

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

| | | (Rupees in millions, except share data) | |
|--|------|---|--------------------------------------|
| | Note | As at September 30, 2013 | As at March 31, 2013 Restated* |
| Assets | | | |
| Property, plant and equipment | 4 | 3,347 | 2,818 |
| Intangible assets | 5 | 176 | 104 |
| Available-for-sale financial assets | 6 | 11 | 235 |
| Deferred tax assets | | 683 | 470 |
| Non-current tax assets | | 832 | 846 |
| Other non-current assets | 9 | 925 | 851 |
| Total non-current assets | | 5,974 | 5,324 |
| Trade receivables | 7 | 6,203 | 4,508 |
| Other current assets | 9 | 1,390 | 1,348 |
| Unbilled revenues | | 837 | 637 |
| Available-for-sale financial assets | 6 | 4,549 | 3,710 |
| Derivative assets | | 41 | 181 |
| Cash and cash equivalents | 8 | 1,099 | 1,252 |
| Total current assets | | 14,119 | 11,636 |
| Total assets | | 20,093 | 16,960 |
| Equity | | | |
| Share capital | | 416 | 415 |
| Share premium | | 2,353 | 2,325 |
| Retained earnings | | 12,850 | 10,635 |
| Other components of equity | | (531) | 247 |
| Equity attributable to owners of the company | | 15,088 | 13,622 |
| Non-controlling interests | | - | - |
| Total equity | | 15,088 | 13,622 |
| Liabilities | | | |
| Loans and borrowings | 10 | 19 | 24 |
| Other non-current liabilities | 12 | 114 | 63 |
| Provisions | 12 | 22 | - |
| Total non-current liabilities | | 155 | 87 |
| Loans and borrowings and book overdraft | 10 | 684 | 358 |
| Trade payables and accrued expenses | 11 | 967 | 850 |
| Unearned revenue | | 60 | 36 |
| Current tax liabilities | | 425 | 199 |
| Derivative liabilities | | 812 | 13 |
| Employee benefit obligations | 13 | 392 | 273 |
| Other current liabilities | 12 | 1,211 | 1,317 |
| Provisions | 12 | 299 | 205 |
| Total current liabilities | | 4,850 | 3,251 |
| Total liabilities | | 5,005 | 3,338 |
| Total equity and liabilities | | 20,093 | 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) | | | |
|---|------|---|--------------|--------------------------------|--------------|
| | Note | Three months ended September 30, | | Six months ended September 30, | |
| | | 2013 | 2012 | 2013 | 2012 |
| Revenues | | 7,668 | 5,940 | 14,124 | 11,551 |
| Cost of revenues | 16 | (4,766) | (3,762) | (8,992) | (7,312) |
| Gross profit | | 2,902 | 2,178 | 5,132 | 4,239 |
| Selling, general and administrative expenses | 16 | (1,508) | (1,059) | (2,728) | (2,145) |
| Results from operating activities | | 1,394 | 1,119 | 2,404 | 2,094 |
| Foreign exchange gain/ (loss) | | 204 | (417) | 821 | (329) |
| Finance expenses | | (2) | (4) | (4) | (8) |
| Finance and other income | 18 | 56 | 82 | 182 | 143 |
| Profit before tax | | 1,652 | 780 | 3,403 | 1,900 |
| Income tax expense | 15 | (360) | (93) | (750) | (353) |
| Profit for the period | | 1,292 | 687 | 2,653 | 1,547 |
| Attributable to: | | | | | |
| Owners of the Company | | 1,292 | 687 | 2,653 | 1,547 |
| Non-controlling interests | | - | - | - | - |
| Earnings per equity share: | 19 | 1,292 | 687 | 2,653 | 1,547 |
| Basic | | 31.08 | 16.84 | 63.84 | 38.00 |
| Diluted | | 30.85 | 16.60 | 63.40 | 37.45 |
| Weighted average number of equity shares used in computing earnings per equity share: | | | | | |
| Basic | | 41,569,506 | 40,802,000 | 41,557,315 | 40,710,236 |
| Diluted | | 41,875,281 | 41,397,362 | 41,843,494 | 41,300,187 |

