,656	40,257,330

The accompanying explanatory notes form an integral part of this condensed consolidated profit and loss account

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

For **MindTree Limited**

Partner  
Membership No.

**Ashok Soota**  
Executive Chairman

**N. Krishnakumar**  
CEO & Managing Director

**Rostow Ramanan**  
Chief Financial Officer

**Rajesh Srichand Narang**  
Company Secretary

Place: Bangalore  
Date : October 19, 2010

Place: Bangalore  
Date : October 19, 2010

**MindTree Limited**  
**Consolidated cash flow statement**

	(Rs in Million)	
	For the half year ended September 30, 2010	For the half year ended September 30, 2009
<b>Cash flow from operating activities</b>		
Profit before tax	611	1,192
Adjustments for :		
Depreciation	322	320
Amortization/impairment of goodwill		
Amortization of stock compensation	0.5	4
Interest expense	0.4	25
Interest / dividend income	-32	-20
(Profit)/Loss on sale of fixed assets	-0.6	0
Profit on sale of investments	-0.3	-11
Provision for diminution in the value of investments	0.0	1
Exchange difference on derivatives	-16	-650
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-2	9
Operating profit before working capital changes	883	870
Decrease/ (increase) in sundry debtors	-607	498
Decrease/ (increase) in loans and advances	-190	-39
Increase/ (decrease) in current liabilities and provisions	36	204
Income taxes and FBT paid	-277	-193
<b>Net cash provided by operating activities</b>	<b>-155</b>	<b>1,341</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	-528	-240
Proceeds from sale of fixed assets	3	2
Purchase of business/acquisition	-	-289
Interest /dividend received from investments	36	20
Inter-corporate advances granted		
Purchase of investments	-4,174	-3,938
Sale/maturities of investments	4,586	4,473
<b>Net cash used in investing activities</b>	<b>-77</b>	<b>28</b>
<b>Cash flow from financing activities</b>		
Issue of share capital (net of issue expenses paid)	70	18
Receipt of share application money		
Interest paid on loans	-0.4	-25
Repayment of loans		-926
Proceeds / (repayments) of other loans, net	107.6	-437
Dividends paid (including distribution tax)	-92.9	-
<b>Net cash (used in)/ provided by financing activities</b>	<b>84</b>	<b>-1,370</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	2	-9
<b>Net (decrease)/ increase in cash and cash equivalents</b>	-146	-11
<b>Cash and cash equivalents at the beginning of the period</b>	403	379
<b>Cash and cash equivalents at the end of the period</b>	<b>258</b>	<b>368</b>

The accompanying explanatory notes form an integral part of this condensed consolidated balance sheet

As per our report attached

For **B S R & Co**

Chartered Accountants

Firm registration No.

For **MindTree Limited**

Partner

Membership No.

**Ashok Soota**

Executive Chairman

**N. Krishnakumar**

CEO & Managing Director

**Rostow Ravanan**

Chief Financial Officer

**Rajesh Srichand Narang**

Company Secretary

**MindTree Limited**  
**Schedules to the consolidated balance sheet**

	As at September 30, 2010	(Rs in Million) As at March 31, 2010
<b>1. Share capital</b>		
<b>Authorised capital</b>		
79,620,000 equity shares of Rs 10 each	796	796
(previous year 79,620,000 equity shares of Rs 10 each)		
<b>Issued, subscribed and paid-up capital</b>		
39,772,325 equity shares of Rs 10 each fully paid	398	395
(previous year: 39,514,994 equity shares of Rs 10 each)		
(of the above shares, 1,300,965 equity shares of Rs. 10 each fully paid up were allotted at a premium of Rs. 201.50 to the shareholders of erstwhile Aztecsoft Limited for consideration other than cash pursuant to the scheme of amalgamation)		
	<u>398</u>	<u>395</u>
<b>2. Reserves and surplus</b>		
<b>Capital reserve</b>		
At the commencement of the year	2	0
Additions during the year	-	2
	<u>2</u>	<u>2</u>
<b>Securities premium account</b>		
At the commencement of the year	1,497	2,552
Additions during the year		
Allotment of shares to shareholders of Aztecsoft Limited in accordance with the scheme of Amalgamation	-	262
On exercise of employee stock options	68	90
	<u>1,565</u>	<u>2,904</u>
Deductions during the year		
Adjustment of goodwill arising on amalgamation of Aztecsoft Limited in accordance with scheme of amalgamation.	-	-1,407
	<u>1,565</u>	<u>1,497</u>
<b>General reserve</b>		
At the commencement of the year	410	202
Add: Transfer from profit and loss account	20	208
	<u>430</u>	<u>410</u>
<b>Stock option outstanding account</b>		
At the commencement of the year	47	50
Add: Deferred employee compensation expense	0.5	-2
	<u>48</u>	<u>47</u>
<b>Hedge reserve</b>		
At the commencement of the year	118	-98
Additions during the year	-20	217
	<u>99</u>	<u>118</u>
Balance in profit and loss account	4,549	4,237
	<u><b>6,692</b></u>	<u><b>6,311</b></u>

