

MindTree Limited
Balance sheet

	Schedule	As at September 30, 2010	(Rs in Million) As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	398	395
Share application money		-	-
Reserves and surplus	2	6,870	6,065
		<u>7,268</u>	<u>6,460</u>
Loan funds			
Unsecured loans	3	43	31
		<u>7,311</u>	<u>6,491</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	4	5,177	4,512
Less: Accumulated depreciation		-2,238	-1,973
Net block		<u>2,938</u>	<u>2,539</u>
Capital work-in-progress		30	242
		<u>2,968</u>	<u>2,781</u>
Investments	5	1,467	2,133
Deferred tax assets, net		179	158
Current assets, loans and advances			
Sundry debtors	6	2,814	2,218
Cash and bank balances	7	216	349
Loans and advances	8	2,225	1,785
		<u>5,255</u>	<u>4,351</u>
Current liabilities and provisions			
Current liabilities	9	2,011	2,495
Provisions	10	547	438
Net current assets		<u>2,697</u>	<u>1,418</u>
		<u>7,311</u>	<u>6,491</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
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
Income					
Income from software development					
- Overseas		3,304	2,922	6,310	5,580
- Domestic		345	194	630	425
		<u>3,649</u>	<u>3,116</u>	<u>6,940</u>	<u>6,005</u>
Expenditure					
Software development expenses	11	2,311	1,951	4,460	3,877
Administrative and other expenses	12	751	526	1,456	1,036
		<u>3,062</u>	<u>2,476</u>	<u>5,916</u>	<u>4,913</u>
Operating profit before interest, depreciation, other income and tax					
		587	640	1,023	1,092
Interest	13	-	1	-	25
Depreciation	4	148	158	276	315
		<u>439</u>	<u>481</u>	<u>747</u>	<u>751</u>
Operating profit before tax and other income					
Other income	14	21	38	262	395
		<u>460</u>	<u>519</u>	<u>1,010</u>	<u>1,147</u>
Profit before tax					
Provision for taxation		80	60	218	143
Deferred tax charge/ (credit)		-15	-17	-20	-17
MAT credit entitlement		-	-8	-	-8
		<u>396</u>	<u>483</u>	<u>812</u>	<u>1,028</u>
Net profit after tax					
Balance in profit and loss account brought forward					
		<u>4,371</u>	<u>2,766</u>	<u>3,955</u>	<u>2,221</u>
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount available for appropriation					
		<u>4,767</u>	<u>3,249</u>	<u>4,767</u>	<u>3,249</u>
Dividend					
Interim		50	39	50	39
Proposed		-	-	-	-
Total dividend		<u>50</u>	<u>39</u>	<u>50</u>	<u>39</u>
Dividend tax		8	7	8	7
Amount transferred to general reserve		20	-	20	-
		<u>4,689</u>	<u>3,203</u>	<u>4,689</u>	<u>3,203</u>
Earnings per share					
(Equity shares, par value Rs 10 each)					
Basic		9.96	12.33	20.47	26
Diluted		9.67	11.89	19.82	26
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
Cash flow statement

	(Rs in Million)	
	For the half year ended September 30, 2010	For the half year ended September 30, 2009
Cash flow from operating activities		
Profit before tax	1,010	0
Adjustments for :		0
Depreciation	276	0
Amortization/impairment of goodwill		0
Amortization of stock compensation	1	0
Interest expense	0	0
Interest / dividend income	-32	0
(Profit)/Loss on sale of fixed assets	-1	0
Profit on sale of investments	0	0
Profit on dissolution of subsidiaries	-221	0
Exchange difference on derivatives	-16	0
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-2	0
Operating profit before working capital changes	<u>1,015</u>	
Decrease/ (increase) in sundry debtors	-596	0
Decrease/ (increase) in loans and advances	-239	0
Increase/ (decrease) in current liabilities and provisions	-433	0
Income taxes and FBT paid	-238	0
Net cash provided by operating activities	<u>-491</u>	<u>1,421</u>
Cash flow from investing activities		
Purchase of fixed assets	-385	-240
Proceeds from sale of fixed assets	3	2
Dissolution proceeds	451	0
Investment in subsidiaries	0	-289
Interest /dividend received from investments	36	20
Loans to subsidiaries	-150	0
Purchase of investments	-4,174	-3,938
Sale/maturities of investments	4,586	4,473
Net cash used in investing activities	<u>366</u>	<u>28</u>
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	70	18
Receipt of share application money		
Interest paid on loans	0	-25
Proceeds from term loans		-926
Repayment of term loans		
Repayment of finance lease obligation		
Proceeds / (repayments) of other loans, net	13	-437
Increase/(decrease) in bank overdraft		
Dividends paid (including distribution tax)	-93	0
Net cash (used in)/ provided by financing activities	<u>-10</u>	<u>-1,370</u>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	2	-8
Net (decrease)/ increase in cash and cash equivalents	-133	71
Cash and cash equivalents of Aztecsoft Limited at the beginning of the year*	-	117
Cash and cash equivalents at the beginning of the period	<u>349</u>	<u>180</u>
Cash and cash equivalents at the end of the period	<u>216</u>	<u>368</u>

