

MINDTREE LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

		(Rupees in millions, except share data)	
	Note	As at December 31, 2012	As at March 31, 2012
Assets			
Intangible assets	5	32	42
Property, plant and equipment	4	2,532	2,388
Available-for-sale financial assets	6	11	11
Deferred tax assets		510	590
Other non-current assets	9	804	794
Total non-current assets		3,889	3,825
Trade receivables	7	4,762	4,077
Other current assets	9	1,339	892
Unbilled revenues		427	479
Available-for-sale financial assets	6	3,654	2,803
Current tax assets		873	742
Derivative assets	14	68	36
Cash and cash equivalents	8	964	602
Total current assets		12,087	9,631
Total assets		15,976	13,456
Equity			
Share capital		412	405
Share premium		2,166	1,876
Retained earnings		9,905	7,632
Other components of equity		90	(166)
Equity attributable to owners of the Company		12,573	9,747
Non-controlling interests		-	-
Total equity		12,573	9,747
Liabilities			
Loans and borrowings	10	23	26
Other non-current liabilities	12	54	44
Total non-current liabilities		77	70
Loans and borrowings and book overdraft	10	291	537
Trade payables and accrued expenses	11	813	749
Unearned revenue		66	19
Current tax liabilities		205	257
Derivative liabilities	14	174	597
Employee benefit obligations	13	281	229
Other current liabilities	12	1,291	1,084
Provisions	12	205	167
Total current liabilities		3,326	3,639
Total liabilities		3,403	3,709
Total equity and liabilities		15,976	13,456

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements

MINDTREE LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME

		(Rupees in millions, except share data)			
	Note	Three months ended December 31,		Nine months ended December 31,	
		2012	2011	2012	2011
Revenues		5,877	5,183	17,428	13,856
Cost of revenues	16	(3,738)	(3,423)	(11,050)	(9,619)
Gross profit		2,139	1,760	6,378	4,237
Selling, general and administrative expenses	16	(1,140)	(1,052)	(3,285)	(2,808)
Results from operating activities		999	708	3,093	1,429
Foreign exchange gain/ (loss)		141	(23)	(188)	239
Finance expenses		(2)	(2)	(10)	(4)
Finance and other income	18	77	43	220	159
Profit before tax		1,215	726	3,115	1,823
Income tax expense	15	(275)	(127)	(628)	(293)
Profit for the period		940	599	2,487	1,530
Attributable to:					
Owners of the Company		940	599	2,487	1,530
Non-controlling interests		-	-	-	-
Earnings per equity share:	19	940	599	2,487	1,530
Basic		22.89	14.80	60.91	38.05
Diluted		22.63	14.70	60.09	38.05
Weighted average number of equity shares used in computing earnings per equity share:					
Basic		41,050,705	40,389,594	40,824,138	40,224,672
Diluted		41,526,731	40,663,496	41,380,000	40,229,359

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements

MINDTREE LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(Rupees in millions, except share data)

Nine months ended December 31,

	2012	2011
Cash flow from operating activities		
Profit for the period	2,487	1,530
Adjustments for :		
Depreciation & amortisation	466	523
Amortization of stock compensation	111	(38)
Interest expense	10	4
Income tax expense	628	293
Interest / dividend income	(159)	(104)
Gain on sale of property, plant and equipment	(4)	(1)
Gain on sale of available-for-sale financial assets	(55)	(14)
Unrealised exchange difference on derivatives	(265)	247
Effect of exchange differences on translation of foreign currency borrowings	31	6
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(34)	(32)
<i>Changes in operating assets and liabilities</i>		
Trade receivables	(685)	(1,329)
Unbilled revenues	53	(20)
Other assets	(306)	(69)
Trade payables and accrued expenses	64	1,236
Unearned revenues	47	24
Other liabilities	299	(513)
Net cash provided by operating activities before taxes	2,688	1,743
Income taxes paid	(768)	(403)
Net cash provided by operating activities	1,920	1,340
Cash flow from investing activities		
Expenditure on property, plant and equipment	(661)	(303)
Proceeds from sale of property, plant and equipment	8	2
Interest /dividend received from available-for-sale financial assets	152	101
Inter-corporate deposits	(75)	45
Investments in available-for-sale financial assets	(7,527)	(6,250)
Redemption of available-for-sale financial assets	6,803	5,206
Net cash used in investing activities	(1,300)	(1,199)
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	215	127
Interest paid on loans	(12)	(4)
Proceeds from working capital loans	719	260
Repayment of loans and borrowings	(941)	(5)
Dividends paid (including distribution tax)	(214)	(176)
Net cash provided by/ (used in) financing activities	(233)	202
Effect of exchange differences on translation of foreign currency cash and cash equivalents	34	32
Net increase in cash and cash equivalents	421	375
Cash and cash equivalents at the beginning of the period	477	371
Cash and cash equivalents at the end of the period (Note 8)	898	746