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 September 30, | | (Rupees in millions, except share data) Six months ended September 30, | |
|---|------|----------------------------------|-------|---|-------|
| | | 2013 | 2012 | 2013 | 2012 |
| Profit for the period | | 1,292 | 687 | 2,653 | 1,547 |
| Other comprehensive income, net of taxes | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| - Defined benefit plan actuarial gains/ (losses) | | (2) | - | 1 | - |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| - Net change in fair value of cash flow hedges | | (254) | 501 | (792) | 278 |
| - Net change in fair value of available-for-sale financial assets | | 23 | 18 | 17 | 40 |
| Total other comprehensive income, net of taxes | | (233) | 519 | (774) | 318 |
| Total comprehensive income for the period | | 1,059 | 1,206 | 1,879 | 1,865 |
| Attributable to: | | | | | |
| Owners of the Company | | 1,059 | 1,206 | 1,879 | 1,865 |
| Non-controlling interests | | - | - | - | - |
| | | 1,059 | 1,206 | 1,879 | 1,865 |

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/ restricted shares | 380,633 | 4 | 161 | - | - | - | - | 165 | - | 165 |
| Profit for the period | - | - | - | 1,547 | - | - | - | 1,547 | - | 1,547 |
| Other comprehensive income | - | - | - | - | - | 278 | 40 | 318 | - | 318 |
| Compensation cost related to employee share based payment transaction | - | - | - | - | 24 | - | - | 24 | - | 24 |
| Cash dividend paid (including dividend tax thereon) | - | - | - | (71) | - | - | - | (71) | - | (71) |
| Others | - | - | - | - | - | - | - | - | - | - |
| Balance as at September 30, 2012 | 40,924,556 | 409 | 2,037 | 9,108 | 28 | 59 | 89 | 11,730 | - | 11,730 |
| 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/ restricted shares | 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/ restricted shares | 42,225 | 1 | 28 | - | - | - | - | 29 | - | 29 |
| Profit for the period | - | - | - | 2,653 | - | - | - | 2,653 | - | 2,653 |
| Other comprehensive income | - | - | - | - | - | (792) | 18 | (774) | - | (774) |
| Compensation cost related to employee share based payment transaction | - | - | - | - | (4) | - | - | (4) | - | (4) |
| Cash dividend paid (including dividend tax thereon) | - | - | - | (438) | - | - | - | (438) | - | (438) |
| As at September 30, 2013 | 41,577,280 | 416 | 2,353 | 12,850 | 38 | (656) | 87 | 15,088 | - | 15,088 |

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)

Six months ended September 30,

| | 2013 | 2012 |
|---|----------------|--------------|
| Cash flow from operating activities | | |
| Profit for the period | 2,653 | 1,547 |
| Adjustments for : | | |
| Depreciation & amortisation | 367 | 315 |
| Amortization of stock compensation | 19 | 66 |
| Interest expense | 3 | 8 |
| Income tax expense | 750 | 353 |
| Interest / dividend income | (123) | (97) |
| Gain on sale of property, plant and equipment | - | (4) |
| Gain on sale of available-for-sale financial assets | (57) | (41) |
| Provision for diminution in the value of investments | 5 | - |
| Unrealised exchange difference on derivatives | - | (233) |
| Effect of exchange differences on translation of foreign currency borrowings | 69 | (12) |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | (72) | (9) |
| <i>Changes in operating assets and liabilities</i> | | |
| Trade receivables | (1,695) | (424) |
| Unbilled revenues | (200) | (8) |
| Other assets | (156) | (306) |
| Trade payables and accrued expenses | 117 | 111 |
| Unearned revenues | 24 | 2 |
| Other liabilities | 56 | 10 |
| Net cash provided by operating activities before taxes | 1,760 | 1,278 |
| Income taxes paid | (520) | (463) |
| Net cash provided by operating activities | 1,240 | 815 |
| Cash flow from investing activities | | |
| Expenditure on property, plant and equipment | (856) | (307) |
| Proceeds from sale of property, plant and equipment | 1 | 7 |
| Interest /dividend received from available-for-sale financial assets | 111 | 90 |
| Inter-corporate deposits | - | (75) |
| Investments in available-for-sale financial assets | (5,366) | (4,955) |
| Redemption of available-for-sale financial assets | 4,820 | 4,432 |
| Net cash used in investing activities | (1,290) | (808) |
| Cash flow from financing activities | | |
| Issue of share capital (net of issue expenses paid) | 15 | 123 |
| Interest paid on loans | (4) | (9) |
| Proceeds from working capital loans | 564 | 80 |
| Repayment of loans and borrowings | (229) | (5) |
| Dividends paid (including distribution tax) | (438) | (71) |
| Net cash provided by financing activities | (92) | 118 |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 72 | 9 |
| Net (decrease)/ increase in cash and cash equivalents | (70) | 134 |
| 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) | 1,046 | 611 |

