



— MINDTREE LIMITED —

ANNUAL REPORT 2008 - 09

MindTree Ltd.

Board of Directors

Ashok Soota - Executive Chairman
Krishnakumar Natarajan - CEO & Managing Director
Janakiraman S - Executive Director
Subroto Bagchi - Executive Director
Dr. Albert Hieronimus - Independent Director
David B Yoffie - Independent Director
George M Scalise - Independent Director
Mark A Runacres - Independent Director
Rajesh Subramaniam - Non-Executive Director
Siddhartha V G - Non-Executive Director
Srinivasan R - Independent Director
Vittal N - Independent Director

Audit Committee

Vittal N - Chairman
Dr. Albert Hieronimus - Member
Siddhartha V G - Member
Srinivasan R - Member

Investor Grievances Committee

Dr. Albert Hieronimus - Chairman
Subroto Bagchi - Member

Compensation Committee

Mark A Runacres - Chairman
Srinivasan R - Member
Siddhartha V G - Member

Technology Committee

George M Scalise - Member

Strategic Initiatives Committee

Ashok Soota - Chairman
Krishnakumar Natarajan - Member
Dr. Albert Hieronimus - Member
Siddhartha V G - Member
Srinivasan R - Member
Rajesh Subramaniam - Member

Business Heads

Krishnakumar Natarajan - CEO & Managing Director
S Janakiraman - President & Group CEO - Product Engineering Services
Anjan Lahiri - President & CEO - IT Services
Scott Staples - President & CEO - Knowledge Services
Parthasarathy N S - President & CEO - Independent Testing & IMTS
Vinod Deshmukh - President & CEO - R&D Services
Ashok Krishnamoorthy - Executive Vice President & CEO - Outsourced Product Development

Chief Financial Officer

Rostow Ravanan

Company Secretary

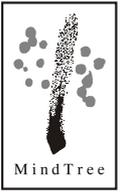
Usha T N

Auditors

BSR & Associates

Bankers

Hongkong & Shanghai Banking Corporation Limited
ICICI Bank Limited
CitiBank
Standard Chartered Bank
State Bank of India



— MINDTREE LIMITED —
ANNUAL REPORT 2008 - 09





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Chairman's Letter to the Shareholders



Dear Shareholder,

It gives me pleasure to present to you the performance report of your company for the period 2008-09.

Financial year 2008-09 will go down in economic history as the year of the first truly global economic crisis. Industries across a wide spectrum were severely impacted and the IT industry was no exception.

It is heartening that in such a challenging year, MindTree grew its revenue by 21% in USD terms and 37% in Rupee terms, amongst the highest in the Indian IT industry. MindTree posted a record EBITDA of 26%. However, our Profit After Tax (PAT) fell to 2.9% largely due to the 'mark-to-market' provision on our hedges. This provision is only a book provision and not a cash loss. This provision is expected to reverse itself over the life of the contracts and hence we expect our future profitability to be better. This provision was required as a result of the change in the accounting rules on 29 March 2008. Further, our hedges were entered into during 2007-08 when the Rupee was on an appreciating trend and since the Rupee depreciated sharply in 2008-09, we had to make these provisions.

On May 2, 2008, we announced our intention to acquire Aztecsoft Ltd and by August 1, 2008 we had become the beneficial owners of about 80% of the shareholding. We have been working as virtually one company since then. The fact that Aztecsoft was aligned to MindTree's values, culture and high standards of corporate governance made the integration process so much easier. MindTree now has a talent pool of more than 2,000 MindTree Minds purely focused on testing-related services, making us among the strongest independent testing service providers in India. We now also offer our customers Product Engineering Services that cover the complete range from the chip to cloud computing.

MindTree continued to be recognized globally, winning awards and top rankings in corporate governance, people practices and knowledge management. MindTree was the winner of the National Award for Excellence in Corporate Governance for 2007-08. MindTree was ranked No. 1 among the winners of the Indian Most Admired Knowledge Enterprises (MAKE) award for the second consecutive year in 2008. We were also the winner of the Asian Most Admired Knowledge Enterprise (MAKE) award for 2008.

MindTree was ranked 45th in the 'Leaders' category of 2009 Global Outsourcing 100 by the International Association of Outsourcing Professionals. The Great Places to Work Institute, in collaboration with The Economic Times, selected MindTree to the list of 'Great Places to Work in India' for 2008, and specially recognized MindTree as the Best Workplace for Women in India. MindTree became the first Indian company to win the Texas Instruments (TI) 2008 Supplier Excellence Award. MindTree also won the SAPACE Award for Customer Excellence 2008.

With effect from April 1, 2009, your company has implemented major organization restructuring, entering new market segments, setting up new business units and new roles for many leaders. MindTree now has 6 businesses IT Services, Independent Testing, Infrastructure Management and Technical Support (IMTS), Knowledge Services and Product Engineering, which comprises of R&D Services and Outsourced Product Development. Krishnakumar Natarajan (KK) has become CEO & MD and will be responsible for MindTree's day-to-day operations and will look after the businesses and enabling functions. I have assumed the role of Executive

Chairman and will continue to be the Chairman of the Board. In my role, I will focus on strategic initiatives and long term development.

Though our original Mission statement served us well for a decade, we chose to rearticulate it to make it more inspirational, impactful and easier to remember. MindTree's new Mission is shown below:

Our Mission
Successful Customers
Happy People
Innovative Solutions

The new Mission statement reinforces that the two most important stakeholders for our success are our customers and our people. There is also a correlation between all three elements as we believe that happy people lead to happy customers and also innovative solutions are a means of contributing to the success of our customers. We also believe that if we ensure the success of our customers and keep our people happy, all our stakeholders will benefit from the value created.

We have also articulated a fresh 5-year Vision for MindTree.

Our 5-year Vision (FY 2014)

- We will achieve US \$1 billion in sales
- We will be among the Global Top 20 in the IT services business in profitability, as measured by PAT to Sales and RoCE
- We will be among Top 20 most admired companies globally in the IT Services business, known for our customer satisfaction, people practices, knowledge management and corporate governance
- We will touch and improve the lives of the differently-abled, through leadership in Assistive Technologies

Our Sales and Profitability growth targets are ambitious. Very few companies succeed in growing significantly ahead of industry in both revenue and profitability, which is what we are aspiring to achieve. The third Vision statement is about global admiration and in the new articulation we have defined the characteristics which earn admiration in our industry. Many of these are already key strengths of MindTree. We now have to raise these to the next level.

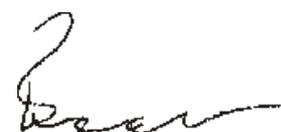
The fourth and last Vision statement talks about our Social Responsibility objective. We have chosen Assistive Technologies as the area of focus, as we can bring our technology expertise and skills to make a difference in the lives of differently-abled people. The statement is also aligned with the principal Mission of MindTree Foundation.

In view of the unprecedented economic crisis, your Company decided to be minimalist in the production of this annual report. I am confident you will appreciate our cost cutting measures that have been taken without compromising on the readability and design. We believe we are the only company globally which publishes the results of our customer satisfaction and people satisfaction surveys, together with historical trends of these two most important indicators for success in our business. You will find the results of our latest surveys within the annual report. We are pleased that these continue to reflect the confidence of our customers in MindTree and the happiness of MindTree minds of being members of a wonderful team and family.

We are hopeful that in the latter half of 2009-10, the global economy will recover and be back on a healthy growth trajectory. MindTree will aim for industry leading performance by continuing our investments in developing new businesses, new industry groups, new skills and new markets.

This August, MindTree will turn 10. It has been an exhilarating journey for all MindTree Minds. We are proud of the fact that in such a short span of time, your company has emerged as the best mid-sized IT Services Company. From inception to a run rate of \$300 Million in less than ten years is among the fastest the Indian IT Services industry has seen. Today, MindTree is recognized and respected for its corporate governance, people practices, knowledge management and social responsibility.

