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

(Rupees in millions, except share data)

	Note	As at June 30, 2013	As at March 31, 2013 Restated*
Assets			
Property, plant and equipment	4	3,074	2,818
Intangible assets	5	88	104
Available-for-sale financial assets	6	11	235
Deferred tax assets		612	470
Non-current tax assets		872	846
Other non-current assets	9	975	851
Total non-current assets		**5,632**	**5,324**
Trade receivables	7	5,986	4,508
Other current assets	9	1,323	1,348
Unbilled revenues		682	637
Available-for-sale financial assets	6	3,771	3,710
Derivative assets		29	181
Cash and cash equivalents	8	949	1,252
Total current assets		**12,740**	**11,636**
Total assets		**18,372**	**16,960**
Equity			
Share capital		416	415
Share premium		2,344	2,325
Retained earnings		11,802	10,635
Other components of equity		(303)	247
Equity attributable to owners of the company		14,259	13,622
Non-controlling interests		-	-
Total equity		**14,259**	**13,622**
Liabilities			
Loans and borrowings	10	19	24
Other non-current liabilities	12	92	63
Total non-current liabilities		**111**	**87**
Loans and borrowings and book overdraft	10	707	358
Trade payables and accrued expenses	11	710	850
Unearned revenue		57	36
Current tax liabilities		426	199
Derivative liabilities		515	13
Employee benefit obligations	13	335	273
Other current liabilities	12	986	1,317
Provisions	12	266	205
Total current liabilities		**4,002**	**3,251**
Total liabilities		**4,113**	**3,338**
Total equity and liabilities		**18,372**	**16,960**

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

*Refer note 23

MINDTREE LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME

		(Rupees in millions, except share data) Three months ended June 30,	
	Note	**2013**	**2012**
Revenues		6,456	5,611
Cost of revenues	16	(4,226)	(3,550)
Gross profit		**2,230**	**2,061**
Selling, general and administrative expenses	16	(1,220)	(1,086)
Results from operating activities		**1,010**	**975**
Foreign exchange gain/ (loss)		617	88
Finance expenses		(2)	(4)
Finance and other income	18	126	61
Profit before tax		**1,751**	**1,120**
Income tax expense	15	(390)	(260)
Profit for the period		**1,361**	**860**
Attributable to:			
Owners of the Company		1,361	860
Non-controlling interests		-	-
		1,361	**860**
Earnings per equity share:	19		
Basic		32.76	21.17
Diluted		32.55	20.88
Weighted average number of equity shares used in computing earnings per equity share:			
Basic		41,544,989	40,617,464
Diluted		41,806,226	41,187,730

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

		(Rupees in millions, except share data)	
		Three months ended June 30,	
	Note	**2013**	**2012**
Profit for the period		1,361	860
Other comprehensive income, net of taxes			
Items that will not be reclassified to profit or loss			
- Defined benefit plan acturial gains/ (losses)		3	-
Items that may be reclassified subsequently to profit or loss			
- Net change in fair value of cash flow hedges		(538)	(223)
- Net change in fair value of available-for-sale financial assets		(6)	22
Total other comprehensive income, net of taxes		(541)	(201)
Total comprehensive income for the period		820	659
Attributable to:			
Owners of the Company		820	659
Non-controlling interests		-	-
		820	659