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 October 16, 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 September 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.

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)

(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.

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)

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-assessment 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.

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)

(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 period, 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.

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)

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

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)

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 | - | - | 99 | 119 | - | 218 |
| Disposal/adjustments | - | - | 4 | 33 | - | 37 |
| As at September 30, 2012 | 97 | 1,626 | 1,139 | 2,148 | 2 | 5,012 |
| Accumulated depreciation/impairment: | | | | | | |
| As at April 1, 2012 | 4 | 232 | 885 | 1,463 | 2 | 2,586 |
| Depreciation | - | 28 | 62 | 165 | - | 255 |
| Disposal/adjustments | - | - | 5 | 30 | - | 35 |
| As at September 30, 2012 | 4 | 260 | 942 | 1,598 | 2 | 2,806 |
| Capital work-in-progress | | | | | | 215 |
| Net carrying value as at September 30, 2012 | 93 | 1,366 | 197 | 550 | - | 2,421 |
| 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 | - | - | 300 | 498 | - | 798 |
| Disposal/adjustments | - | - | 78 | 2 | - | 80 |
| As at September 30, 2013 | 97 | 1,626 | 1,519 | 2,787 | 2 | 6,031 |
| Accumulated depreciation/impairment: | | | | | | |
| As at April 1, 2013 | 5 | 289 | 1,014 | 1,756 | 2 | 3,066 |
| Depreciation | - | 28 | 124 | 161 | - | 313 |
| Disposal/adjustments | - | - | 77 | 2 | - | 79 |
| As at September 30, 2013 | 5 | 317 | 1,061 | 1,915 | 2 | 3,300 |
| Capital work-in-progress | | | | | | 616 |
| Net carrying value as at September 30, 2013 | 92 | 1,309 | 458 | 872 | - | 3,347 |

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

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|--|----------------------------------|------------|--------------------------------|------------|
| | 2013 | 2012 | 2013 | 2012 |
| Cost of revenues | 147 | 117 | 285 | 232 |
| Selling, general and administrative expenses | 14 | 12 | 28 | 23 |
| Total | 161 | 129 | 313 | 255 |

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)

5. Intangible assets

| Particulars | Intellectual property | Computer software | Total |
|--|-----------------------|-------------------|------------|
| Gross carrying value: | | | |
| As at April 1, 2012 | 67 | 594 | 661 |
| Additions | - | 79 | 79 |
| Disposal/adjustments | - | - | - |
| As at September 30, 2012 | 67 | 673 | 740 |
| Accumulated amortisation/impairment: | | | |
| As at April 1, 2012 | 25 | 536 | 561 |
| Amortisation | 7 | 53 | 60 |
| Disposal/adjustments | - | - | - |
| As at September 30, 2012 | 32 | 589 | 621 |
| Net carrying value as at September 30, 2012 | 35 | 84 | 119 |
| 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 | - | 126 | 126 |
| Disposal/adjustments | - | - | - |
| As at September 30, 2013 | 67 | 825 | 892 |
| Accumulated amortisation/impairment: | | | |
| As at April 1, 2013 | 39 | 623 | 662 |
| Amortisation | 7 | 47 | 54 |
| Disposal/adjustments | - | - | - |
| As at September 30, 2013 | 46 | 670 | 716 |
| Net carrying value as at September 30, 2013 | 21 | 155 | 176 |