I take this opportunity to recognize the contribution of our customers, partners, people and investors for your goodwill and support which are so valuable to us. I look forward to your continued support in our journey towards achieving the Vision of becoming a \$1 Billion organization.



Ashok Soota
Executive Chairman

Auditors Certification on Corporate Governance

To the Members,

MindTree Limited

We have examined the compliance of conditions of corporate governance by MindTree Limited ('the Company'), for the year ended March 31, 2009, as stipulated in Clause 49 of the listing agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for BSR & Associates
Chartered Accountants

Sd/-

Rajesh Arora
Partner
Membership No. 076124

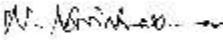
Bangalore
May 18, 2009

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Krishnakumar Natarajan, CEO & Managing Director and Rostow Ravanan, Chief Financial Officer of MindTree Limited, to the best of our knowledge and belief, certify that:

- 1) We have reviewed the Balance Sheet and Profit and Loss account (consolidated and standalone), and all the schedules and notes on accounts as well as the Cash Flow statements, and the Directors' report for the year and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls for financial reporting and we have:
 - a) Evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting;
 - b) Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware; and
 - c) The steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Company's auditors and the Audit Committee of the Board of Directors
 - a) Significant changes that have occurred in the internal control over financial reporting during the year;
 - b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - c) Instances of significant fraud, if any, of which we are aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting; and
 - d) All deficiencies, if any, in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarize and report financial data, and have identified for the company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
- 5) We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Bangalore
April 27, 2009


Krishnakumar Natarajan
CEO & Managing Director


Rostow Ravanan
Chief Financial Officer

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their Tenth report on the business and operations of your company and its working results for the year 2008-09.

Profit and Loss Statement	Rs. Million	
	FY 09	FY 08
Income from software development		
Overseas	9,484.20	6,830.59
Domestic	641.50	507.81
Total Revenue	10,125.70	7,338.40
Total Costs (Direct+SG&A)	7,484.52	6,080.47
EBITDA	2,641.18	1,257.93
Interest	161.99	58.95
Depreciation	468.58	349.34
Operating Profit	2,010.61	849.64
Foreign Exchange (Loss) / gain	(1,763.95)	39.93
Other income	78.79	237.69
Profit before tax	325.45	1,127.26
Provision for Tax including fringe benefit tax	80.30	128.96
Deferred tax charge/(credit)	(54.90)	(43.49)
Profit After Tax (PAT)	300.05	1,041.79
PAT % (of Revenue)	3.0%	14.2%
PAT % (of Revenue + Other Income)	2.9%	13.8%

Business Performance:

The global economy is going through an unprecedented crisis and many industries are affected by it directly or indirectly. The Indian IT industry has also been affected by this crisis.

MindTree's income from software development grew to Rs. 10,126 million for the year ended March 31, 2009, which represents an increase of 38% over the previous year's Rs. 7,338 million. In US dollar terms, total revenues grew 21% over the previous year, which is amongst the highest reported in the Indian IT industry in this challenging year.

We saw growth across both overseas and domestic markets. Export revenues grew 39% to Rs. 9,484 million whereas domestic revenues grew 26% to Rs. 641 million.

Since your company earns most of its revenues in foreign currency, mainly the US dollar, while most of the costs are in Indian rupee we hedge our foreign currency receivables. Foreign currency transactions are accounted by us in accordance with AS11 "Accounting for the Effects of Changes in Foreign Exchange Rates" and AS30 "Financial Instruments Recognition and Measurement".

During the year, the Indian rupee depreciated against the US dollar by about 25%. While this helped in improving our operating margins, we had to make provisions on 'mark-to-market' losses for our outstanding hedges. Since these hedges were entered into in 2007-08 when the Rupee was on an appreciating trend, these instruments currently have a significant negative mark-to-market value. This is only a notional accounting provision and not a cash loss.

Our operating profits for the year 2008-09 have grown to Rs. 2,011 Million, which is a growth of 137% over the previous year. The high mark-to-market provisions caused a wide divergence between our operating profits, where we have achieved good results and our Profit After Tax (PAT). Our PAT fell 71% compared to the last year.

Dividend

Your directors have paid an interim dividend of Re. 1 per share (10% on par value of Rs. 10) during November, 2008. Shareholders approval is sought to ratify the payment of interim dividend. No final dividend is recommended for the year 2008-09.

Transfer to Reserves

We propose to transfer Rs. 7.50 Million to the general reserve in accordance with the Companies (Transfer of Profit to Reserves) Rules, 1975.

Changes to Share Capital

Your company also issued 76,128 shares of Rs.10 each to various MindTree Minds on exercise of stock options. Consequently, the share capital has been increased from Rs. 379,205,580 to Rs. 379,966,860.

Infrastructure

During the year, your company has added a built-up capacity of 160,420 sft. and added 1,639 seats. With this, the total built up capacity of your company in India stands at 758,420 sft.

The new capacity was built in an SEZ unit in our Mysore Road Campus. This new infrastructure includes space for workstations, conference rooms, meeting rooms and labs.

In addition, your company has added world-class communication infrastructure to support our customers. This includes interoffice data links, internet access links, customer specific data links and dedicated data/voice links.

Strategic Acquisitions

TES-PV

In December 2007, MindTree acquired Bangalore-based TES-PurpleVision (TES-PV). TES-PV had well known technology companies in the US, Europe, Japan and India as their customers. This acquisition helped us double our IC design team-size and strengthen our presence in the Japanese market. During the year TES-PV (re-named MindTree Technologies Pvt. Ltd.) was merged into MindTree through an order by Hon'ble High Court of Karnataka and fully integrated.

Aztecsoft

During the year your company acquired substantial stake in Aztecsoft, a company listed in India and headquartered in Bangalore. The all-cash acquisition was made through a negotiated deal with the promoters of Aztecsoft, an open offer for the public shareholders and market purchases. As of March 31, 2009, MindTree had 80% shareholding in Aztecsoft.

Aztecsoft is a leading player in the fast growing Outsourced Product Development (OPD) and Testing markets. Combination with Aztecsoft, MindTree is able to cover the entire product development stack: chip design, embedded software, platform software, middleware and application software. In addition, the combined team-size in Testing services making us one of the top players in the Indian industry. There is minimal overlap of customers across the two companies, providing us the opportunity to cross-sell to each other's customers. There is high degree of culture match across the two organizations.

Integration of Aztecsoft with MindTree has been progressing well and we are seeing many synergy areas. Our new organization structure (described in a subsequent section) reflects the combined strengths of the two organizations.

During the year the company had filed a petition with the Honorable High Court of Karnataka to merge the two companies via a Scheme of Amalgamation approved by the shareholders in the EGM held on December 22, 2008. According to the Scheme,

MindTree will issue 2 shares of MindTree in return for 11 shares of Aztecsoft and acquire the balance shareholding in Aztecsoft.

People

The total number of MindTree Minds as on March 31, 2009 was 6,091, as against 5,640 as on March 31, 2008. During the year, your company saw a steady decline in attrition levels. Our annual attrition for the year 2008-09 was 11.8% as against 15.8% in the year before.

Being recognized as an "Employer of Choice" is important for your company to retain its eminent position to attract and retain the best industry talent. In 2008-09, for the fourth year in a row, MindTree was recognized among the "Best Workplaces" in India as per the study conducted by Great Places to Work Institute. Your company was also chosen for a special recognition and adjudged the most admired workplace for women in India.

Consequent to MindTree acquiring a substantial stake in Aztecsoft, a lot of effort went into streamlining policies, practices, processes and systems to ensure that we are seamlessly able to work like an integrated entity. The focus of the integration blue-print revolved around open, transparent and continuous communication, inclusion of people in decision making, adopting the approach of marrying best from both organizations and on-the-ground program management. Aztecsoft has seen a significant drop in their attrition level since the announcement of MindTree acquiring the stake. We are confident that the integration of Aztecsoft will be a success and will also create value for all the stakeholders, including people.