**MindTree Limited**  
**Schedules to the consolidated balance sheet (continued)**

	As at September 30, 2010	As at March 31, 2010
<b>3. Secured loans</b>		
From banks		
- Term loans (Term loans are secured by a first, pari passu charge on fixed assets)	-	-
- Other loans (Loans from banks are secured by a pari passu charge on book debts and other current assets)	95	-
Finance lease obligation (Secured by hypothecation of assets taken on lease)	-	-
	<u>95</u>	<u>0</u>
<b>4 Unsecured loans</b>		
Council for Scientific and Industrial Research	43	31
	<u>43</u>	<u>31</u>

MindTree Limited  
Schedules to the consolidated balance sheet (continued)

5. Fixed assets

(Rs. In Million)

Assets	Gross block				Accumulated depreciation				Net book value	
	As at April 1, 2010	Additions during the year	Deletions/ (Adjustments)*	As at Sep 30, 2010	As at April 1, 2010	For the year	Deletions/ (Adjustments) during the year*	As at Sep 30, 2010	As at Sep 30, 2010	As at March 31, 2010
Leasehold land	425	0	0	425	35	6	0	41	384	390
Buildings	1,511	120	0	1,631	119	27	0	145	1,485	1,392
Leasehold improvements	797	185	4	978	396	72	4	465	513	401
Computer systems (including software)	1,339	257	0	1,595	1,189	106	0	1,295	301	150
Test equipment	413	144	0	556	359	28	0	387	170	54
Furniture and fixtures	134	13	1	146	89	16	1	103	43	45
Electrical installations	164	46	2	208	110	24	2	133	75	54
Office equipment	346	52	5	393	222	37	4	255	138	124
Motor vehicles	5	0	1	4	2	1	0	3	1	2
Intellectual Property	0	67	0	67	0	6	0	6	62	0
Plant and Machinery	0	8	0	8	0	0	0	0	7	0
<b>Total</b>	<b>5,133</b>	<b>892</b>	<b>14</b>	<b>6,012</b>	<b>2,521</b>	<b>322</b>	<b>11</b>	<b>2,833</b>	<b>3,179</b>	<b>2,612</b>

MindTree Limited

Schedules to the consolidated balance sheet (continued)