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements

MINDTREE LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	Note	Three months ended December 31,		(Rupees in millions, except share data) Nine months ended December 31,	
		2012	2011	2012	2011
Profit for the period		940	599	2,487	1,530
Other comprehensive income, net of taxes					
- Net change in fair value of cash flow hedges	14	(108)	(308)	170	(586)
- Net change in fair value of available-for-sale financial assets	6	12	15	52	19
Total other comprehensive income, net of taxes		(96)	(293)	222	(567)
Total comprehensive income for the period		<u>844</u>	<u>306</u>	<u>2,709</u>	<u>963</u>
Attributable to:					
Owners of the Company		844	306	2,709	963
Non-controlling interests		-	-	-	-
		<u>844</u>	<u>306</u>	<u>2,709</u>	<u>963</u>

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements

MINDTREE LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Rupees in millions, except share data)

Particulars	No. of shares	Share capital	Share premium	Retained earnings	Share based payment reserve	Other components of equity		Equity attributable to owners of the Company	Non-controlling interests	Total equity
						Cash flow hedging reserve	Other reserves			
Balance as at April 1, 2011	40,035,187	400	1,680	5,628	61	63	16	7,848	-	7,848
Issue of equity shares on exercise of options	448,160	4	132	-	-	-	-	136	-	136
Profit for the period	-	-	-	1,529	-	-	-	1,529	-	1,529
Other comprehensive income	-	-	-	-	-	(586)	19	(567)	-	(567)
Compensation cost related to employee share based payment transaction	-	-	-	-	(47)	-	-	(47)	-	(47)
Cash dividend paid (including dividend tax thereon)	-	-	-	(176)	-	-	-	(176)	-	(176)
Balance as at December 31, 2011	40,483,347	404	1,812	6,981	14	(523)	35	8,723	-	8,723
Balance as at April 1, 2011	40,035,187	400	1,680	5,628	61	63	16	7,848	-	7,848
Issue of equity shares on exercise of options	508,736	5	196	-	-	-	-	201	-	201
Profit for the year	-	-	-	2,180	-	-	-	2,180	-	2,180
Other comprehensive income	-	-	-	-	-	(282)	33	(249)	-	(249)
Compensation cost related to employee share based payment transaction	-	-	-	-	(57)	-	-	(57)	-	(57)
Cash dividend paid (including dividend tax thereon)	-	-	-	(176)	-	-	-	(176)	-	(176)
As at March 31, 2012	40,543,923	405	1,876	7,632	4	(219)	49	9,747	-	9,747
Balance as at April 1, 2012	40,543,923	405	1,876	7,632	4	(219)	49	9,747	-	9,747
Issue of equity shares on exercise of options	664,698	7	290	-	-	-	-	297	-	297
Profit for the period	-	-	-	2,487	-	-	-	2,487	-	2,487
Other comprehensive income	-	-	-	-	-	170	52	222	-	222
Compensation cost related to employee share based payment transaction	-	-	-	-	34	-	-	34	-	34
Cash dividend paid (including dividend tax thereon)	-	-	-	(214)	-	-	-	(214)	-	(214)
As at December 31, 2012	41,208,621	412	2,166	9,905	38	(49)	101	12,573	-	12,573