In 2008-09, your company continued its focus on rolling out new people practices in several areas. Subroto Bagchi, who has taken over as the Gardener, initiated his work in nurturing and developing the senior leadership capability and competence. The program has been well accepted and encouraged by its response and impact, Subroto is planning to enlarge the coverage. Your company has a unique practice of articulating its Mission, Vision & Values in consultation with MindTree Minds. To continue with this spirit of inclusion, we engaged people in MindTree and Aztecsoft to get their inputs on the re-articulation of MindTree's Mission & Vision. These together with our Values and DNA which form our constant core, will become the beacon for MindTree in the years ahead.

In 2009-10, your company will focus on introducing new policies, practices and systems in the area of Performance Management, Recognition, Talent Management & Talent Engagement.

MindTree Reorganization

With effect from April 1, 2009, Ashok Soota assumed the role of the Executive Chairman of MindTree. He was earlier the Chairman and Managing Director (MD) of the company. In his new role, Ashok Soota will focus on strategic initiatives and long-term development. He will continue to be the Chairman of the Board of Directors. Krishnakumar Natarajan, the Chief Executive Officer (CEO) of MindTree took over as the CEO and MD of the company with effect from April 1, 2009. He will be responsible for MindTree's day-to-day operations and will look after the businesses and enabling functions.

With the objective of establishing leadership positions in each, MindTree will focus on six business areas: IT Services, Infrastructure Management and Technical Support (IMTS), Independent Testing, Knowledge Services and Product Engineering Services, which comprises the R & D Services business and the Outsourced Product Development (OPD) services business.

S Janakiraman would be the President & Group CEO of the Product Engineering Services business. The CEOs of MindTree's businesses will be as follows:

- IT Services : Anjan Lahiri
- Knowledge Services : Scott Staples
- R&D Services : Vinod Deshmukh
- OPD : Ashok Krishnamoorthy
- IMTS : N. S. Parthasarathy, supported by business head Ram C. Mohan
- Independent Testing : N.S. Parthasarathy, supported by co-heads Ananda Rao Ladi and Subodh Parulekar

IMTS and Independent Testing are the high-growth areas of IT market today. We already have a presence in these segments and want to increase our focus through a dedicated business unit.

The initial focus of MindTree's Knowledge Services will be providing services in "analytics" area, helping our customers gain deeper insights into their business processes.

The re-organization will help MindTree have more growth engines to take advantage of the emerging opportunities in the global market. It draws from the strengths of both MindTree and Aztecsoft and positions us as the leading mid-sized player.

Directors

During the year, Mr. Lip-Bu Tan resigned as Director with effect from February 1, 2009. The Board of Directors places its appreciation for the valuable services rendered by Mr. Lip-Bu Tan during his tenure as Director of the Company.

During the year the Board has appointed another independent director Prof. David B Yoffie with effect from December 1, 2008 and Mr. Rajesh Subramaniam, nominee of Walden International with effect from February 1, 2009.

The following Directors retire by rotation and being eligible, offer themselves for re-appointment.

1. Mr. Vittal N
2. Mr. Mark Runacres
3. Mr. George Scalise

Brief resumes of these directors are included in the notice for the Annual General Meeting.

Liquidity

Your company maintains sufficient cash to meet its operations and strategic objectives. As on March 31, 2009 your company had liquid assets of Rs. 477 million as against Rs. 1,942 million at the previous year-end. These funds have been invested in deposits with banks and in money market mutual funds.

Fitch Rating

Your company has been assigned a rating of 'AA(ind)' on long term borrowings and a rating of 'F1+(ind)' on short term borrowings by Fitch Ratings. Further, the agency has rated the Outlook as "stable". Fitch is a leading global rating agency that provides credit opinions. Long-term rating ['AA(ind)'] indicates very low credit risk. The Short-term 'F1+(ind)' rating, which is the highest in the category, covers fund-based working capital limits and non-fund based working capital limits.

Awards and Recognitions during FY 2008-09

- National Award for Excellence in Corporate Governance for 2007-08
- First Indian company to receive Texas Instruments Supplier Excellence Award from Texas Instruments which is a key customer of the company
- Asian Most Admired Knowledge Enterprise (MAKE) Award (top-ranked)

- Indian MAKE Award winner
- Named in Leaders Category of 2009 Global Outsourcing 100 List by International Association of Outsourcing Professionals (IAOP)
- Ashok Soota was bestowed Most Innovative People Award in Knowledge Innovation at the World Summit on Innovation and Entrepreneurship 2008
- SAP Ace Award for Customer Excellence 2008
- Recruitment and Staffing Best in Class (RASBIC) industry leader of the year 2008.

Litigation

No material litigation is outstanding as on March 31, 2009.

Deposits

In terms of the provision of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits Rules) 1975, the company has not accepted any fixed deposits during the year under review.

Corporate Governance

Your company has been practicing the principles of good corporate governance. A detailed report on Corporate Governance is given as Annexure to this Annual Report

Certificate of the auditors regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement is also given in this annual report.

Corporate Governance Award

The year under review brought many coveted recognitions for MindTree. One of the most prestigious was the National Award for Excellence in Corporate Governance for 2007-08 among all listed companies in India by the Institute of Company Secretaries of India (ICSI).

The Jury for the award was chaired by former Chief Justice of India, Shri R C Lahoti, and included 19 other eminent members from the industry and regulatory bodies. Apart from the nomination papers your company had submitted, the Jury also sought feedback from regulatory agencies like the Stock Exchanges and the Registrar of Companies. Your company's good track record in terms of adherence to all applicable regulations, prompt filings, good disclosure, conservative business practices, etc. helped win this award.

MindTree was selected as the top winner based on multiple criteria such as:

- Ethical business conduct, transparency and integrity
- Effective governance through the Board of Directors
- Sustainable relationship building with major stakeholders in the corporate family
- Corporate social responsibility
- Future vision

The Jury in particular commended MindTree for its clearly articulated CLASS values (Caring, Learning, Achieving, Sharing and Social Responsibility) and the processes for internalization of these values. They also recognized MindTree's inclusive approach whereby good governance means protecting the interests of all stakeholders, including customers, employees, shareholders, bankers and the society at large.

Consolidated Financial Statements

In terms of the approval granted under Section 212 (8) of the Companies Act, 1956 by the Ministry of Corporate Affairs, Government of India vide their letter no. 47/196/2009-CL-III

dated 31.03.2009, the company has been exempted from complying with the provisions contained in sub-section (i) of Section 212 of the Companies Act, 1956. The information as directed by the Ministry of Corporate Affairs has been disclosed in brief abstract forming part of this annual report. Further the annual accounts of the subsidiary company and the related detailed information will be made available to any member of the company and its subsidiary seeking such information at any point of time. The annual accounts of the subsidiary company will also be kept for inspection by any member at the company's registered office and corporate office and that of the respective subsidiary company. The consolidated financial statements forms part of the annual report.

Auditors

The auditors, M/s. BSR & Associates, Chartered Accountants, hold office as Auditors until the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Particulars of Employees

As required under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the annexure to this report. The Department of Company Affairs, has amended the Companies (Particulars of Employees) Rules, 1975 to the effect that particulars of employees of companies engaged in Information Technology sector posted and working outside India not being directors or their relatives, drawing more than Rs. 2.40 million per financial year or Rs. 200,000 per month, as the case may be, need not be included in the statement but, such particulars shall be furnished to the Registrar of Companies. Accordingly, the statement included in this report does not contain the particulars of employees who are posted and working outside India.

Employee Stock Option Plan

Your company believes in the policy of enabling MindTree Minds to participate in the ownership of MindTree and share in its wealth creation, who are responsible for the management, growth and financial success of MindTree.