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, 2012	40,543,923	405	1,876	7,632	4	(219)	49	9,747	-	9,747
Issue of equity shares on exercise of options	154,042	2	68	-	-	-	-	70	-	70
Profit for the period		-	-	860	-	-	-	860	-	860
Other comprehensive income		-	-	-	-	(223)	22	(201)	-	(201)
Compensation cost related to employee share based payment transaction		-	-	-	9	-	-	9	-	9
Cash dividend paid (including dividend tax thereon)		-	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-	-
Balance as at June 30, 2012	**40,697,965**	**407**	**1,944**	**8,492**	**13**	**(442)**	**71**	**10,485**	**-**	**10,485**
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	991,132	10	449	-	-	-	-	459	-	459
Profit for the year		-	-	3,217	-	-	-	3,217	-	3,217
Other comprehensive income		-	-	-	-	355	20	375	-	375
Compensation cost related to employee share based payment transaction		-	-	-	38	-	-	38	-	38
Cash dividend paid (including dividend tax thereon)				(214)				(214)		(214)
As at March 31, 2013	**41,535,055**	**415**	**2,325**	**10,635**	**42**	**136**	**69**	**13,622**	**-**	**13,622**
Balance as at April 1, 2013	41,535,055	415	2,325	10,635	42	136	69	13,622	-	13,622
Issue of equity shares on exercise of options	29,032	1	19	-	-	-	-	20	-	20
Profit for the period		-	-	1,361	-	-	-	1,361	-	1,361
Other comprehensive income		-	-	-	-	(538)	(4)	(542)	-	(542)
Compensation cost related to employee share based payment transaction		-	-	-	(8)	-	-	(8)	-	(8)
Cash dividend paid (including dividend tax thereon)				(194)				(194)		(194)
As at June 30, 2013	**41,564,087**	**416**	**2,344**	**11,802**	**34**	**(402)**	**65**	**14,259**	**-**	**14,259**

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)	
	Three months ended June 30,	
	2013	**2012**
Cash flow from operating activities		
Profit for the period	1,361	860
Adjustments for :		
Depreciation & amortisation	171	159
Amortization of stock compensation	2	29
Interest expense	2	4
Income tax expense	390	260
Interest / dividend income	(71)	(48)
Gain on sale of available-for-sale financial assets	(53)	(12)
Provision for diminution in the value of investments	3	-
Unrealised exchange difference on derivatives	-	(54)
Effect of exchange differences on translation of foreign currency borrowings	37	24
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(26)	(10)
Changes in operating assets and liabilities		
Trade receivables	(1,478)	(691)
Unbilled revenues	(44)	31
Other assets	(73)	(185)
Trade payables and accrued expenses	(140)	(32)
Unearned revenues	22	29
Other liabilities	(186)	(232)
Net cash provided by operating activities before taxes	(83)	132
Income taxes paid	(182)	(170)
Net cash used in operating activities	**(265)**	**(38)**
Cash flow from investing activities		
Expenditure on property, plant and equipment	(437)	(155)
Proceeds from sale of property, plant and equipment	-	2
Interest /dividend received from available-for-sale financial assets	49	45
Investments in available-for-sale financial assets	(2,570)	(2,356)
Redemption of available-for-sale financial assets	2,773	2,101
Net cash used in investing activities	**(185)**	**(363)**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	11	50
Interest paid on loans	(3)	(6)
Proceeds from working capital loans	564	501
Repayment of loans and borrowings	(229)	(269)
Dividends paid (including distribution tax)	(194)	-
Net cash provided by financing activities	**149**	**276**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	26	10
Net decrease in cash and cash equivalents	(275)	(115)
Cash and cash equivalents at the beginning of the period	1,116	477
Cash and cash equivalents at the end of the period (Note 8)	**841**	**362**

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

Mindtree Limited and Subsidiaries
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 Company') together with its subsidiaries Mindtree Software (Shenzhen) Co. Ltd, and Mindtree Software (Shanghai) Co. Ltd, collectively referred to as 'the Group' is an international Information Technology consulting and implementation Group that delivers business solutions through global software development. The Group is structured into five verticals – Manufacturing, Banking, Financial Services and Insurance, Hitech, Travel & transportation and others. The Group offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business, independent testing, infrastructure management services, mobility, product engineering and SAP services.

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, Malaysia and Republic of China. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. These unaudited condensed consolidated interim financial statements were authorized for issuance by the Company's Board of Directors and Audit Committee on July 18, 2013.

2. **Basis of preparation of financial statements**

(a) **Statement of compliance**

These unaudited condensed consolidated interim financial statements as at and for the period ended June 30, 2013 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 condensed consolidated interim financial statements and related notes included in the Company's annual report for the year ended March 31, 2013. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last unaudited annual consolidated financial statements as at and for the year ended March 31, 2013.