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements

Mindtree Limited

Notes to the unaudited condensed consolidated interim financial statements

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

1. Company overview

Mindtree Limited ('Mindtree' or 'the Parent Company') together with its subsidiary Mindtree Software (Shenzhen) Co. Ltd, collectively referred to as 'the Company' or 'the Group' is an international Information Technology consulting and implementation Group that delivers business solutions through global software development. The Group is structured into two business units that focus on software development – Information Technology ('IT') Services and Product Engineering ('PE') Services. IT Services offer consulting and implementation and post production support for customers in manufacturing, financial services, travel and leisure and other industries, in the areas of e-business, data warehousing and business intelligence, supply chain management, ERP and maintenance and re-engineering of legacy mainframe applications. PE Services provides full life cycle product engineering, professional services and sustained engineering services. It also enables faster product realization by leveraging the expertise in the areas of hardware design, embedded software, middleware and testing and through Mindtree's own IP building blocks in the areas of Bluetooth, VOIP, IVP6, iSCSI and others in datacom, telecom, wireless, storage, industrial automation, avionics, consumer products and computing.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bangalore, Karnataka, India and has offices in United States of America, United Kingdom, Japan, Singapore, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, France and Republic of China. The company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. These condensed consolidated interim financial statements were authorized for issuance by the Company's board of directors on January 18, 2013.

2. Basis of preparation of financial statements

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards and its interpretations ("IFRS") issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard (IAS 34), "Interim Financial Reporting".

They do not include all of the information required for full annual financial statements and should be read in conjunction with the unaudited consolidated financial statements and related notes included in the Company's annual report for the year ended March 31, 2012.

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Notes to the unaudited condensed consolidated interim financial statements

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

(c) Basis of measurement

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant IFRS:-

- i. Derivative financial instruments; and
- ii. Available-for-sale financial assets; and
- iii. Share based payment transactions

(d) Functional and presentation currency

The unaudited condensed consolidated interim financial statements are presented in Indian rupees, which is the functional currency of the parent company and all its subsidiaries which is the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest million.

(e) Use of estimates and judgments

The preparation of unaudited condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these unaudited condensed consolidated interim financial statements the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the unaudited consolidated financial statements as at and for the year ended March 31, 2012.

3. Significant accounting policies

Please refer to the Company's Annual report for the year ended March 31, 2012 for a discussion on the Company's critical accounting policies.

New standards and interpretations issued but not yet adopted.

IFRS 9 Financial Instruments: In November 2009, the International Accounting Standards Board issued IFRS 9, Financial Instruments: Recognition and Measurement, to reduce the complexity of the current rules on financial instruments as mandated in IAS 39. The effective date for IFRS 9 is annual periods beginning on or after January 1, 2015 with early adoption permitted. IFRS 9 has fewer classification and measurement categories as compared to IAS 39 and has eliminated the categories of held to maturity, available for sale and loans and receivables. Further it eliminates the rule-based requirement of segregating embedded derivatives and tainting rules pertaining to held to maturity investments. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss. IFRS 9, was further amended in October 2010, and such amendment introduced requirements on accounting for financial liabilities. This

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)**

amendment addresses the issue of volatility in the profit or loss due to changes in the fair value of an entity's own debt. It requires the entity, which chooses to measure a liability at fair value, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income. The company is required to adopt IFRS 9 by accounting year commencing April 1, 2015. The company is currently evaluating the requirements of IFRS 9, and has not yet determined the impact on the consolidated financial statements.

IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Interests in Other Entities: In May 2011, the International Accounting Standards Board issued IFRS 10, IFRS 11 and IFRS 12. The effective date for IFRS 10, IFRS 11 and IFRS 12 is annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 10 Consolidated Financial Statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated interim financial statements of the parent company. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation of Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. The standard provides additional guidance for the determination of control in cases of ambiguity such as franchisor franchisee relationship, de facto agent, silos and potential voting rights.

IFRS 11 Joint Arrangements determines the nature of an arrangement by focusing on the rights and obligations of the arrangement, rather than its legal form. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities-Non-monetary Contributions by Venturers. IFRS 11 addresses only forms of joint arrangements (joint operations and joint ventures) where there is joint control whereas IAS 31 had identified three forms of joint ventures, namely jointly controlled operations, jointly controlled assets and jointly controlled entities. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities, which is the equity method.

IFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. One major requirement of IFRS 12 is that an entity needs to disclose the significant judgments and assumptions it has made in determining:

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Notes to the unaudited condensed consolidated interim financial statements

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

- a. whether it has control, joint control or significant influence over another entity; and
- b. the type of joint arrangement when the joint arrangement is structured through a separate vehicle.

IFRS 12 also expands the disclosure requirements for subsidiaries with non-controlling interest, joint arrangements and associates that are individually material. IFRS 12 introduces the term 'structured entity' by replacing Special Purpose entities and requires enhanced disclosures by way of nature and extent of, and changes in, the risks associated with its interests in both its consolidated and unconsolidated structured entities.