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

Place: Bangalore

MindTree Limited
Schedules to the balance sheet

	As at September 30, 2010	(Rs in Million) As at March 31, 2010
1. Share capital		
Authorised capital		
79,620,000 equity shares of Rs 10 each	796	796
(previous year 79,620,000 equity shares of Rs 10 each)		
Issued, subscribed and paid-up capital		
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>
2. Reserves and surplus		
Capital reserve		
At the commencement of the year	2	-
Additions during the year	-	2
	<u>2</u>	<u>2</u>
Securities premium account		
At the commencement of the year	1,535	2,544
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>1,603</u>	<u>2,895</u>
Deductions during the year		
Adjustment of goodwill arising on amalgamation of Aztecsoft Limited in accordance with scheme of amalgamation.	-	-1,360
	<u>1,603</u>	<u>1,535</u>
General reserve		
At the commencement of the year	410	202
Add: Transfer from profit and loss account	20.3	208
	<u>430</u>	<u>410</u>
Stock option outstanding account		
At the commencement of the year	47	50
Add: Deferred employee compensation expense	0.5	-2
	<u>48</u>	<u>47</u>
Hedge reserve		
At the commencement of the year	115	-85
Additions during the year	-17	200
	<u>99</u>	<u>115</u>
Balance in profit and loss account	4,689	3,955
	<u>6,870</u>	<u>6,065</u>

MindTree Limited
Schedules to the balance sheet (continued)

	As at September 30, 2010	As at March 31, 2010
3 Unsecured loans		
Council for Scientific and Industrial Research	43	31
	<u>43</u>	<u>31</u>

MindTree Limited
Schedules to the balance sheet (continued)

4. 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	795	178	4	969	395	72	4	464	506	400
Computer systems (including software)	1,144	208	0	1,351	1,010	89	0	1,099	252	133
Test equipment		0	0	0		0	0	0	0	
Furniture and fixtures	132	12	1	143	87	15	1	101	41	45
Electrical installations	164	41	2	203	110	24	2	133	70	54
Office equipment	337	52	5	383	214	36	4	246	137	123
Motor vehicles	5	0	1	4	2	1	0	3	1	2
Intellectual Property	0	67	0	67		6	0	6	62	0
Plant and Machinery	0	0	0	0		0	0	0	0	0
Total	4,512	678	14	5,177	1,973	276	11	2,238	2,938	2,539

MindTree Limited

Schedules to the balance sheet (continued)

		(Rs in Million)	
		As at September 30, 2010	As at March 31, 2010
5.	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	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
	412,500 (previous year: 412,500) equity shares of Rs 10 each in MindTree Wireless Private Limited	413	437
	Investment in MindTree Software (Shenzhen) Co., Ltd.	23	23
	Nil (previous year: 357,142,851) common stock of Aztec Software Inc., U.S.A, a wholly owned subsidiary at US\$ 0.014 each fully paid, par value US\$ 0.014 each	0	229
	Nil (previous year: 1,000) common stock Aztecsoft Disha Inc., U.S.A, a wholly owned subsidiary at US\$ 1 each fully paid at premium of US \$ 24 each	0	1
		<u>444</u>	<u>698</u>
	Less: Provision for diminution in the value of investments	<u>2</u>	<u>2</u>
		<u>443</u>	<u>697</u>
	B. Current investments		
	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
	(158,663 units purchased / 18,917,620 units redeemed during the year)		
	ICICI Prudential Mutual Fund	-	1,914,603
	(3,689,673 units purchased / 5,604,276 units redeemed during the year)		
	IDFC Mutual Fund	10,573,510	7,119,217
	(45,228,348 units purchased / 41,774,055 units redeemed during the year)		
	UTI Mutual Fund	19,640,011	8,111,422
	(19,756,300 units purchased / 8,227,711 units redeemed during the year)		
	HSBC Mutual Fund	-	11,871,364
	(137,737,470 units purchased) 149,608,834 units redeemed during the year)		
	Franklin Templeton Mutual Fund	5,016,314	13,390,626
	(225,325 units purchased / 8,599,637 units redeemed during the year)		
	DSP Blackrock Mutual Fund	7,500,000	7,500,000
	(Nil units purchased / Nil units redeemed during the year)		
	Birla Sun Life Mutual Fund	7,517,127	21,096,967
	(74,209,523 units purchased / 87,789,363 units redeemed during the year)		
	Reliance Mutual Fund	9,575,197	-
	(15,790,113 units purchased / 6,214,916 units redeemed during the year)		
	Tata Mutual Fund	11,530,229	-
	(11,561,636 units purchased / 31,407 units redeemed during the year)		
	Axis Mutual Fund	-	-
	(2,300,000 units purchased / 2,300,000 units redeemed during the year)		
	L&T Mutual Fund	4,000,000	-
	(4,000,000 units purchased / Nil units redeemed during the year)		
	Sundaram BNP Paribas Mutual Fund	5,000,560	-
	(39,584,283 units purchased / 34,583,723 units redeemed during the year)		
		<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>
	II. Non-Trade Investments - unquoted (Term Deposits)		
	HDFC Limited	170	120
	Janalakshmi Financial Services Private Limited	50	50
		<u>220</u>	<u>170</u>
		<u>1,467</u>	<u>2,133</u>