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

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|--|----------------------------------|-----------|--------------------------------|-----------|
| | 2013 | 2012 | 2013 | 2012 |
| Cost of revenues | 31 | 24 | 49 | 54 |
| Selling, general and administrative expenses | 4 | 3 | 5 | 6 |
| Total | 35 | 27 | 54 | 60 |

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)

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 September 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 | 4,454 | 3,628 |
| Gross unrealised holding gains | 95 | 82 |
| Fair value | 4,549 | 3,710 |
| Total available-for-sale financial assets | 4,560 | 3,945 |

Net change in fair value of available-for-sale financial assets reclassified to the statement of income was Rs 34 and Rs 72 for the six months ending September 30, 2013 and September 30, 2012 respectively.

7. Trade receivables

| Particulars | As at September 30, 2013 | As at March 31, 2013 |
|--|-----------------------------|-------------------------|
| Trade receivables | 6,320 | 4,554 |
| Allowance for doubtful accounts receivable | (117) | (46) |
| Total | 6,203 | 4,508 |

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)

8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

| Particulars | As at September 30, 2013 | As at March 31, 2013 |
|---|-----------------------------|-------------------------|
| Cash balances | - | - |
| Current and time deposits with banks # | 1,099 | 1,252 |
| Cash and cash equivalents on statement of financial position | 1,099 | 1,252 |
| Book overdrafts used for cash management purposes | (53) | (136) |
| Cash and cash equivalents in the cash flow statement | 1,046 | 1,116 |

#Balance with banks amounting to Rs 4 and Rs 4 as of September 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 September 30, 2013 | As at March 31, 2013 |
|---|-----------------------------|-------------------------|
| <i>Non-current</i> | | |
| Capital advances | 113 | 127 |
| Security deposits | 566 | 481 |
| Prepaid expenses | 183 | 179 |
| Others | 63 | 64 |
| | 925 | 851 |
| <i>Current</i> | | |
| Interest bearing deposits with corporates | 400 | 400 |
| Prepaid expenses | 277 | 368 |
| Advance to employees | 332 | 207 |
| Advance to suppliers | 105 | 145 |
| Interest accrued and not due | 24 | 29 |
| Deposits | 167 | 115 |
| Others | 85 | 84 |
| | 1,390 | 1,348 |
| Total | 2,315 | 2,199 |

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)

10. Loans and borrowings

A summary of loans and borrowings is as follows:

| Particulars | As at September 30, 2013 | As at March 31, 2013 |
|--|-----------------------------|-------------------------|
| <i>Non-current</i> | | |
| Unsecured long-term loan | 19 | 24 |
| | 19 | 24 |
| <i>Current</i> | | |
| Current portion of unsecured long-term loan and borrowings | 5 | 5 |
| Secured bank loans | 626 | 217 |
| Bank overdraft | 53 | 136 |
| | 684 | 358 |
| Total | 703 | 382 |

11. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

| Particulars | As at September 30, 2013 | As at March 31, 2013 |
|------------------|-----------------------------|-------------------------|
| Trade payables | 369 | 294 |
| Accrued expenses | 598 | 556 |
| Total | 967 | 850 |

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)****12. Other liabilities and provisions**

| Particulars | As at September 30, 2013 | As at March 31, 2013 |
|--|-------------------------------------|---------------------------------|
| Non-current | | |
| Others | 114 | 63 |
| | 114 | 63 |
| Current | | |
| Interest accrued but not due on borrowings | - | 2 |
| Advances from customers | 65 | 42 |
| Employee and other liabilities | 750 | 1,023 |
| Statutory dues payable | 238 | 238 |
| Other liabilities | 158 | 12 |
| | 1,211 | 1,317 |
| Total | 1,325 | 1,380 |
| Non-current | | |
| Provisions | | |
| Provision for discount | 22 | - |
| Total | 22 | |
| Current | | |
| Provisions | | |
| Provision for discount | 235 | 145 |
| Provision for post contract support services | 4 | 3 |
| Others | 60 | 57 |
| Total | 299 | 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.