The company will be adopting IFRS 10, IFRS 11 and IFRS 12 effective April 1, 2013. The company has evaluated the requirements of IFRS 10, IFRS 11 and IFRS 12 and the company does not believe that the adoption of these standards will have a material effect on its consolidated financial statements.

IFRS 13 Fair Value Measurement: In May 2011, the International Accounting Standards Board issued IFRS 13, Fair Value Measurement to provide specific guidance on fair value measurement and requires enhanced disclosures for all assets and liabilities measured at fair value, and not restricted to financial assets and liabilities. The standard introduces a precise definition of fair value and a consistent measure for fair valuation across assets and liabilities, with a few specified exceptions. The effective date for IFRS 13 is annual periods beginning on or after January 1, 2013 with early adoption permitted. The company is required to adopt IFRS 13 by accounting year commencing April 1, 2013 and is currently evaluating the requirements of IFRS 13, and has not yet determined the impact on the consolidated financial statements.

IAS 1 (Amended) Presentation of Financial Statements: In June 2011, the International Accounting Standard Board published amendments to IAS 1 Presentation of Financial Statements. The amendments to IAS 1 Presentation of Financial Statements require companies preparing financial statements in accordance with IFRS to group items within other comprehensive income that may be reclassified to the profit or loss separately from those items which would not be recyclable in the profit or loss section of the income statement. It also requires the tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income either before tax or net of tax).

The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements. This amendment is applicable to annual periods beginning on or after July 1, 2012, with early adoption permitted. The company is required to adopt IAS 1 (Amended) by accounting year commencing April 1, 2013. The company has evaluated the requirements of IAS 1 (Amended) and the company does not believe that the adoption of IAS 1 (Amended) will have a material effect on its consolidated financial statements.

IAS 19 (Amended) Employee Benefits: In June 2011, International Accounting Standards Board issued IAS 19 (Amended), Employee Benefits. The effective date for adoption of IAS 19 (Amended) is annual periods beginning on or after January 1, 2013, though early adoption is permitted.

IAS 19 (Amended) has eliminated an option to defer the recognition of gains and losses through re-measurements and requires such gain or loss to be recognized through other comprehensive income in the year of occurrence to reduce volatility. The amended standard requires immediate recognition of effects of any plan amendments. Further it also requires assets in profit or loss to be restricted to government bond yields or corporate bond yields, considered for valuation of Projected Benefit Obligation,

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

irrespective of actual portfolio allocations. The actual return from the portfolio in excess of or less than such yields is recognized through other comprehensive income.

These amendments enhance the disclosure requirements for defined benefit plans by requiring information about the characteristics of defined benefit plans and risks that entities are exposed to through participation in those plans.

The amendments need to be adopted retrospectively. The company is required to adopt IAS 19 (Amended) by accounting year commencing April 1, 2013. The company is currently evaluating the requirements of IAS 19 (Amended) and has not yet determined the impact on the consolidated financial statements.

Mindtree Limited
Notes to the unaudited condensed consolidated interim financial statements
(Rupees in millions, except share and per share data, unless otherwise stated)

4. Property, plant and equipment

Particulars	Land	Building	Computer systems*	Furniture, fixtures and equipment	Vehicles	Total
Gross carrying value:						
As at April 1, 2011	97	1,626	1,544	1,959	3	5,229
Additions	-	-	129	117	-	246
Disposal/adjustments	-	-	48	12	1	61
As at December 31, 2011	97	1,626	1,625	2,064	2	5,414
Accumulated depreciation/impairment:						
As at April 1, 2011	3	174	1,221	1,129	1	2,528
Depreciation	1	44	185	283	-	513
Disposal/adjustments	-	-	49	11	1	61
As at December 31, 2011	4	218	1,357	1,401	-	2,980
Capital work-in-progress						7
Net carrying value as at December 31, 2011	93	1,408	268	663	2	2,441
Gross carrying value:						
As at April 1, 2011	97	1,626	1,544	1,959	3	5,229
Additions	-	-	143	138	-	281
Disposal/adjustments	-	-	49	35	1	85
As at March 31, 2012	97	1,626	1,638	2,062	2	5,425
Accumulated depreciation/impairment:						
As at April 1, 2011	3	174	1,221	1,129	1	2,528
Depreciation	1	58	249	369	1	678
Disposal/adjustments	-	-	49	35	-	84
As at March 31, 2012	4	232	1,421	1,463	2	3,122
Capital work-in-progress						85
Net carrying value as at March 31, 2012	93	1,394	217	599	-	2,388
Gross carrying value:						
As at April 1, 2012	97	1,626	1,638	2,062	2	5,425
Additions	-	-	242	166	-	408
Disposal/adjustments	-	-	7	33	-	40
As at December 31, 2012	97	1,626	1,873	2,195	2	5,793
Accumulated depreciation/impairment:						
As at April 1, 2012	4	232	1,421	1,463	2	3,122
Depreciation	1	42	168	245	-	456
Disposal/adjustments	-	-	5	30	-	35
As at December 31, 2012	5	274	1,584	1,678	2	3,543
Capital work-in-progress						282
Net carrying value as at December 31, 2012	92	1,352	289	517	-	2,532