(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 judgement**

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, 2013.

3. Significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended March 31, 2013. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending March 31, 2014.

Changes in accounting policies

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of April 1, 2013.

- IFRS 10 Consolidated Financial Statements (2011) (see (a))
- IFRS 13 Fair Value Measurement (see (b)) *
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) (see (c))
- IAS 19 Employee Benefits (2011) (see (d))
- Annual Improvements to IFRS 2009–2011 Cycle *
- IFRS 11 Joint Arrangements *
- IFRS 12 Disclosure of interest in other entities *

The nature and the effect of the changes are further explained below.

* The adoption of these standards does did not have any impact on the unaudited condensed consolidated financial statement of the group.

(a) Subsidiaries

As a result of IFRS 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, IFRS 10 (2011) requires the Group consolidate investees that it controls on the basis of de facto circumstances. In accordance with the transitional provisions of IFRS 10 (2011), the Group reassessed the control conclusion for its investees at April 1, 2013. Such re-assesment did not have any impact on the unaudited condensed interim consolidated financial statements of the group.

(b) Fair value measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures.

Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

(c) Presentation of items of other comprehensive income

As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its condensed consolidated statement of profit or loss and other comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.
The adoption of the amendment to IAS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

(d) Defined benefit plans

In the current quarter, the Company has applied IAS 19 (as revised in June 2011) Employee Benefits (‘IAS 19R’) and the related consequential amendments. IAS 19R has been applied retrospectively in accordance with transitional provisions. As a result, all actuarial gains or losses are immediately recognized in other comprehensive income and permanently excluded from profit or loss. Further, the profit or loss will no longer include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. The adoption of Revised IAS 19 did not have a material impact on the consolidated financial statements. Also, the comparative information has not been restated as the effect of the change in the accounting policy is not material on the consolidated interim financial statements.

New standards and interpretations not yet adopted

a) **IFRS 9 Financial Instruments:** In November 2009, the International Accounting Standards Board issued IFRS9, Financial Instruments: Recognition and Measurement, to reduce the complexity of the current rules on financial instruments as mandated in IAS39. 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 IAS39 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 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 IFRS9, and has not yet determined the impact on the consolidated interim financial statements.

b) **Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities:** In December 2011, the International Accounting Standards Board issued amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities. The amendments clarify that:

- an entity currently has a legally enforceable right to set-off if that right is:
  - not contingent on future event; and
  - enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties;

- gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that:
  - eliminate or result in insignificant credit and liquidity risk; and
  - process receivables and payables in a single settlement process or cycle.

The Company is required to adopt amendments to IAS 32 by accounting year commencing April 1, 2014. The Company is currently evaluating the requirements of IAS 32 amendments and has not yet determined the impact on the 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, 2012	97	1,626	1,044	2,062	2	4,831
Additions	-	-	29	3	-	32
Disposal/adjustments	-	-	3	9	-	12
As at June 30, 2012	97	1,626	1,070	2,056	2	4,851
Accumulated depreciation/impairment:						
As at April 1, 2012	4	232	885	1,463	2	2,586
Depreciation	-	14	31	81	-	126
Disposal/adjustments	-	-	4	7	-	11
As at June 30, 2012	4	246	912	1,537	2	2,701
Capital work-in-progress						215
Net carrying value as at June 30, 2012	**93**	**1,380**	**158**	**519**	**-**	**2,365**
Gross carrying value:						
As at April 1, 2012	97	1,626	1,044	2,062	2	4,831
Additions	-	-	258	262	-	520
Disposal/adjustments	-	-	5	33	-	38
As at March 31, 2013	97	1,626	1,297	2,291	2	5,313
Accumulated depreciation/impairment:						
As at April 1, 2012	4	232	885	1,463	2	2,586
Depreciation	1	57	134	323	-	515
Disposal/adjustments	-	-	5	30	-	35
As at March 31, 2013	5	289	1,014	1,756	2	3,066
Capital work-in-progress						571
Net carrying value as at March 31, 2013	**92**	**1,337**	**283**	**535**	**-**	**2,818**
Gross carrying value:						
As at April 1, 2013	97	1,626	1,297	2,291	2	5,313
Additions	-	-	180	295	-	475
Disposal/adjustments	-	-	28	2	-	30
As at June 30, 2013	97	1,626	1,449	2,584	2	5,758
Accumulated depreciation/impairment:						
As at April 1, 2013	5	289	1,014	1,756	2	3,066
Depreciation	-	14	56	82	-	152
Disposal/adjustments	-	-	28	2	-	30
As at June 30, 2013	5	303	1,042	1,836	2	3,188
Capital work-in-progress						504
Net carrying value as at June 30, 2013	**92**	**1,323**	**407**	**748**	**-**	**3,074**