Non-current

Provision for discount

| Particulars | Six months ended September 30, | |
|---------------------------------------|---------------------------------------|-------------|
| | 2013 | 2012 |
| Balance as at beginning of the period | - | - |
| Provisions made during the period | 22 | - |
| Utilisations during the period | - | - |
| Released during the period | - | - |
| Provision as at the end of the period | 22 | - |

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)****Current**

Provision for discount

| Particulars | Six months ended September 30, | |
|---------------------------------------|---------------------------------------|-------------|
| | 2013 | 2012 |
| Balance as at beginning of the period | 145 | 109 |
| Provisions made during the period | 127 | 74 |
| Utilisations during the period | (29) | (53) |
| Released during the period | (8) | |
| Provision as at the end of the period | 235 | 130 |

Provision for post contract support services

| Particulars | Six months ended September 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 | Six months ended September 30, | |
|---------------------------------------|---------------------------------------|-------------|
| | 2013 | 2012 |
| Balance as at beginning of the period | 57 | 53 |
| Provisions made during the period | 3 | 3 |
| Charged during the period | - | - |
| Provision as at the end of the period | 60 | 56 |

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)

13. Employee benefit obligations

Employee benefit obligations comprises of following:

| Particulars | As at | As at |
|---------------------------|--------------------|----------------|
| | September 30, 2013 | March 31, 2013 |
| Gratuity | 30 | 11 |
| Compensated absences | 358 | 262 |
| Stock appreciation rights | 4 | - |
| Total | 392 | 273 |

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 | As at |
|---|--------------------|----------------|
| | September 30, 2013 | March 31, 2013 |
| Designated derivative instruments (Sell) | | |
| In US \$ millions | 122 | 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 | As at |
|--|--------------------|--------------------|
| | September 30, 2013 | September 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 | (145) | 221 |
| Changes in fair value of effective portion of derivatives | (852) | 104 |
| Balance at the end of the period | (824) | 75 |

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)

15. Income taxes

Income tax expense in the statement of income consists of:

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|-----------------------|----------------------------------|-------------|--------------------------------|-------------|
| | 2013 | 2012 | 2013 | 2012 |
| Current taxes | | | | |
| Domestic | 357 | 23 | 726 | 272 |
| Foreign | 29 | 82 | 61 | 107 |
| Total | 386 | 105 | 787 | 379 |
| Deferred taxes | | | | |
| Domestic | (15) | (12) | (22) | (25) |
| Foreign | (11) | - | (15) | (1) |
| Total | (26) | (12) | (37) | (26) |
| Grand total | 360 | 93 | 750 | 353 |

Income tax expense has been allocated as follows:

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|--|----------------------------------|------------|--------------------------------|------------|
| | 2013 | 2012 | 2013 | 2012 |
| Income tax expense as per the statement of income | 360 | 93 | 750 | 353 |
| Income tax included in other comprehensive income on: | | | | |
| - unrealised gains/(losses) on available-for-sale financial assets | 5 | 5 | 3 | 16 |
| - gains/(losses) on cash flow hedging derivatives | (58) | 139 | (205) | 47 |
| - actuarial gains/(losses) on defined benefit plan | (1) | - | - | - |
| | (54) | 144 | (202) | 63 |
| Total | 306 | 237 | 548 | 416 |

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)