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)**

*Computer systems includes software.

The depreciation expense is included in the following line items in the statement of income.

Particulars	Three months ended		Nine months ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Cost of revenues	135	153	415	467
Selling, general and administrative expenses	13	15	41	46
Total	148	168	456	513

Mindtree Limited
Notes to the unaudited condensed consolidated interim financial statements
(Rupees in millions, except share and per share data, unless otherwise stated)

5. Intangible assets

The Company has only one class of intangible asset i.e intellectual property and a summary of changes in its carrying value is given below:

Particulars	Intellectual property
Gross carrying value:	
As at April 1, 2011	67
Additions	-
Disposal/adjustments	-
As at December 31, 2011	<u>67</u>
Accumulated amortisation/impairment:	
As at April 1, 2011	12
Amortisation	10
Disposal/adjustments	-
As at December 31, 2011	<u>22</u>
Net carrying value as at December 31, 2011	<u>45</u>
Particulars	
Intellectual property	
Gross carrying value:	
As at April 1, 2011	67
Additions	-
Disposal/adjustments	-
As at March 31, 2012	<u>67</u>
Accumulated amortisation/impairment:	
As at April 1, 2011	12
Amortisation	13
Disposal/adjustments	-
As at March 31, 2012	<u>25</u>
Net carrying value as at March 31, 2012	<u>42</u>
Particulars	
Intellectual property	
Gross carrying value:	
As at April 1, 2012	67
Additions	-
Disposal/adjustments	-
As at December 31, 2012	<u>67</u>
Accumulated amortisation/impairment:	
As at April 1, 2012	25
Amortisation	10
Disposal/adjustments	-
As at December 31, 2012	<u>35</u>
Net carrying value as at December 31, 2012	<u>32</u>

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)**

The amortisation expense is included in the following line items in the statement of income.

Particulars	Three months ended		Nine months ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Cost of revenues	3	3	9	9
Selling, general and administrative expenses	-	-	1	1
Total	3	3	10	10

6. Available for sale financial assets

Cost and fair value of investments in liquid and short term mutual fund units and unlisted equity securities are as follows:

Particulars	As at	As at
	December 31, 2012	March 31, 2012
Non-current		
Investment in unlisted equity securities		
Cost	8	8
Gross unrealised holding gains	3	3
Fair value	11	11
Current		
Investment in liquid and short term mutual funds		
Cost	3,531	2,751
Gross unrealised holding gains	123	52
Fair value	3,654	2,803
Total available-for-sale financial assets	3,665	2,814

7. Trade receivables

Particulars	As at	As at
	December 31, 2012	March 31, 2012
Trade receivables	4,810	4,117
Allowance for doubtful accounts receivable	(48)	(40)
Total	4,762	4,077

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Notes to the unaudited condensed consolidated interim financial statements
(Rupees in millions, except share and per share data, unless otherwise stated)

8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Particulars	As at December 31, 2012	As at March 31, 2012
Cash balances	-	-
Current and time deposits with banks	964	602
Cash and cash equivalents on statement of financial position	964	602
Book overdrafts used for cash management purposes	(66)	(125)
Cash and cash equivalents in the cash flow statement	898	477

Balance with banks amounting to Rs 4 and Rs 4 as of December 31, 2012 and March 31, 2012 respectively included above represents amount pledged with statutory and other authorities as margin money and unpaid dividends and are therefore restricted.