The company currently administers five stock option programs viz. ESOP 1999, ESOP 2001, ESOP 2006(a), ESOP 2006(b) and ESOP 2008 (A) and a Directors Stock Option Plan, 2006. The details as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been disclosed under Notes to Accounts Schedule 16 item 5 and forms part of the Annual Report. There has been no variation in the terms of ESOP programs.

Details of options granted under ESOP 2006 (b) to senior managerial personnel during the year are as under:

Name of Senior Managerial Personnel	Designation	Stock options granted
Gaurav Johri	Vice President	18,000
Gopalakrishnan Palakkil	Senior Vice President	25,000
Rajesh Zele	Vice President	17,500

Conservation of energy, technology absorption, foreign exchange earnings and outflow:

The Particulars as prescribed under section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 are set out in the annexure to this report.

Directors' responsibility statement

Directors' responsibility statement pursuant to Section 217(2AA) of The Companies (Amendment) Act, 2000 is annexed to this report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report as required under Clause 49(IV)(F) is disclosed separately in this Report.

Acknowledgements

The Board of Directors thank the company's customers, shareholders, investors, vendors, and bankers for their support to the company during the year.

Your directors would like to make a special mention of the support extended by the various departments of the Government of India, particularly the Software Technology Parks, Special Economic Zone Authority, the Department of Electronics, the tax authorities, the Ministry of Commerce, the Department of Telecommunications, the Reserve Bank of India, Ministry of Company Affairs, Securities and Exchange Board of India and others and look forward to their support in all future endeavors.

Your directors appreciate and value the contribution made by MindTree Minds at all levels for their contribution to the company.

For and on behalf of the Board of Directors

Bangalore Ashok Soota Krishnakumar Natarajan
April 27, 2009 Executive Chairman CEO & Managing Director

Annexure to the Directors' Report

Particulars under (Disclosure of particulars in the Report of Directors) Rules, 1988 for the year ended March 31, 2009.

A. Conservation of energy, technology absorption, foreign exchange earnings and outflow:

Report on Energy Conservation at MindTree 2008 - 09

Your company is committed to following a high standard of environmental protection and provision of a safe and healthy work place for our people, customers and visitors. To this effect we have articulated our environmental mission statement and also formed an advisory group "Green Council" to promote environmental initiatives at MindTree.

MindTree's Environmental Mission Statement

"Work closely with all our stakeholders to identify, implement and sustain eco-friendly initiatives to achieve a carbon-neutral footprint"

MindTree Green Council is a multi-disciplinary advisory group which promotes and provides oversight for environmental initiatives at MindTree. The purpose of this council includes:

- Educating MindTree Minds, our extended families and our partners on environmental responsibility
- Identify eco-friendly initiatives and implement them through extended teams
- Design and implement a metrics based approach for continuous improvement of MindTree's Green initiatives
- Make our campuses environmentally friendly
- Work with other like-minded organizations with an intention to learn and share
- Continuously review our Environmental Mission statement to

ensure it remains relevant to our business with the right balance between shareholder value and environmental friendliness

- Strive to buy and use environmentally friendly products wherever there is an opportunity

MindTree Green Initiatives

MindTree Green Council carried out an exhaustive carbon foot print measurement of MTW Phase 1 and 2 buildings in Nov-Dec 08 through Nature First, an external consultant agency. We also have received internal training and documentation on extending this measurement and monitoring activity across the other facilities on a sustained basis. MindTree Green Council, assisted by the Green Community, a group of energy conservation volunteers, will be driving these efforts in MindTree facilities. We have also initiated work on some of the suggestions given by Nature First to reduce our carbon foot print.

Energy Efficiency Practices at MindTree

Some of the energy efficient practices adopted across the facilities of the company to reduce consumption of power are:

- Transformers with high efficiency from reputed companies maintaining power factor of 0.98 on distribution side.
- Programming of Air conditioners through logic control systems.
- Variable frequency drives (VFD) are sequenced in operation of AHU and secondary pumps.
- FRLS wires for power as well as lighting distributions.
- XLPE cables with higher current withstanding capability and low losses for UPS.
- Glazing is minimized from NE and SW area so that solar rays are minimized

In our new facilities, we have adopted the following steps to aid energy conservation:

- Installation of LCD monitors (Energy Efficient) in place of normal CRT monitors, thereby saving energy
- Usage of Low Power Loss Electronic ballast (5W) in place of Copper ballast (10W)
- Use of 12 pulse rectifier to keep total harmonic distortion under 5%
- Usage of compact florescent lamps for lighting

Other Energy Conservation Initiatives

HVAC Design - the HVAC design for MindTree buildings have been based on Energy conservation building Code 2006. Primary objective is to reduce energy consumption by providing optimum conditions inside the building during extreme weather conditions. Some of the considerations are:-

- Sun orientation path
- Walls and roofs are properly insulated
- Toughened glass windows to reduce infrared radiation
- Effective management of ventilation to ensure acceptable air quality
- Proper positioning of fire escape routes
- Roof surface treated to reduce the absorption of heat

Power Saving - This year we devoted considerable attention on methods and approaches to conserve power. Significant steps taken in this regard include the following:-

- Turning off monitors during week ends

- Hibernation of Desktops & notebook computers when not in use
- Turning off lights in all floors when Minds not working
- Operating only one lift in each building after 7.00 pm
- Turning off the Air Conditioners during non peak hours and on weekends.

Water Conservation - There has been increasing awareness of the need to conserve water, both in usage practices and in securing our sources. Some steps that helped create an impact include the following:-

- Only ground water used at West Campus
- Sensors in toilets to optimize water usage
- Dish washers used in the cafe's to minimize water wastage
- Sewage water treatment plant to recycle water
- Rain water harvesting being planned

Waste Management - Towards reduction of waste and better disposal of generated waste, we drove initiatives to meet the objectives.

Food Waste.

- Collected centrally and segregated as recyclable/non recyclable
- Disposed through BBMC
- Entering with an agreement with "Samarthanam Trust" for recycling food waste

E Waste - Disposed and recycled through E- Parisaraa

Paper Waste - Recycled through the services of "Samarthanam Trust"

Pollution Control and Reporting - Towards achieving better environmental standards, regular checks on air quality, monitoring of noise levels and monitoring of fuel stock have been carried out across facilities.

Conclusion

In keeping with MindTree's commitment to create an environment which is sustainable and to conserve energy, our goal is to achieve a carbon neutral profile across the organization. Our strategy to adopt the best practices, latest technologies and high levels of efficiency in our operations will help us build an environment where energy is conserved and carbon emissions are significantly reduced.

B. Technology and Innovation

As you would appreciate, technology is witnessing rapid change. Since our customers expect us to lead them through such change, we proactively & continuously invest in developing technology building blocks and solution frameworks which add value to our customers' business. MindTree uses a multi-pronged strategy for developing technology assets and to promote innovation. These technology initiatives are driven by each business unit based on the trends they see in their respective markets. These efforts help us in two ways (i) gain our customers' trust & confidence; and (ii) attract & retain key talent who see MindTree as a more exciting place to work in.

Research and Development

Your company carries out various research and development initiatives to address different market segments. In addition to the programs mentioned in the 2007-08 annual report, many of which continue even now, some of the newer programs are listed below:

- Digital Video Surveillance: We began development of technology in Video Surveillance area to address growing demand and technology advancements in this space. We are building critical Intellectual Properties in Video Analytics and Video Content Management.

- Bluetooth RF: To fill gap in our portfolio of Bluetooth IP, we began a program on development of Bluetooth radio. This is very specialized technology areas and very few organizations in the world have in house capability.