The depreciation expense for the period ended June 30, 2013 and June 30, 2012 is included in the following line items in the statement of income.

Particulars	**Three months ended June 30,**	
	2013	**2012**
Cost of revenues	138	115
Selling, general and administrative expenses	14	11
Total	**152**	**126**

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

5. Intangible assets

Particulars	Intellectual property	Computer software	Total
Gross carrying value:			
As at April 1, 2012	67	594	661
Additions	-	11	11
Disposal/adjustments	-	-	-
As at June 30, 2012	67	605	672
Accumulated amortisation/impairment:			
As at April 1, 2012	25	536	561
Amortisation	3	30	33
Disposal/adjustments	-	-	-
As at June 30, 2012	28	566	594
Net carrying value as at June 30, 2012	**39**	**39**	**78**
Gross carrying value:			
As at April 1, 2012	67	594	661
Additions	-	106	106
Disposal/adjustments	-	1	1
As at March 31, 2013	67	699	766
Accumulated amortisation/impairment:			
As at April 1, 2012	25	536	561
Amortisation	14	87	101
Disposal/adjustments	-	-	-
As at March 31, 2013	39	623	662
Net carrying value as at March 31, 2013	28	76	104
Gross carrying value:			
As at April 1, 2013	67	699	766
Additions	-	3	3
Disposal/adjustments	-	-	-
As at June 30, 2013	67	702	769
Accumulated amortisation/impairment:			
As at April 1, 2013	39	623	662
Amortisation	3	16	19
Disposal/adjustments	-	-	-
As at June 30, 2013	42	639	681
Net carrying value as at June 30, 2013	**25**	**63**	**88**

The amortisation expense for the period ended June 30, 2013 and June 30, 2012 is included in the following line items in the statement of income.

Particulars	**Three months ended June 30,**	
	2013	**2012**
Cost of revenues	18	30
Selling, general and administrative expenses	1	3
Total	**19**	**33**

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

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 June 30, 2013	As at March 31, 2013
Non-current		
Investment in unlisted equity securities and mutual funds		
Cost	8	231
Gross unrealised holding gains	3	4
Fair value	11	235
Current		
Investment in liquid and short term mutual funds		
Cost	3,701	3,628
Gross unrealised holding gains	70	82
Fair value	3,771	3,710
Total available-for-sale financial assets	**3,782**	**3,945**

Net change in fair value of available-for-sale financial assets reclassified to the statement of income was Rs 7 and Rs 40 for the three months ending June 30, 2013 and June 30, 2012 respectively.