9. Other assets

Particulars	As at December 31, 2012	As at March 31, 2012
<i>Non-current</i>		
Capital advances	157	102
Security deposits	458	490
Prepaid expenses	177	202
Others	12	-
	804	794
<i>Current</i>		
Interest bearing deposits with corporates	400	325
Prepaid expenses	403	309
Advance to employees	201	150
Advance to suppliers	176	19
Interest accrued and not due	23	17
Deposits	67	34
Others	69	38
	1,339	892
Total	2,143	1,686

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)****10. Loans and borrowings**

A summary of loans and borrowings is as follows:

Particulars	As at December 31, 2012	As at March 31, 2012
<i>Non-current</i>		
Unsecured long-term loan	23	26
	23	26
<i>Current</i>		
Current portion of unsecured long-term loan and borrowings	5	5
Secured bank loans	220	407
Bank overdraft	66	125
	291	537
Total	314	563

11. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

Particulars	As at December 31, 2012	As at March 31, 2012
Trade payables	160	137
Accrued expenses	653	612
Total	813	749

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)****12. Other liabilities and provisions**

Particulars	As at December 31, 2012	As at March 31, 2012
Non-current		
Interest accrued but not due on borrowings	-	1
Others	54	43
	54	44
Current		
Interest accrued but not due on borrowings	2	2
Advances from customers	62	69
Employee and other liabilities	996	855
Statutory dues payable	213	158
Other liabilities	18	-
	1,291	1,084
Total	1,345	1,128
Provisions		
Provision for discount	143	109
Provision for post contract support services	5	5
Others	57	53
Total	205	167

Provision for post contract support services represents cost associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized within a period of 1 year.

Particulars	Nine months ended December 31,	
	2012	2011
Balance as at beginning of the period	5	5
Provision as at the end of the period	5	5

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)**

Provision for discount

Particulars	Nine months ended December 31,	
	2012	2011
Balance as at beginning of the period	109	49
Provisions made during the period	108	65
Utilisations during the period	(74)	(29)
Provision as at the end of the period	143	85

Other provisions

Other provisions primarily represent provision for tax related contingencies and litigations. The timing of cash flows in respect of these provisions cannot be reasonably determined.

Particulars	Nine months ended December 31,	
	2012	2011
Balance as at beginning of the period	53	2
Provisions made during the period	8	53
Utilisations during the period	(4)	(1)
Provision as at the end of the period	57	54

Mindtree Limited
Notes to the unaudited condensed consolidated interim financial statements
(Rupees in millions, except share and per share data, unless otherwise stated)

13. Employee benefit obligations

Employee benefit obligations comprises of following:

Particulars	As at December 31, 2012	As at March 31, 2012
Gratuity	47	1
Compensated absences	234	228
Total	281	229

14. Financial instruments

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Particulars	As at December 31, 2012	As at March 31, 2012
Designated derivative instruments (Sell)		
In US \$	114	113
In Euro	10	9
Non-designated derivative instruments (Sell)		
In US \$	3	29
Non-designated derivative instruments (Buy)		
In US \$	4	8

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

Particulars	As at December 31, 2012	As at December 31, 2011
Balance at the beginning of the period	(250)	81
Net (gain)/loss reclassified into the statement of income on occurrence of hedged transactions	232	(87)
Changes in fair value of effective portion of derivatives	(45)	(599)
Balance at the end of the period	(63)	(606)

Mindtree Limited
Notes to the unaudited condensed consolidated interim financial statements
(Rupees in millions, except share and per share data, unless otherwise stated)

15. Income taxes

Income tax expense in the statement of income consists of:

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2012	2011	2012	2011
Current taxes				
Domestic	214	56	486	187
Foreign	48	81	156	177
Total	262	137	642	364
Deferred taxes				
Domestic	(14)	10	11	40
Foreign	1	-	3	31
Total	(13)	10	14	71
Grand total	275	127	628	293

During the period, the Company has recorded additional foreign tax credit of Rs 97 relating to financial year 2010-2011 and financial year 2011-2012. Accordingly, tax provision for current period is lower by Rs 97. The Company has reflected this credit in the Income tax return for the financial year 2011-2012 and revised return for the financial year 2010-2011.