IT Services investments in solutions and technologies

MindTree's IT Services enables our global clients achieve success through business enabling solutions using innovative and industry leading expertise and technologies. Our team of domain experts ensures that IT initiatives are tied to business imperatives through quantifiable metrics. Through MindTree Labs, a unique corporate investment in research and development, we aim to bring leading edge solutions to our clients. MindTree Labs conducts applied research on emerging technologies and works with our Technology Practices and Industry Groups (IG) to create differentiated outputs.

Through MindTree Labs we developed expertise and technology frameworks in the areas of Mobility and Cloud Computing. Some of the notable achievements this year included:

- A mobile application on Google Android that provides support and features post the booking process
- A mobile banking application on Google Android with two-factor authentication and location awareness
- A mobile salesforce application built on J2ME technology with a very low footprint
- Demo applications on leading Cloud platforms including Force.com, Amazon EC2 and Google AppEngine
- Frameworks to encapsulate advanced features on Google Android

MindTree's Technology Practices and Industry Groups continue to bring solution accelerators to market and help our global clients achieve their objectives in expedited timeframes. Some of the notable solutions include:

- MindTree's SOA Solution Accelerator - Our homegrown Open Source tools based SOA Application development platform has been adopted by a number of our clients and helps bring down implementation cost and timeframes for SOA based projects
- MindTree's Digital Media publishing solution that will simplify the tasks around content management and publishing for media companies
- MindTree's SOA Services Discovery framework that will help organization embark on the road towards Enterprise SOA
- Our SAP A1 templates for Professional Services and Construction Industries have been certified by SAP. They will allow speedier time to market and enable our clients to realize benefits of the solution via a compressed timeframe
- Multiple Centers of Excellence on SAP technologies and functional areas to bring deep expertise around our SAP implementations
- Tool based methodology and approach for helping our clients modernize their mainframe environments
- A comprehensive testing framework geared towards the Banking industry
- A framework of domain and technology components used for speedy delivery of world class BI solutions and geared towards the Insurance domain

Patents

The patents filed by MindTree are given in the table below:

SI No	Title	Country of Filing	Year
1	Method for Step Size control technique in echo signal cancellation	US	2004
2	High Speed FFT architecture for an OFDM Processor	US	2006
3	Method for data handling by file-system offloading	US	2006
4	Power Management based on dynamic frequency scaling	US	2006
5	Method and system for generating an analytical report including a contextual knowledge panel	US	2006
6	Method For Discovering IEEE 802.11 Access Points By a Central Controller	US	2006
7	Selecting Channels In Centrally-Managed Wireless Networks Based On Receive Signal Strength Indicator (RSSI) And Received Transmit Errors	US	2006
8	Procedure for headset and device authentication	India, US	2007
9	Method and apparatus for multi terminal support using Bluetooth based audio gateway	India, US	2007
10	Method and apparatus for bit interleaving and de interleaving in wireless communication systems	India, US	2007
11	Outband Broadband Connectivity	US	2007
12	Portable Wearable Input Apparatus	India	2009

C. Foreign exchange earnings and spending

	Amounts in Rs.	
	For the year ended March 31, 2009	For the year ended March 31, 2008
Income from software development	9,484,196,140	6,830,586,387
Interest income	888,494	441,867
Other income	65,607	-
Total	9,485,150,241	6,831,028,254

Account of Subsidiary company under Section 212

Statement pursuant to Section 212 of the Companies Act 1956 relating to holding company interest in the subsidiary company:

Details of Aztecsoft Ltd, a subsidiary of MindTree

	March 31, 2009
1. Financial year of the subsidiary ending on	
2. (a) No. of shares held by the holding company	36,441,595 shares of Rs. 3 each
(b) Extent of interest on the above date	79.90%
3. Other financial details:	Rs. in 000's
(a) Capital	136,823
(b) Reserves	1,859,196
(c) Total Assets (gross)	2,428,707
(d) Total Liabilities	432,688
(e) Details of investments*	824,462
(f) Total income	3,370,869
(g) Profit before taxation	263,783
(h) Provision for taxation	47,499
(i) Profit after taxation	216,284
(j) Proposed dividend	Nil

*The quoted investments are in leading Mutual Funds.

Directors' Responsibility Statement pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000

- I. The financial statements have been prepared in conformity with the applicable accounting standards issued by the Institute of Chartered Accountants of India and requirements of the Companies Act, 1956, to the extent applicable to us; on the historical cost convention; as a going concern and on the accrual basis had been followed. There are no material departures from prescribed accounting standards in the adoption of the accounting standards.
- II. The board of directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- III. The board of directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. The board of directors have prepared the annual accounts on a going concern basis.
- V. The financial statements have been audited by M/s BSR & Associates, Chartered Accountants, the statutory auditors.
- VI. The audit committee meets periodically with the internal auditors and the statutory auditors to review the manner in which the auditors are discharging their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the statutory auditors and the internal auditors have full and free access to the members of the audit committee to discuss any matter of substance.

For and on behalf of the Board of Directors

Bangalore
April 27, 2009

Ashok Soota
Executive Chairman

Krishnakumar Natarajan
CEO & Managing Director

Annexure to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, and forming part of the directors report for the year ended March 31, 2009