16. Expenses by nature

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|---|----------------------------------|--------------|--------------------------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| Employee benefits | 4,409 | 3,582 | 8,202 | 7,020 |
| Depreciation and amortisation charges | 196 | 156 | 367 | 315 |
| Recruitment, staff welfare and training expenses | 156 | 90 | 268 | 173 |
| Travel and conveyance | 362 | 214 | 763 | 433 |
| Communication expenses | 91 | 66 | 174 | 141 |
| Sub-contractor charges/Outsourced technical services/software purchases | 364 | 241 | 649 | 452 |
| Consumables/maintenance and repairs | 134 | 110 | 257 | 209 |
| Post contract support services | - | - | 1 | - |
| Power and fuel | 65 | 55 | 134 | 108 |
| Lease rentals/charges | 182 | 138 | 370 | 283 |
| Printing and stationery | 4 | 3 | 10 | 9 |
| Advertisement | 7 | 1 | 14 | 3 |
| Bank charges | 3 | 2 | 6 | 5 |
| Rates, taxes and insurance | 25 | 19 | 45 | 44 |
| Marketing expenses | 46 | 68 | 77 | 104 |
| Legal and professional expenses | 117 | 59 | 223 | 113 |
| Provision for doubtful accounts receivable | 57 | - | 69 | 8 |
| Others | 56 | 17 | 91 | 37 |
| Total cost of revenues, selling, general and administrative expenses | 6,274 | 4,821 | 11,720 | 9,457 |

17. Employee benefits

a) Employee costs include

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|---|----------------------------------|--------------|--------------------------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| Salary and allowances | 4,059 | 3,275 | 7,535 | 6,403 |
| Defined benefit plan - Gratuity cost | 12 | 9 | 40 | 37 |
| Contribution to provident and other funds | 321 | 261 | 608 | 514 |
| Share based compensation | 17 | 37 | 19 | 66 |
| Total | 4,409 | 3,582 | 8,202 | 7,020 |

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

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)**

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|--|----------------------------------|--------------|--------------------------------|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| Cost of revenues | 3,710 | 3,054 | 6,926 | 5,926 |
| Selling, general and administrative expenses | 699 | 528 | 1,276 | 1,094 |
| Total | 4,409 | 3,582 | 8,202 | 7,020 |

18. Finance and other income

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|---|----------------------------------|-----------|--------------------------------|------------|
| | 2013 | 2012 | 2013 | 2012 |
| Interest income | 25 | 24 | 54 | 46 |
| Gain on sale of available-for-sale financial assets | 4 | 29 | 57 | 41 |
| Gain on sale of property, plant and equipment | - | 4 | - | 4 |
| Dividend income | 26 | 25 | 69 | 51 |
| Others | 1 | - | 2 | 1 |
| Total | 56 | 82 | 182 | 143 |

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 September 30, 2013 | | Three months ended September 30, 2012 | |
|--|--|----------------|--|-------------|
| | Basic EPS | Diluted EPS | Basic EPS | Diluted EPS |
| Weighted average number of equity shares outstanding during the period | 41,569,506 | 41,569,506 | 40,802,000 | 40,802,000 |
| Weighted average number of equity shares resulting from assumed exercise of employee stock options | | 305,775 | - | 595,362 |
| Weighted average number of equity shares for calculation of earnings per share | 41,569,506 | 41,875,281 | 40,802,000 | 41,397,362 |

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)**

| Particulars | Six months ended September 30, 2013 | | Six months ended September 30, 2012 | |
|--|--|----------------|--|-------------|
| | Basic EPS | Diluted EPS | Basic EPS | Diluted EPS |
| Weighted average number of equity shares outstanding during the period | 41,557,315 | 41,557,315 | 40,710,236 | 40,710,236 |
| Weighted average number of equity shares resulting from assumed exercise of employee stock options | | 286,179 | - | 589,951 |
| Weighted average number of equity shares for calculation of earnings per share | 41,557,315 | 41,843,494 | 40,710,236 | 41,300,187 |

20. Related party relationships and transactions

| Name of related party | Nature of relationship |
|--|---|
| Amalgamated Bean Coffee Trading Company Limited ('ABCTCL') | These entities are part of Coffee Day Group which through various entities and its promoters holds 19.8% equity stake in Mindtree, and the group has a nominee on the Mindtree Board. |
| Tanglin Developments Limited ('TDL') | |