Income tax expense has been allocated as follows:

Particulars	Three months ended December 31,		Nine months ended December 31,	
	2012	2011	2012	2011
Income tax expense as per the statement of income	275	127	628	293
Income tax included in other comprehensive income on:				
- unrealised gains on available-for-sale financial assets	3	2	19	3
- gains/(losses) on cash flow hedging derivatives	(30)	(53)	17	(101)
	(27)	(51)	36	(98)
Total	248	76	664	195

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)****16. Expenses by nature**

Particulars	Three months ended		Nine months ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Employee benefits	3,527	3,228	10,547	8,977
Depreciation and amortisation charges	151	171	466	523
Recruitment, staff welfare and training expenses	132	91	305	215
Travel and conveyance	240	270	673	778
Communication expenses	71	44	212	125
Sub-contractor charges/Outsourced technical services/software purchases	242	219	694	534
Consumables/maintenance and repairs	113	99	322	302
Power and fuel	51	44	159	138
Lease rentals/charges	139	130	422	347
Printing and stationery	3	3	12	10
Advertisement	1	3	4	6
Bank charges	3	2	8	6
Rates, taxes and insurance	23	40	67	111
Marketing expenses	61	63	165	117
Legal and professional expenses	78	50	191	151
Provision for doubtful accounts receivable	-	8	8	33
Others	43	10	80	54
Total cost of revenues, selling, general and administrative expenses	4,878	4,475	14,335	12,427

17. Employee benefits

Employee costs include:

Particulars	Three months ended		Nine months ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Salary and allowances	3,213	2,976	9,616	8,337
Defined benefit plan - Gratuity cost	-	-	28	28
Contribution to provident and other funds	269	244	792	650
Share based compensation	45	8	111	(38)
Total	3,527	3,228	10,547	8,977

The employee benefit cost is recognized in the following line items in the statement of income:

Particulars	Three months ended		Nine months ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Cost of revenues	2,999	2,682	8,925	7,490
Selling, general and administrative expenses	528	548	1,622	1,488
Total	3,527	3,230	10,547	8,978

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)****18. Finance and other income**

Particulars	Three months ended		Nine months ended	
	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
Interest income	23	23	69	59
Gain on sale of available-for-sale financial assets	14	-	55	14
Gain on sale of property, plant and equipment	1	-	5	1
Dividend income	39	18	90	45
Others	-	2	1	40
Total	77	43	220	159

19. Earnings per equity share

Reconciliation of the number of equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Particulars	Three months ended December 31, 2012		Three months ended December 31, 2011	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the period	41,050,705	41,050,705	40,389,594	40,389,594
Weighted average number of equity shares resulting from assumed exercise of employee stock options		476,026	-	273,902
Weighted average number of equity shares for calculation of earnings per share	41,050,705	41,526,731	40,389,594	40,663,496

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)**

Particulars	Nine months ended December 31, 2012		Nine months ended December 31, 2011	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the period	40,824,138	40,824,138	40,224,672	40,224,672
Weighted average number of equity shares resulting from assumed exercise of employee stock options		555,862	-	4,687
Weighted average number of equity shares for calculation of earnings per share	40,824,138	41,380,000	40,224,672	40,229,359

20. Related party relationships and transactions

Name of related party	Nature of relationship
Mindtree Software (Shenzhen) Co Ltd ('MSSL'), Republic of China	Subsidiary*
Amalgamated Bean Coffee Trading Company Limited ('ABCTCL') Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities holds 20.98% equity stake in Mindtree, and the group has a nominee on the Mindtree Board.
Janalakshmi Financial Services Private Limited	Entity with common key management person

*Dissolved with effect from August 31, 2012.

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)***Transactions with the above related parties during the period were:*

Name of related party	Nature of transaction	Three months		Nine months	
		ended December 31, 2012	ended December 31, 2011	ended December 31, 2012	ended December 31, 2011
Amalgamated Bean Coffee Trading Company Limited	Procurement of supplies	5	4	10	12
Tanglin Developments Limited	Leasing office buildings and land	10	12	223	210
	Advance towards electricity deposit paid and received back	100	-	100	-

Balances payable to related parties are as follows:

Name of related party	As at December 31, 2012	As at March 31, 2012
Tanglin Developments Limited	2	6

Balances receivable from related parties are as follows:

Name of related party	Nature of transactions	As at December 31, 2012	As at March 31, 2012
Tanglin Developments Limited	Rental deposits/ advance returnable on termination of lease	495	345
Janalakshmi Financial Services Private Limited	Interest bearing deposits	-*	125

*Redeemed during the period including interest thereon.