Sl. No.	Name	Designation	Qualification	Age (Years)	Date of Joining	Exp(yrs)	Gross Remuneration (Rs.)	Previous Employer	Designation at previous employment
1	Ananda Rao Ladi	Vice President - Testing Practice	B. Tech	39	1-Feb-00	18	3,011,506	Wipro Ltd	Consultant
2	Anil Rao	General Manager - IT Services	BE, MBA	40	16-Apr-01	17	2,356,294	Wipro Ltd	Consultant
3	Anjan Lahiri	CEO- IT Services	MBA	43	5-Aug-99	22	4,395,057	Cambridge Technology	Director
4	Ashok Hegde	Vice President - Securities & Capital Markets	PhD	41	16-Jul-07	17	2,998,880	Wipro Ltd	General Manager
5	Ashok Soota	Executive Chairman	BE, MBA	66	9-Aug-99	35	6,513,251	Wipro Ltd	Vice Chairman
6	Ashwani Kathuria	Vice President - IT Services	B. Tech, PGDM	46	10-Apr-06	24	2,953,826	vMoksha Technologies Pvt. Ltd	Vice President
7	Babuji Philip Abraham	Sr. Vice President - IT Services	B. Tech	44	3-Nov-99	23	3,369,424	Verifone India Private Ltd	Manager - ICD
8	Balaji Krishnan	Vice President - IT Services	BE	42	10-Nov-99	20	2,759,215	Institute of Reference Materials and Measurements	Project Manager
9	Balu C	Vice President - R&D Services	B. Sc, MCA	45	17-Apr-00	22	2,986,283	Novell Software India Development (I) Pvt Ltd	Senior Manager
10	Bhageerathi D R	General Manager - IT Services	BE	41	25-Oct-99	18	2,301,032	BFL	Project Manager
11	Dattaguru Hegde	General Manager - IT Services	BE	37	16-Apr-07	16	2,329,702	Accenture	Senior Manager
12	Dattatri Salagame	General Manager - IT Services	BE	43	22-Mar-01	19	2,418,863	Ivega Corp.	Consulting Manager
13	Derick Jose T J	Chief Architect - Datawarehousing	BE	40	20-Nov-00	18	2,505,945	Fujitsu-DMR Consulting	Consultant
14	Gaurav Johri	Vice President - IT Services	B Tech, PGDM	38	25-Feb-08	12	3,724,654	Onmobile Asia Pacific	SBU Head, Corporates and M-Commerce
15	Jaganath Ram Shankar	General Manager - IT Services	BE	38	24-Jul-00	16	2,242,837	Bayer Corp.	Consultant
16	Janakiraman S	President & Group CEO - R&D Services	M. Tech	52	20-Oct-99	28	3,821,676	Wipro Ltd	President
17	Kalyan Kumar Banerjee	Senior Vice President	M. Tech	46	5-Aug-99	24	3,034,945	Wipro Ltd	Technical Manager
18	Kesava Ram Dasu	General Manager - Delivery	M. Tech	40	10-Apr-00	18	2,542,978	Wipro Ltd	Technical Manager
19	Krishnakumar Natarajan	CEO & Managing Director	BE, PGDM	51	5-Aug-99	28	4,805,532	Wipro Ltd	CEO - E Commerce
20	Madhusudhan Km	Principal Architect	BE	40	25-Oct-06	17	2,836,454	Misys International	Principal Architech
21	Padmanabhan SN	Senior Vice President - R&D Services	M. Tech	47	17-Apr-00	23	2,511,375	Wipro Ltd	Technical Manager
22	Parthasarathy N S	CEO- IMTS	M. Tech	48	14-Aug-99	25	4,285,302	Wipro Ltd	General Manager
23	Puneet Jetli	Sr. Vice President & Head - People Function	MBA	40	15-Oct-99	16	2,993,791	Wipro Ltd	Business Development Manager
24	Radha R	Vice President - Datawarehousing	BE, PGDM	42	19-Jan-01	18	2,961,088	IBM Global Services	Country Manager - Alliances
25	Raghunath Govindachari	Chief Technical Officer - R & D Services	MCA, PhD	45	6-Nov-00	17	2,563,720	Wipro Ltd	Technical Manager
26	Raj Datta	Vice President - Knowledge Management	MS	41	15-Nov-99	19	2,696,553	Logical Components Inc	Founder Director
27	Raja V Shanmugam	Sr. Vice President - Apac	BE, MBA	45	6-Mar-00	21	3,453,821	Wipro Ltd	Bussiness Manager
28	Rajagopal Nagarajan	Vice President - R&D Services	BE	44	24-Apr-00	23	2,769,626	Wipro Ltd	Project Manager
29	Raju Chellatton	General Manager - Infrastructure Management Services	B. Tech	43	14-Jun-04	17	2,299,403	Verizon Data Services India Pvt Ltd	Technical Manager
30	Raju Dani	General Manager - IT Services	B. Tech	40	2-Feb-04	18	2,318,936	RenaissanceWorldwide	Project Lead
31	Ram Mohan	Sr. Vice President - Ims & tech Support	BE	46	19-Jan-06	24	3,918,940	Vinciti AQ	Executive Vice President - Operations
32	Ramachandran Narayanaswamy	Vice President - R&D Services	BE	40	3-Dec-99	20	3,070,897	Wipro Ltd	Software Specialist
33	Ramesh Gopalakrishnan	Vice President - IT Services	BE	41	14-Aug-00	18	2,829,697	Tata InfoTech Ltd	Core Member - E Commerce group
34	Ramesh Rajasekar Dorairaj	Vice President - IT Services	BE	42	1-Mar-06	19	3,010,718	Infosys Technologies Ltd	Delivery Manager
35	Rostow Ravanan	Sr. Vice President - Finance & CFO	CA	38	5-Aug-99	15	3,428,855	Lucent Technologies India Ltd	Business Value Manager

Sl. No.	Name	Designation	Qualification	Age (Years)	Date of Joining	Exp.(yrs)	Gross Remuneration (Rs.)	Previous Employer	Designation at previous employment
36	Salil Godika	Chief Strategy Officer	M. Tech	37	26-Feb-07	14	2,984,995	Dassault	Director - Marketing
37	Sandeep Agarwal	General Manager - R&D Services	BE	35	5-Jun-00	15	2,520,512	Lucent Technologies India Ltd	Team Leader
38	Sanjay Shelvankar	Vice President - Talent Acquisition	BE	40	10-Feb-03	19	2,405,816	HealthAsyst	Program Director
39	Santosh Shivadatta	Technical Director	M. Tech	35	19-Aug-02	12	2,307,895	SOC Group	Associate Engineer
40	Shishir Gokhale	General Manager - IT Services	MS	38	27-Dec-99	14	3,051,846	Cambridge Technology	Senior consultant
41	Shrish Kulkarni	General Manager - People Function	BE	38	17-Feb-03	14	2,363,462	Healthasyst	Technical Manager
42	Sridhar Perera	General Manager - R&D Services	BE	43	16-Dec-02	6	2,641,152	GE Transportation Systems Ltd	Project Lead
43	Srinivasa Kottamasu	General Manager - Tech Support	M. Tech	41	5-May-00	19	2,330,665	Wipro Ltd	Resident Manager
44	Subrata Saha	Vice President - R&D Services	B. Tech, MBA	47	19-Mar-01	25	2,796,682	Wipro Ltd	Technical Manager
45	Subroto Bagchi	Gardener	BA	51	1-Sep-99	34	6,444,143	Lucent Technologies India Ltd	Vice President
46	Sudhir Reddy	General Manager- Chief Information Officer	MS	39	1-Aug-05	17	2,355,440	Novartis Pharmaceuti	Storage Manager
47	Suneel Sastry	General Manager - IT Services	BE	46	1-Jul-02	22	2,484,225	Citicorp Credit Services Pvt Ltd	Manager/ Senior Tech Analyst
48	Suresh H P	Vice President- IT Services	M. Tech	42	2-Nov-00	18	2,793,207	Motorola Electronics Pvt Ltd	Staff Analyst
49	Veeraraghavan R K	Sr. Vice President - IT Services	M.Sc	42	3-Nov-99	21	3,317,636	Wipro Ltd	Technical Manager
50	Vijayeendra H S	General Manager - Hardware Engineering	BE	42	5-Feb-01	16	2,539,611	Wipro Ltd	Specialist -Vsil technology
51	Vikram Amarannath	Vice President - IT Services	BE, PGDBM	52	12-Apr-06	31	3,557,751	Tata Consultancy Services Ltd	Principal Consultant
52	Vinod Deshmukh	CEO - R & D Services	M. Tech	51	5-Apr-00	24	4,266,040	Wipro Ltd	Vice President
53	Vishweshwar Hegde	Sr. Vice President - Quality	BE	45	16-Oct-00	23	3,350,527	Motorola India Pvt Ltd	Quality Manager
54	Vivek Shrivastava	General Manager - R&D Services	B. Tech	39	1-Dec-00	18	2,474,885	SAS India Ltd	Product Manager
Employed for part of the year with average salary above Rs. 2 Lakhs per month									
1	Datta Chidamber	General Manager - IT Services	BE	43	16-Oct-00	21	423,586	Robert Bosch	Project Manager
2	Gopalakrishnan Palakkil	Senior Vice President	MBA	48	5-Nov-08	24	1,601,868	Wipro Ltd	Vice President
3	Manoj Soman	Technical Director - R&D Services	ME	38	25-Nov-08	16	922,653	Alereon Semiconductors Pvt Ltd	Principal Staff Engineer
4	Rajan Narayanan	Senior Vice President - IT Services	BE	50	1-May-88	29	2,190,735	Linc Software Pvt Ltd	Vice-Chairman and COO
5	Rajesh Zele	Vice President - R&D Services	PhD	40	25-Nov-08	15	1,373,225	Alereon Semiconductors Pvt. Ltd.	Managing Director

Notes: Employees in India as on March 31, 2009. However the remuneration paid overseas to these employees for the period they were working outside India also included above.

The nature of employment is contractual in all the above cases. Other terms and conditions are as per the Company's Rules. The designation indicates the nature of duties of the employees. Mr. Ashok Soota holds 11.71%, Mr. Subroto Bagchi holds 5.69%, Mr. Krishnakumar Natarajan holds 5.29% and Mr. Janakiraman S holds 2.72% of shares of the company.

For and on behalf of the Board of Directors,

Bangalore
April 27, 2009

Ashok Soota
Executive Chairman

Krishnakumar Natarajan
CEO & Managing Director

Corporate Governance Report

Company Philosophy

At MindTree Limited (formerly MindTree Consulting Limited, 'MindTree' or 'the Company'), we believe in ethical business conduct, integrity and commitment to values which enhance and retain stakeholders' trust are the hallmarks of good corporate governance.