7. Trade receivables

Particulars	As at June 30, 2013	As at March 31, 2013
Trade receivables	6,045	4,554
Allowance for doubtful accounts receivable	(59)	(46)
Total	**5,986**	**4,508**

(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 June 30, 2013	As at March 31, 2013
Cash balances	-	-
Current and time deposits with banks #	949	1,252
Cash and cash equivalents on statement of financial position	**949**	**1,252**
Book overdrafts used for cash management purposes	(108)	(136)
Cash and cash equivalents in the cash flow statement	**841**	**1,116**

#Balance with banks amounting to Rs 4 and Rs 4 as of June 30, 2013 and March 31, 2013 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 June 30, 2013	As at March 31, 2013
Non-current		
Capital advances	152	127
Security deposits	555	481
Prepaid expenses	193	179
Others	75	64
	975	**851**
Current		
Interest bearing deposits with corporates	400	400
Prepaid expenses	336	368
Advance to employees	257	207
Advance to suppliers	106	145
Interest accrued and not due	43	29
Deposits	118	115
Others	63	84
	1,323	**1,348**
Total	**2,298**	**2,199**

(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 June 30, 2013**	**As at March 31, 2013**
Non-current		
Unsecured long-term loan	19	24
	19	**24**
Current		
Current portion of unsecured long-term loan and borrowings	5	5
Secured bank loans	594	217
Bank overdraft	108	136
	707	**358**
Total	**726**	**382**

11. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

Particulars	**As at June 30, 2013**	**As at March 31, 2013**
Trade payables	257	294
Accrued expenses	453	556
Total	**710**	**850**

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

12. Other liabilities and provisions

Particulars	**As at June 30, 2013**	**As at March 31, 2013**
Non-current		
Others	92	63
	92	**63**
Current		
Interest accrued but not due on borrowings	-	2
Advances from customers	53	42
Employee and other liabilities	558	1,023
Statutory dues payable	217	238
Other liabilities	158	12
	986	**1,317**
Total	**1,078**	**1,380**
Current		
Provisions		
Provision for discount	204	145
Provision for post contract support services	4	3
Others	58	57
Total	**266**	**205**

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.

Provision for discount

Particulars	**Three months ended June 30,**	
	2013	**2012**
Balance as at beginning of the period	145	109
Provisions made during the period	66	42
Utilisations during the period	(7)	(15)
Provision as at the end of the period	204	136

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

Provision for post contract support services

Particulars	**Three months ended June 30,**	
	2013	**2012**
Balance as at beginning of the period	3	5
Provision made during the period	1	-
Provision as at the end of the period	4	5

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	**Three months ended June 30,**	
	2013	**2012**
Balance as at beginning of the period	57	53
Provisions made during the period	1	-
Charged during the period	-	(1)
Provision as at the end of the period	58	52

13. Employee benefit obligations

Employee benefit obligations comprises of following:

Particulars	**As at June 30, 2013**	**As at March 31, 2013**
Gratuity	29	11
Compensated absences	306	262
Total	**335**	**273**

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

14. Financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities and forecasted cash flows denominated in foreign currency. The Company follows established risk management policies, including the use of derivatives to hedge foreign currency assets/ liabilities and foreign currency forecasted cash flows. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

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

Particulars	**As at June 30, 2013**	**As at March 31, 2013**
Designated derivative instruments (Sell)		
In US $ millions	134	113
In Euro millions	12	11
Non-designated derivative instruments (Buy)		
In US $ millions	10	4

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 June 30, 2013**	**As at June 30, 2012**
Balance at the beginning of the period	173	(250)
Net (gain)/loss reclassified into the statement of income on occurrence of hedged transactions	(112)	100
Changes in fair value of effective portion of derivatives	(572)	(415)
Balance at the end of the period	(511)	(565)

15. Income taxes

Income tax expense in the statement of income consists of:

Particulars	**Three months ended June 30,**	
	2013	**2012**
Current taxes		
Domestic	369	249
Foreign	32	25
Total	**401**	**274**
Deferred taxes		
Domestic	(7)	(13)
Foreign	(4)	(1)
Total	**(11)**	**(14)**
Grand total	**390**	**260**

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

Income tax expense has been allocated as follows:

Particulars	**Three months ended June 30,**	
	2013	**2012**
Income tax expense as per the statement of income	390	260
Income tax included in other comprehensive income on:		
- unrealised gains/(losses) on available-for-sale financial assets	(2)	11
- gains/(losses) on cash flow hedging derivatives	(147)	(92)
- acturial gains/(losses) on defined benefit plan	1	-
	(148)	(81)
Total	**242**	**179**