MindTree Limited
Schedules to the balance sheet (continued)

	As at September 30, 2010	(Rs in Million) As at March 31, 2010
6 Sundry debtors		
<i>(Unsecured)</i>		
Debts		
- considered good	2,814	2,218
- considered doubtful	27	37
<i>Less: Provision for doubtful debts</i>	<u>27</u>	<u>37</u>
	<u>2,814</u>	<u>2,218</u>
7 Cash and bank balances		
Cash on hand	0	0.1
Balances with scheduled banks		
Current accounts	57	30
Deposit accounts	35	180
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
	<u>216</u>	<u>349</u>

MindTree Limited
Schedules to the balance sheet (continued)

	As at September 30, 2010	(Rs in Million) As at March 31, 2010
8 Loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances recoverable in cash or in kind or for value to be received	1,208	881
Unbilled revenue	379	366
Advance tax and tax deducted at source, net of provision for taxes	606	534
MAT credit entitlement	3	3
Amount due from wholly owned subsidiary	29	0
	<u>2,225</u>	<u>1,785</u>
9 Current liabilities		
Advances from customers	42	39
Interest accrued but not due	0	0
Unearned revenue	30	56
Sundry creditors		
Expenses	196	83
Capital goods	120	39
Other liabilities	1,472	1,785
Unclaimed dividend	2	2
Book overdraft	148	40
Amount due from subsidiaries	0	451
	<u>2,011</u>	<u>2,495</u>
10 Provisions		
Proposed dividend	49	79
Provision for gratuity	35	0
Compensated absences	168	117
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	201	149
	<u>547</u>	<u>438</u>

MindTree Limited
Schedules to the 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
11 Software development expenses				
Salary and allowances	1,761	1,466	3,279	2,855
Contribution to provident and other funds	176	110	340	211
Staff welfare	17	12	35	23
Travel and conveyance	143	103	317	250
Communication expenses	10	21	18	38
Sub-contractor charges	121	83	221	206
Software purchases	12	11	22	18
Computer consumables	66	75	137	141
Rent	56	57	96	120
Post contract support services	0	0	0	0
Provision for foreseeable loss on contracts	-50	14	-5	14
Raw materials consumed	0	0	0	0
Outsourced technical services	0	0	0	0
	<u>2,311</u>	<u>1,951</u>	<u>4,460</u>	<u>3,877</u>
12 Administrative and other expenses				
Salary and allowances	388	218	725	477
Contribution to provident and other funds	12	14	32	30
Travel and conveyance	50	34	86	59
Power and fuel	40	31	77	74
Rent	26	25	56	43
Lease rentals/charges	12	4	21	9
Telephone charges	20	15	40	33
Printing and stationery	6	6	10	10
Office maintenance	17	19	34	29
Exchange loss, net	-24	0	1	0
Staff training expenses	11	3	20	14
Advertisement	1	5	3	6
Bank charges	2	1	4	3
Insurance	5	5	11	10
Rates and taxes	-2	16	3	23
Auditor's remuneration	3	2	5	4
Recruitment expenses	65	10	99	17
Repairs and maintenance	0	0	0	0
- Plant and machinery	2	3	4	4
- Others	7	2	9	3
Marketing expenses	19	14	39	32
Donations	0	0	0	0
Legal and professional expenses	37	37	67	60
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	34	30	71	51
	<u>751</u>	<u>526</u>	<u>1,456</u>	<u>1,036</u>
13 Interest				
Interest on term loans	0	0	0	12
Interest on short term credit / finance charges	0	1	0	13
	<u>0</u>	<u>1</u>	<u>0</u>	<u>25</u>
14 Other income				
Interest on deposits	6	3	11	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	0	29	-	359
Miscellaneous income	6	0	230	6
	<u>21</u>	<u>38</u>	<u>262</u>	<u>395</u>