MindTree Minds are guided by MindTree's CLASS values. CLASS stands for Caring, Learning, Achieving, Sharing and Socially responsible. These values are core to MindTree and have been integrated into every aspect of our work. We believe that integrity is a core attribute of being socially responsible. A MindTree Mind is expected to adhere to the highest standard of integrity. We have a clearly articulated Integrity Policy which is available to all MindTree Minds. All MindTree Minds, irrespective of level, role and location are bound by it. The policy is explained to leaders who are expected to steer compliance throughout the organization.

In the conduct of MindTree's business and in our personal dealings that affect MindTree's business, we abide by the principles of honesty, openness and doing what is right and fair. These are the principles that must guide our behavior at all times.

Following are the salient features of our Corporate Governance philosophy:

1. Act in the spirit of law and not just the letter of law;
2. Do what is right and not what is convenient;
3. Provide complete transparency on our operations; and
4. Follow openness in our communication to all our stakeholders.

The 3-Tier Corporate Governance Structure at MindTree

- (a) Shareholders appoint and authorize the Board of Directors ('BOD') to conduct business with objectivity and ensure accountability to all stakeholders.
- (b) BOD lead the strategic management of the Company on behalf of the shareholders, exercise supervision through direction and control and appoint various committees to handle specific areas of responsibilities.
- (c) The committees of the BOD and executive management appointed by the BOD take up specific responsibilities and day-to-day tasks to ensure that the activities of the Company run according to the strategies set by the BOD.

First Tier: Governance to Shareholders

Forthcoming Annual General Meeting ('AGM')

Annual General Meeting ('AGM') for the year 2008-09 is scheduled on July, 3, 2009 at 10.00 AM at Woodlands Hotel, No. 5, Rajaram Mohan Roy Road, Bangalore- 560 025, Karnataka, India.

Those of you who cannot attend the meeting in person, can appoint a proxy to represent you in the meeting, for which you need to fill in a proxy form and send it to us on or before 10.00 AM on July 1, 2009.

Annual general meetings of earlier years:

For the year 2005-06, we held our AGM on September 27, 2006 at 2:00 PM at the registered office of the Company and a special resolution was passed for amendment of the Articles of Association pursuant to conversion of the Company from a private limited company to a public limited company.

For the year 2006-07, we held our AGM on July 25, 2007 at 9.30 AM at St. John's Auditorium, National Academy of Health Science, John Nagar, Bangalore 560 034. The following three special resolutions were passed:

- (i) Approval for issue of shares pursuant to Employee Stock Option Plans ('ESOP');
- (ii) Approval for issue of shares pursuant to Director Stock Option Plan ('DSOP'); and
- (iii) Approval for investment by Foreign Institutional Investors (FIIs) in the equity share capital of the Company upto 100% of share capital of the Company.

For the year 2007-08, we held our AGM on June 30, 2008 at 10.00 AM at, Shivaratheswara Centre, JSS Educational Complex 1st Main, 8th Block, Jayanagar, Bangalore 560 082 and a special resolution was passed for approval for making variation in the utilisation of IPO proceeds as allocated in the prospectus of the Company.

Extra-Ordinary General Meetings ('EGM') of earlier years

For the year 2006-07, we held our EGM on November 16, 2006 at 10.30 AM at the registered office of the Company. The following four special resolutions were passed:

- To borrow monies and to make loans or investments;
- To alter Memorandum and Articles of Association for consolidation of 5 shares of Rs. 2 each into one share of Rs. 10 each;
- To issue bonus shares in the ratio of 4 equity shares of Rs. 10 each for every one equity share of Rs. 10 each; and
- To approve the DSOP and ESOP plans and issue and allot equity shares under DSOP 2006 and ESOP 2006 plans.

Extra-Ordinary General Meeting for the year 2008-09

For the year 2008-09, we held our EGM on December 22, 2008 at 10.30 AM at Woodlands Hotel, No. 5, Rajaram Mohan Roy Road, Bangalore 560 025. The following two special resolutions were passed:

- To approve employee stock option plan- ESOP 2008 A scheme (Program 5).
- To approve issue of stock options to employees of subsidiary companies.

No Postal ballot was conducted during 2008-09

Financial year 2009-10

Our tentative calendar for declaration of results for the financial year 2009-10 is given as below:

Financial Results	Likely release of results
For the quarter ending June 30, 2009	July 20, 2009
For the quarter ending September 30, 2009	October 26, 2009
For the quarter ending December 31, 2009	January 19, 2010
For the year ending March 31, 2010	April 19, 2010

Interim Dividend for the year 2008-09

Your BOD had declared an interim dividend of Re 1 per share on the equity shares of Rs. 10 each (par value) on October 20, 2008 and was paid to the shareholders who were on the Register of members of the Company as on the record date at the closing hours of November 7, 2008. No Final dividend has been recommended for 2008-09.

Recognition and Award

During the year, your Company has received the prestigious National Award for Excellence in Corporate Governance for 2007-08 amongst all the listed companies in India by The Institute of Company Secretaries of India.

The selection criteria for this award included best board systems and procedures, board independence and governance, transparency and disclosure, stakeholder value enhancement, corporate social responsibility, creative and contributive capabilities of top management, future vision and other good corporate governance initiatives.

Your Company believes in ethical business conduct, integrity, transparency and commitment to values which in turn enhance and retain stakeholders' trust.

Means of Communication

At MindTree, we would like to constantly communicate to our investors about our operations and financial results. Besides publishing the abridged financial results in Business Standard, Mint and Samyuktha Karnataka (the regional newspaper as per the clause 41 of the listing agreement), the full financial statements have been published on our website (www.mindtree.com). The transcripts of the quarterly earnings calls with analysts have also been published on our website.

Corporate Identity Number ('CIN')

Our Corporate Identity Number (CIN) allotted by Ministry of Corporate affairs, Government of India is L72200KA1999PLC025564 and the Company Registration No. is 25564. Our Company is registered in the State of Karnataka, India.

Dematerialization of Shares

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As of March 31, 2009, 81.59% of the Company's shares are held in electronic form.

Investor Grievances & Share Transfer System

We have an Investor Grievances Committee represented by the BOD to examine and redress shareholders' and investors' complaints. The process and approval of share transfer has been delegated to the Company Secretary. The Company Secretary approves the share transfers and reports the same to the Board of Directors at their quarterly meeting.

For shares transferred in electronic form, after confirmation of sale / purchase transaction from the broker, shareholders should approach their respective depository participant (DP) with a request to debit or credit the account for the transaction. The DP will

Distribution of Shareholding

Range of equity shares held	As at March 31, 2009				As at March 31, 2008			
	No. of shareholders	%	No. of shares	%	No. of shareholders	%	No. of shares	%
Upto 500	74,006	98.46%	2,659,238	6.99%	80,405	98.42%	2,981,720	7.86%
501-1,000	508	0.68%	388,375	1.02%	575	0.70%	432,014	1.14%
1,001-2,000	287	0.38%	409,632	1.08%	338	0.42%	489,129	1.29%
2,001-3,000	108	0.14%	267,604	0.70%	113	0.14%	276,814	0.73%
3,001-4,000	68	0.09%	237,846	0.63%	74	0.09%	261,076	0.69%
4,001-5,000	37	0.05%	171,874	0.45%	34	0.04%	157,361	0.42%
5,001-10,000	60	0.08%	438,671	1.16%	64	0.08%	474,420	1.25%
10,001 and above	91	0.12%	33,423,446	87.97%	91	0.11%	32,848,024	86.62%
Total	75,165	100%	37,996,686	100%	81,694	100%	37,920,558	100%

immediately arrange to complete the transaction by updating the account. There is no need for separate communication to either company or share transfer agent to register the share transfer.