16. Expenses by nature

Particulars	**Three months ended June 30,**	
	2013	**2012**
Employee benefits	3,793	3,438
Depreciation and amortisation charges	171	159
Recruitment, staff welfare and training expenses	112	83
Travel and conveyance	401	219
Communication expenses	83	75
Sub-contractor charges/Outsourced technical services/software purchases	285	211
Consumables/maintenance and repairs	123	99
Post contract support services	1	-
Power and fuel	69	53
Lease rentals/charges	188	145
Printing and stationery	6	6
Advertisement	7	2
Bank charges	3	3
Rates, taxes and insurance	20	25
Marketing expenses	31	36
Legal and professional expenses	106	54
Provision for doubtful accounts receivable	12	8
Others	35	20
Total cost of revenues, selling, general and administrative expenses	**5,446**	**4,636**

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

17. Employee benefits

a) Employee costs include

Particulars	**Three months ended June 30,**	
	2013	**2012**
Salary and allowances	3,476	3,128
Defined benefit plan - Gratuity cost	28	28
Contribution to provident and other funds	287	253
Share based compensation	2	29
Total	**3,793**	**3,438**

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

Particulars	**Three months ended June 30,**	
	2013	**2012**
Cost of revenues	3,216	2,872
Selling, general and administrative expenses	577	566
Total	**3,793**	**3,438**

18. Finance and other income

Particulars	**Three months ended June 30,**	
	2013	**2012**
Interest income	29	22
Gain on sale of available-for-sale financial assets	53	12
Dividend income	43	26
Others	1	1
Total	**126**	**61**

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

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 June 30, 2013		Three months ended June 30, 2012	
	Basic EPS	**Diluted EPS**	**Basic EPS**	**Diluted EPS**
Weighted average number of equity shares outstanding during the period	41,544,989	41,544,989	40,617,464	40,617,464
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	261,237	-	570,266
Weighted average number of equity shares for calculation of earnings per share	41,544,989	41,806,226	40,617,464	41,187,730

20. Related party relationships and transactions

Name of related party	Nature of relationship
Amalgamated Bean Coffee Trading Company Limited ('ABCTCL') Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 21.1% equity stake in Mindtree, and the group has a nominee on the Mindtree Board.

Mindtree Limited and Subsidiaries
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:

Rs in million

Name of related party	Nature of transaction	Three months ended June 30, 2013	2012
Amalgamated Bean Coffee Trading Company Limited	Procurement of supplies	3	2
Tanglin Developments Limited	Leasing office buildings and land (net)	92	79
	Advance received back:		
	- towards electricity deposit/ charges	38	-
	- towards electricity deposit/ charges	12	
	Interest on advance towards electricity charges	3	-

Balances payable to related parties are as follows:

Name of related party	As at June 30, 2013	As at March 31, 2013
Tanglin Developments Limited	5	9

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

Balances receivable from related parties are as follows:

Name of related party	Nature of transactions	As at June 30, 2013	As at March 31, 2013
Tanglin Developments Limited	Rental advance		
	- Current	74	112
	- Non-current	-	-
	Advance towards electricity charges		
	- Current	48	48
	- Non-current	52	64
	Security deposit returnable on termination of lease	345	345
	Interest accrued on advance towards electricity charges	6	3

Key management personnel:

Subroto Bagchi	Chairman
Dr. Albert Hieronimus	Non-executive Vice Chairman
N. Krishnakumar	CEO & Managing Director
S. Janakiraman	Chief Technology Officer
N S Parthasarathy	Enterprise Service Lines Head
Anjan Lahiri*	-
R. Srinivasan	Independent Director
V.G.Siddhartha	Non-executive Director
David B. Yoffie	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan	Independent Director

*Anjan Lahiri resigned from the Board of Directors with effect from May 6, 2013.