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)**

Key management personnel:

Subroto Bagchi	Appointed as Chairman with effect from April 1, 2012
Dr. Albert Hieronimus	Appointed as Non-executive Vice Chairman with effect from April 1, 2012
N. Krishnakumar	CEO & Managing Director
S. Janakiraman	President & Chief Technology Officer
N S Parthasarathy*	President & COO
Anjan Lahiri*	President – IT Services
R. Srinivasan	Non-executive Director of Mindtree
V.G.Siddhartha	Non-executive Director of Mindtree
David B. Yoffie	Non-executive Director of Mindtree
Prof. Pankaj Chandra	Non-executive Director of Mindtree
Ramesh Ramanathan	Appointed as Non-executive Director of Mindtree with effect from May 2, 2012

*The Board elected Anjan Lahiri, as an additional Board member to hold office with effect from October 24, 2012 till the date of the next Annual General Meeting of the Company. The Board also elected N S Parthasarathy as an Alternate Director to S Janakiraman, with effect from October 22, 2012.

Transactions with key management personnel are as given below:

Key management personnel comprise directors and members of the executive council. Particulars of remuneration and other benefits paid to key management personnel during the three months and nine months ended December 31, 2012 and December 31, 2011 have been detailed below:

Particulars	Three months ended		Nine months ended	
	December 31, 2012	December 31, 2011	December 30, 2012	December 30, 2011
Whole-time directors				
Salaries	8	4	16	11
Contribution to Provident fund	-	-	1	-
Bonus & Incentives	10	-	25	2
Reimbursement of expenses	1	1	2	2
Total Remuneration	19	5	44	15
Non-whole-time directors				
Commission	6	3	22	11
Director Fees				
Total Remuneration	25	8	66	26

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)****21. Segment information**

The CEO & MD of the company has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes and geographic segmentation of customers. Accordingly, segment information has been presented both along industry classes and geographic segmentation of customers.

Industry segments for the company are primarily Information Technology ('IT') Services and Product Engineering ('PE') Services.

Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognized.

Industry Segments:

Consolidated statement of income for the three months ended December 31, 2012	IT Services	PE Services	Total
Revenues	4,121	1,756	5,877
Operating expenses, net	3,373	1,354	4,727
Segmental operating income	748	402	1,150
Unallocable expenses			151
Profit for the year before finance expense, finance and other income and tax			999
Finance expense			(2)
Finance and other income			218
Profit before tax			1,215
Income tax expense			(275)
Profit after tax			940

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)**

Consolidated statement of income for the three months ended December 31, 2011	IT Services	PE Services	Total
Revenues	3,459	1,724	5,183
Operating expenses, net	2,833	1,476	4,309
Segmental operating income	626	248	874
Unallocable expenses			166
Profit for the year before finance expense, finance and other income and tax			708
Finance expense			(2)
Finance and other income			20
Profit before tax			726
Income tax expense			(127)
Profit after tax			599

Consolidated statement of income for the nine months ended December 31, 2012	IT Services	PE Services	Total
Revenues	12,070	5,358	17,428
Operating expenses, net	9,705	4,163	13,868
Segmental operating income	2,365	1,195	3,560
Unallocable expenses			654
Profit for the year before finance expense, finance and other income and tax			2,906
Finance expense			(10)
Finance and other income			219
Profit before tax			3,115
Income tax expense			(628)
Profit after tax			2,487

Consolidated statement of income for the nine months ended December 31, 2011	IT Services	PE Services	Total
Revenues	9,012	4,844	13,856
Operating expenses, net	7,593	4,311	11,904
Segmental operating income	1,419	533	1,952
Unallocable expenses			523
Profit for the year before finance expense, finance and other income and tax			1,429
Finance expense			(4)
Finance and other income			398
Profit before tax			1,823
Income tax expense			(293)
Profit after tax			1,530

Mindtree Limited**Notes to the unaudited condensed consolidated interim financial statements****(Rupees in millions, except share and per share data, unless otherwise stated)****Geographical segments**

Revenues	Three months ended		Nine months ended	
	December 31,		December 31,	
	2012	2011	2012	2011
America	3,269	2,917	9,960	8,050
Europe	1,781	1,447	5,150	3,562
India	369	377	1,089	1,094
Rest of World	458	442	1,229	1,150
Total	5,877	5,183	17,428	13,856