			As at September 30, 2010	(Rs in Million) As at March 31, 2010
<b>6 Investments</b>				
<b>A. Long-term investments - unquoted (fully paid equity shares)</b>				
Unquoted (fully paid equity shares)				
2,400 (previous year: 2,400) equity shares in Career Community.com Limited			1	1
643,790 (previous year: nil) Series A Convertible Preferred Stock at US\$ 0.0001 each fully paid at premium of US \$ 0.2557 each in 30 Second Software Inc			7	7
12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited			0	0
			<u>8</u>	<u>8</u>
Less: Provision for diminution in the value of investments			<u>2</u>	<u>2</u>
			<u>7</u>	<u>7</u>
<b>B. Current investments</b>				
Non-Trade Investments - quoted (valued at lower of cost or market value)				
	Number of Units as at			
	September 30, 2010	March 31, 2010		
HDFC Mutual Fund	-	18,758,957	0	188
<i>(158,663 units purchased / 18,917,620 units redeemed during the year)</i>				
ICICI Prudential Mutual Fund	-	1,914,603	0	202
<i>(3,689,673 units purchased / 5,604,276 units redeemed during the year)</i>				
IDFC Mutual Fund	10,573,510	7,119,217	106	71
<i>(45,228,348 units purchased / 41,774,055 units redeemed during the year)</i>				
UTI Mutual Fund	19,640,011	8,111,422	196	192
<i>(19,756,300 units purchased / 8,227,711 units redeemed during the year)</i>				
HSBC Mutual Fund	-	11,871,364	0	120
<i>(137,737,470 units purchased / 149,608,834 units redeemed during the year)</i>				
Franklin Templeton Mutual Fund	5,016,314	13,390,626	51	206
<i>(225,325 units purchased / 8,599,637 units redeemed during the year)</i>				
DSP Blackrock Mutual Fund	7,500,000	7,500,000	75	75
<i>(Nil units purchased / Nil units redeemed during the year)</i>				
Birla Sun Life Mutual Fund	7,517,127	21,096,967	75	211
<i>(74,209,523 units purchased / 87,789,363 units redeemed during the year)</i>				
Reliance Mutual Fund	9,575,197	-	96	0
<i>(15,790,113 units purchased / 6,214,916 units redeemed during the year)</i>				
Tata Mutual Fund	11,530,229	-	115	0
<i>(11,561,636 units purchased / 31,407 units redeemed during the year)</i>				
Axis Mutual Fund	-	-	0	0
<i>(2,300,000 units purchased / 2,300,000 units redeemed during the year)</i>				
L&T Mutual Fund	4,000,000	-	40	0
<i>(4,000,000 units purchased / Nil units redeemed during the year)</i>				
Sundaram BNP Paribas Mutual Fund	5,000,560	-	50	0
<i>(39,584,283 units purchased / 34,583,723 units redeemed during the year)</i>				
			<u>805</u>	<u>1,266</u>
Less: Provision for diminution in the value of investments			<u>0</u>	<u>0</u>
			<u>805</u>	<u>1,266</u>
<i>Description</i>			<i>Market Value</i>	
HDFC Mutual Fund			0	188
ICICI Prudential Mutual Fund			0	202
IDFC Mutual Fund			106	71
UTI Mutual Fund			196	192
HSBC Mutual Fund			0	120
Franklin Templeton Mutual Fund			52	207
DSP Blackrock Mutual Fund			78	75
Birla Sun Life Mutual Fund			76	211
Reliance Mutual Fund			96	0
Tata Mutual Fund			116	0
Axis Mutual Fund			0	0
L&T Mutual Fund			40	0
Sundaram BNP Paribas Mutual Fund			50	0
			<u>811</u>	<u>1,267</u>
<b>II. Non-Trade Investments - unquoted (Term Deposits)</b>				
HDFC Limited			170	120
Janalakshmi Financial Services Private Limited			50	50
			<u>220</u>	<u>170</u>
			<u>1,031</u>	<u>1,442</u>

**MindTree Limited**  
**Schedules to the consolidated balance sheet (continued)**

	As at September 30, 2010	(Rs in Million) As at March 31, 2010
<b>7 Sundry debtors</b>		
<i>(Unsecured)</i>		
Debts		
- considered good	2,977	2,370
- considered doubtful	27	37
<i>Less: Provision for doubtful debts</i>	<u>27</u>	<u>37</u>
	<u><u>2,977</u></u>	<u><u>2,370</u></u>
<b>8 Cash and bank balances</b>		
Cash on hand	0	0
Balances with scheduled banks		
Current accounts	58	41
Deposit accounts	73	201
Balances with non-scheduled banks - in current accounts		
HSBC Bank , Swindon, UK	7	8
Bank of Tokyo, Mitsubishi	3	3
Silicon Valley Bank, USA	82	73
HSBC, Dubai	4	4
HSBC, Germany	4	8
UBS, Basel	1	1
HSBC, Australia	4	10
HSBC, Singapore	10	6
HSBC, Netherlands	6	3
National Westminster Bank, UK	1	1
Wells Fargo, Seattle, USA	0	16
HSBC, Canada	2	6
SCB, Republic of China	3	22
	<u><u>258</u></u>	<u><u>403</u></u>