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

Transactions with key management personnel is 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 period ended June 30, 2013 and June 30, 2012 have been detailed below:

Particulars	**Three months ended June 30,**	
	2013	**2012**
Whole-time directors		
Salaries	9	4
Contribution to Provident fund	-	-
Bonus & Incentives	10	7
Reimbursement of expenses	2	1
Share-Based payments as per IFRS2	-	-
Total Remuneration	**21**	**12**
Non-whole-time directors		
Commission	8	6
Director Fees	-	-
Total Remuneration	**8**	**6**

21. Segment information

The CEO & MD of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by IFRS 8 Operating Segments. 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.

Effective April 1, 2013, the Group has restructured its organisational and management structure to be better aligned to market needs. Pursuant to such re-organization, the Group has identified Manufacturing, BFSI, Hitech, Travel and Transportation and Others as its reportable business segments in line with the segment wise information which is being presented to the CODM. Accordingly, comparatives are also presented in accordance with new segment reporting.

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

Geographic segmentation is based on business sources from that geographic region and delivered from both on-site and off-shore. America comprises of United States of America and Canada, Europe includes continental Europe and United Kingdom; and the rest of the world comprises of all other places except those mentioned above and India.

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

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

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

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:

Statement of income	**Three months ended June 30,**	
	2013	**2012**
Segment revenue		
Manufacturing	1,353	1,044
BFSI	1,468	1,230
Hitech	1,863	1,737
Travel & Transportation	1,273	1,174
Others	499	426
Total	**6,456**	**5,611**
Segment operating income		
Manufacturing	262	163
BFSI	41	190
Hitech	437	329
Travel & Transportation	254	317
Others	187	136
Total	**1,181**	**1,135**
Unallocable expenses	(171)	(160)
Profit for the period before interest, other income and tax	**1,010**	**975**
Interest expense	(2)	(4)
Other income	743	149
Net profit before taxes	**1,751**	**1,120**
Income taxes	(390)	(260)
Net profit after taxes	**1,361**	**860**

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

Geographical segments

Revenues	**Three months ended June 30,**	
	2013	**2012**
America	3,723	3,252
Europe	1,778	1,622
India	373	360
Rest of World	582	377
Total	**6,456**	**5,611**

22. Contingent liabilities

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at June 30, 2013 is Rs 1,018 (March 31, 2013: Rs 470).

b) As of the balance sheet date, the Group's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is Rs 5,552 (March 31, 2013: Rs 4,018).

c) The Group has received income tax assessment for the financial year 2008-09 wherein demand of Rs 24 has been raised against the Group on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from the manner of adjustment of brought forward losses in arriving at the taxable profits of the Group and disallowance of portion of profit earned outside India from the STP and SEZ units.
Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal against the demands received.

d) The Group has received income tax assessments for financial years 2006-07 and 2007-08 for the erstwhile subsidiary Mindtree Technologies Private Limited (MTPL) with demands amounting to Rs 11 and Rs 10 on account of certain disallowances/ adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal against the demand received. The Group has not deposited the amount of demand with the department.

e) The Group has received income tax assessments under Section 143(3) of the Income-tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 wherein demand of Rs 91, Rs 49, Rs 61, Rs 28, Rs 58, Rs 119 and Rs 214 respectively has been raised against the Group. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Group has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Group has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Group has deposited Rs 15 with the department against these demands.

The Group has received draft assessment order under Section 143(3) of the Income Tax Act 1961 for the financial year 2008-09 wherein demand of Rs 65 has been raised on account of transfer pricing adjustments. The Group has filed an appeal before the Dispute Resolution Panel.

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

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

f) The Group received an assessment order for financial year 2006-07 for the erstwhile subsidiary Mindtree Wireless Private Limited from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs 39 on account of certain other disallowances/ transfer pricing adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal with Commissioner of Income Tax (Appeals) against the demand received. The Group has deposited Rs 5 with the department against this demand.

23. Current tax assets amounting to Rs 846 have been regrouped to non-current tax assets. Further, computer software has been regrouped from Property, plant and equipment to Intangible assets amounting to Rs 76 (net of amortisation Rs 623).