Transactions with the above related parties during the period were:

| Name of related party | Nature of transaction | Three months September 30, | |
|---|---|----------------------------|------|
| | | 2013 | 2012 |
| Amalgamated Bean Coffee Trading Company Limited | Procurement of supplies | 4 | 3 |
| Tanglin Developments Limited | Leasing office buildings and land (net) | 145 | 78 |
| | Advance paid: | | |
| | - towards electricity deposit/ charges | 3 | - |
| | - towards lease rentals | 55 | |
| | Advance received back: | | |
| | - towards electricity deposit/ charges | 12 | - |
| | - towards lease rentals | 38 | 40 |
| | Interest on advance towards electricity charges | 3 | - |

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)**

| Name of related party | Nature of transaction | Six months ended September 30, | |
|---|---|---------------------------------------|-------------|
| | | 2013 | 2012 |
| Amalgamated Bean Coffee Trading Company Limited | Procurement of supplies | 7 | 5 |
| Tanglin Developments Limited | Leasing office buildings and land (net) | 237 | 157 |
| | Advance paid: | | |
| | - towards electricity deposit/ charges | 3 | - |
| | - towards lease rentals | 55 | |
| | Advance received back: | | |
| | - towards electricity deposit/ charges | 24 | - |
| | - towards lease rentals | 76 | 40 |
| | Interest on advance towards electricity charges | 6 | - |

Balances payable to related parties are as follows:

| Name of related party | As at | As at |
|---|---------------------------|-----------------------|
| | September 30, 2013 | March 31, 2013 |
| Tanglin Developments Limited | 2 | 9 |
| Amalgamated Bean Coffee Trading Company Limited | 1 | - |

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)

Balances receivable from related parties are as follows:

| Name of related party | Nature of transactions | As at September 30, 2013 | As at March 31, 2013 |
|------------------------------|---|---------------------------------|-----------------------------|
| Tanglin Developments Limited | Rental advance | | |
| | - Current | 36 | 112 |
| | - Non-current | - | - |
| | Advance towards electricity charges | | |
| | - Current | 48 | 48 |
| | - Non-current | 43 | 64 |
| | Security deposit returnable on termination of lease | 403 | 345 |
| | Interest accrued on advance towards electricity charges | 9 | 3 |

Key management personnel:

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

**Anjan Lahiri resigned with effect from May 6, 2013.

*R Srinivasan retired with effect from July 19, 2013.

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 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 September 30, 2013 and September 30, 2012 have been detailed below:

| Particulars | Three months ended September 30, | | Six months ended September 30, | |
|-----------------------------------|-------------------------------------|-----------|-----------------------------------|-----------|
| | 2013 | 2012 | 2013 | 2012 |
| Whole-time directors | | | | |
| Salaries | 8 | 4 | 17 | 8 |
| Contribution to Provident fund | 1 | - | 1 | - |
| Bonus & Incentives | 9 | 8 | 19 | 15 |
| Reimbursement of expenses | 1 | - | 3 | 2 |
| Share-Based payments as per IFRS2 | 8 | - | 8 | - |
| Total Remuneration | 27 | 12 | 48 | 25 |
| Non-whole-time directors | | | | |
| Commission | 6 | 10 | 14 | 16 |
| Director Fees | - | - | - | - |
| Total Remuneration | 6 | 10 | 14 | 16 |

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.

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)**

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 September 30, | |
|--|---|--------------|
| | 2013 | 2012 |
| Segment revenue | | |
| Manufacturing | 1,658 | 1,122 |
| BFSI | 1,729 | 1,360 |
| Hitech | 2,185 | 1,865 |
| Travel & Transportation | 1,547 | 1,121 |
| Others | 549 | 472 |
| Total | 7,668 | 5,940 |
| Segment operating income | | |
| Manufacturing | 456 | 228 |
| BFSI | 78 | 218 |
| Hitech | 493 | 417 |
| Travel & Transportation | 371 | 236 |
| Others | 192 | 176 |
| Total | 1,590 | 1,275 |
| Unallocable expenses | (196) | (572) |
| Profit for the period before interest, other income and tax | 1,394 | 702 |
| Interest expense | (2) | (4) |
| Other income | 260 | 82 |
| Net profit before taxes | 1,652 | 780 |
| Income taxes | (360) | (93) |
| Net profit after taxes | 1,292 | 687 |