**MindTree Limited**  
**Schedules to the consolidated balance sheet (continued)**

	As at	(Rs in Million)
	September 30, 2010	As at March 31, 2010
<b>9 Loans and advances</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances recoverable in cash or in kind or for value to be received	1,030	875
Unbilled revenue	383	373
Advance tax and tax deducted at source, net of provision for taxes	626	545
MAT credit entitlement	108	105
	<u>2,148</u>	<u>1,898</u>
<b>10 Current liabilities</b>		
Advances from customers	42	39
Unearned revenue	30	67
Sundry creditors		
Expenses	146	87
Capital goods	187	39
Other liabilities	1,599	1,840
Unclaimed dividend	2	2
Book overdraft	148	40
	<u>2,155</u>	<u>2,114</u>
<b>11 Provisions</b>		
Proposed dividend	49	79
Provision for gratuity	43	3
Compensated absences	181	125
Post contract support services	5	5
Provision for discount	62	50
Provision for foreseeable loss on contracts	18	24
Provision for		
tax on dividend	8	13
foreign taxes	235	190
	<u>602</u>	<u>490</u>

**MindTree Limited**  
**Schedules to the consolidated profit and loss account**

	(Rs in Million)			
	For the qtr ended September 30, 2010	For the qtr ended September 30, 2009	For the half year ended September 30, 2010	For the half year ended September 30, 2009
<b>12 Cost of services and sales</b>				
Salary and allowances	1,894	1,398	3,535	2,844
Contribution to provident and other funds	188	110	362	214
Staff welfare	18	12	37	23
Travel and conveyance	154	102	335	251
Communication expenses	10	21	18	38
Sub-contractor charges	128	84	236	153
Software purchases	12	11	23	18
Computer consumables	69	75	139	141
Rent	76	57	117	120
Post contract support services	0	0	0	0
Provision for foreseeable loss on contracts	-50	14	-5	14
Raw materials consumed	1	0	6	0
Outsourced technical services	60	0	68	0
	<b>2,559</b>	<b>1,883</b>	<b>4,869</b>	<b>3,817</b>
<b>13 Administrative and other expenses</b>				
Salary and allowances	411	293	766	633
Contribution to provident and other funds	13	15	34	31
Travel and conveyance	60	34	96	60
Power and fuel	44	31	86	74
Rent	19	26	62	46
Lease rentals/charges	13	4	22	9
Telephone charges	21	15	41	34
Printing and stationery	6	6	10	10
Office maintenance	20	19	40	29
Exchange loss, net	-18	0	0	0
Staff training expenses	12	3	21	14
Advertisement	1	0	3	1
Bank charges	2	1	4	3
Insurance	5	5	11	11
Rates and taxes	3	17	11	29
Auditor's remuneration	3	2	6	4
Recruitment expenses	68	10	104	17
Repairs and maintenance	0	0	0	0
- Plant and machinery	2	3	4	4
- Others	11	2	17	3
Marketing expenses	21	20	44	37
Donations	0	0	0	0
Legal and professional expenses	44	38	80	62
Loss from sale of Investments	0	0	0	0
Loss on sale of fixed assets	0	0	0	0
Provision for diminution in the value of investments	0	0	0	0
Provision for bad and doubtful debts	-21	16	-4	30
Bad debts written off	0	17	0	17
Provision for doubtful advances	41	0	41	0
Miscellaneous expenses	35	33	75	59
	<b>819</b>	<b>607</b>	<b>1,573</b>	<b>1,215</b>
<b>14 Interest</b>				
Interest on term loans	0	0	0	12
Interest on short term credit / finance charges	0	1	0	13
	<b>0</b>	<b>1</b>	<b>0</b>	<b>25</b>
<b>15 Other income</b>				
Interest on deposits	6	3	12	5
Profit on sale of investments	0	2	0	11
Profit from sale of fixed assets, net	1	0	1	0
Dividend from investments	9	5	21	15
Exchange gain, net	3	29	3	334
Bad debts recovered	-1	0	0	0
Liabilities no longer required written back	0	0	0	0
Miscellaneous income	6	0	9	6
	<b>25</b>	<b>38</b>	<b>46</b>	<b>371</b>