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)**

| Statement of income | Six months ended September 30, | |
|--|---------------------------------------|---------------|
| | 2013 | 2012 |
| Segment revenue | | |
| Manufacturing | 3,011 | 2,166 |
| BFSI | 3,197 | 2,590 |
| Hitech | 4,048 | 3,602 |
| Travel & Transportation | 2,820 | 2,295 |
| Others | 1,048 | 898 |
| Total | 14,124 | 11,551 |
| Segment operating income | | |
| Manufacturing | 718 | 391 |
| BFSI | 119 | 408 |
| Hitech | 930 | 746 |
| Travel & Transportation | 625 | 553 |
| Others | 379 | 312 |
| Total | 2,771 | 2,410 |
| Unallocable expenses | (367) | (645) |
| Profit for the period before interest, other income and tax | 2,404 | 1,765 |
| Interest expense | (4) | (8) |
| Other income | 1,003 | 143 |
| Net profit before taxes | 3,403 | 1,900 |
| Income taxes | (750) | (353) |
| Net profit after taxes | 2,653 | 1,547 |

Geographical segments

| Revenues | Three months ended | | Six months ended | |
|-----------------|---------------------------|--------------|-------------------------|---------------|
| | September 30, | | September 30, | |
| | 2013 | 2012 | 2013 | 2012 |
| America | 4,430 | 3,440 | 8,153 | 6,691 |
| Europe | 2,228 | 1,747 | 4,006 | 3,369 |
| India | 323 | 360 | 696 | 720 |
| Rest of World | 687 | 393 | 1,269 | 771 |
| Total | 7,668 | 5,940 | 14,124 | 11,551 |

22. Contingent liabilities

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at September 30, 2013 is Rs 763 (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 5,795 (March 31, 2013: Rs 4,018).

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)

- 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.

During the period, the Group has received a favourable order from the Commissioner of Income tax (Appeals) for majority of grounds and considering the order passed, there will not be any demand on the Group. On the other grounds which are not favourable, the Group has filed an appeal before the Income Tax Appellate Tribunal.

- 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.

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)

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.

During the period, the Group has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Group is in the process of filing appeal before Income Tax Appellate Tribunal. The order giving effect by the Transfer Pricing Officer and Assessing officer is under process and the reduction in the demand is dependent upon the final order.

- 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).

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)**

24. During the period, the Company has granted stock appreciation rights ('SAR') units and letter of intent to issue shares under Employee Restricted Stock Purchase Plan 2012 ('ERSP') to some of its employees which is subject to certain vesting conditions. Details of the grant/issue are given below.

| Particulars | SAR | ERSP |
|---------------------------------|------------|-------------|
| No of units/shares | 382,500 | 128,000 |
| Contractual life | 4 years | 5 years |
| Date of grant | 18-Jul-13 | 18-Jul-13 |
| Grant price/exercise price (Rs) | 910 | 10 |

The fair value of units under ERSP 2012 and SAR plan is determined using the Black-Scholes model. Units under SAR are initially measured at fair value (considering market price) and then remeasured at the end of each reporting period and is classified as an employee benefit liability.

Weighted average fair value of units under ERSP plan 2012, granted during the period was Rs 898 and Rs 307 for SAR using Black-Scholes model:

Following assumptions are used for Black-Scholes model:

| Assumptions | SAR | ERSP |
|-------------------------|------------|-------------|
| Dividend yield % | 0.27% | 0.27% |
| Expected life | 4 years | 5 years |
| Risk free interest rate | 8.48% | 8.29% |
| Volatility | 104.93% | 104.93% |

Volatility is estimated taking into account historic average share price volatility.