For matters regarding shares transferred in physical form, share certificates, dividends, change of address, etc., shareholders should communicate with Link Intime India Pvt. Ltd (formerly Intime Spectrum Registry Limited), our registrar and share transfer agent.

Address of Registrars and Share Transfer Agents:

Link Intime India Pvt. Ltd
C-13, Pannalal Silk Mills Compound
LBS Marg, Bandhup (W)
Mumbai 400 078, India
Tel: +91 22 2596 3838
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www.linkintime.co.in

Address for correspondences with regard to shares of the Company

MindTree Limited
Compliance Officer
Tel: +91 80 67061621, Fax: +91 80 2671 4000

Registered Office
No.42, 27th Cross,
Banashankari II Stage
Bangalore 560 070, Karnataka, India
Tel: +91 80 6706 1000, Fax: +91 80 2671 4000
Website: www.mindtree.com

Listing on Stock Exchanges

Your Company's equity shares are listed on the following stock exchanges as at March 31, 2009:

- Bombay Stock Exchange Limited ('BSE')
- National Stock Exchange of India Limited ('NSE')

Codes	NSE	BSE
Exchange	MINDTREE	532819
Reuters	MINT.NS	MINT.BO

Listing fees for 2008-09 has been paid both for NSE and BSE.

ISIN Number : INE018I01017

Shareholding pattern

As on March 31, 2009

Category	Category of the shareholder	Number of shareholders shares	Total number of	% holding
(A)	Promoter & Promoter Group Holding			
1	Indian Promoters			
	Individual / Hindu Undivided Family	10	11,294,994	29.72
2	Foreign Promoters			
	Bodies Corporate	1	1,815,663	4.78
	Total Promoter and Promoter Group Holding	11	13,110,657	34.50
(B)	Public Shareholding			
1	Institutional Investors			
(a)	Mutual Funds / UTI	2	151,243	0.40
(b)	Financial Institutions / Banks	8	447,096	1.18
(c)	Foreign Institutional Investors	17	3,499,610	9.21
	Sub Total (B)(1) :	27	4,097,949	10.79
2	Non-Institutions			
(a)	Bodies Corporate	831	3,140,314	8.26
(b)	Individual	73,430	526,252	13.85
(c)	Clearing Members	260	172,920	0.46
(d)	Foreign Nationals	12	282,281	0.74
(e)	NRIs	626	183,227	0.48
(f)	Foreign Companies	3	11,524,611	30.33
(g)	Directors/Relatives	1	3,330	0.01
(h)	Trusts	14	218,871	0.58
	Sub Total (B)(2) :	75,127	20,788,080	54.71
	Total Public Share Holding (B)=(B)(1)+(B)(2):	75,154	24,886,029	65.50
	Total (A)+(B)	75,165	37,996,686	100.00

Second Tier: Governance by the BOD

Composition:

The Company has a balanced mix of Executive and Non-Executive directors. As at 31 March 2009, the Board has 11 members consisting of eight Non-Executive members and three Executive members. Of the eight Non Executive Directors, six are Independent Directors. The Chairman of the Board is an Executive Director.

Directorship in other than MindTree held as on March 31, 2009:

Name of Directors	Position	Relationship with other Directors	Age in years	Directorship in other Indian public companies	Position on Audit & Investor Grievances Committees in other Indian public companies	
					As chairman	As member
Ashok Soota	Chairman of the BOD and Managing Director, Founder and Executive Director	None	66	-	-	-
Subroto Bagchi	Founder and Executive Director	None	52	-	-	-
Janakiraman S ¹	Founder and Executive Director	None	52	-	-	-
Siddhartha V G	Non-Executive Director, Nominee Director for Global Technology Ventures Limited, an equity investor in the Company.	None	49	3	-	1
Lip- Bu Tan ²	Non-Executive Director, Nominee Director for Walden Software Investments Limited, an equity investor in the company.	None	49	-	-	-
Dr. Albert Hieronimus	Non-Executive Director and Independent Director	None	62	1	-	2
George M Scalise	Non-Executive Director and Independent Director	None	75	-	-	-
Mark A Runacres	Non-Executive Director and Independent Director	None	49	-	-	-
Vittal N	Non-Executive Director and Independent Director	None	71	-	-	-
Srinivasan R	Non-Executive Director and Independent Director	None	67	10	3	5
David B Yoffie ³	Non-Executive Director and Independent Director	None	54	-	-	-
Rajesh Subramaniam ⁴	Non Executive Director, Nominee Director for Walden Software Investments Limited, an equity investor in the Company.	None	37	-	-	-

1. Appointed as Director w.e.f. July 16, 2008 2. Ceased to be Director w.e.f. February 1, 2009

3. Appointed as Director w.e.f. December 1, 2008 4. Appointed as Director w.e.f. February 1, 2009

Board Meetings:

The calendar of BOD meetings is decided in consultation with the BOD and the schedule of meetings is communicated to all Directors in advance to enable them to schedule their effective participation during our Board meetings. Our Board met six times in the financial year 2008-09 on April 16, 2008, May 2, 2008, July 16, 2008, September 26, 2008, October 20, 2008 and January 19, 2009.

The attendance of directors at the Board meetings and last AGM held on June 30, 2008

Name of Directors	Attendance at board meetings/ Total meetings after appointment as Director	Whether attended last AGM (Yes/No/NA)
Ashok Soota	6/6	Yes
Subroto Bagchi	5/6	Yes
Siddhartha V G	6/6	No
Lip-Bu Tan ¹	5/6	No
Dr. Albert Hieronimus	5/6	No
George M Scalise	4/6	No
Mark A Runacres	6/6	Yes
Vittal N	5/6	Yes
Srinivasan R	5/6	Yes
Janakiraman S ²	3/4	NA
David Yoffie ³	0/1	NA
Rajesh Subramaniam ⁴	NA	NA

1. Ceased to be Director w.e.f. February 1, 2009 2. Appointed as Director w.e.f. July 16, 2008
3. Appointed as Director w.e.f. December 1, 2008 4. Appointed as Director w.e.f. February 1, 2009

Directors' shareholding in the Company as on March 31, 2009

Name of Directors	No. of shares held	% of holding
Ashok Soota	4,445,631	11.70
Subroto Bagchi	2,153,018	5.67
Siddhartha V G	-	-
Lip-Bu Tan ¹	-	-
Dr. Albert Hieronimus	-	-
George M Scalise	-	-
Mark A Runacres	-	-
Vittal N	-	-
Srinivasan R	3,330	0.01
Janakiraman S ²	1,050,099	2.76
David Yoffie ³	-	-
Rajesh Subramaniam ⁴	-	-

1. Ceased to be Director w.e.f. February 1, 2009
2. Appointed as Director w.e.f. July 16, 2008
3. Appointed as Director w.e.f. December 1, 2008
4. Appointed as Director w.e.f. February 1, 2009

Recent Management changes:

The Company has made changes in the executive management effective April 1, 2009 as mentioned below:

Name	Erstwhile Role	New Role
Ashok Soota	Chairman & MD	Executive Chairman
Krishnakumar Natarajan	CEO	CEO & MD
Scott Staples	President and Co-CEO, IT Services	President and CEO, Knowledge Services
Anjan Lahiri	President and Co-CEO, IT Services	President and CEO, IT Services
S Janakiraman	President and Co-CEO, R&D Services	President and Group CEO, Product Engineering Services
Vinod Deshmukh	President and Co-CEO, R&D Services	President and CEO, R&D Services
N S Parthasarathy	Chief Operating Officer	CEO, Independent Testing & IMTS
Ashok Krishnamoorthy	-	CEO, Outsourced Product Development

Directors retiring by rotation

Mr. N Vittal, Mr. Mark Runacres and Mr. George Scalise will be retiring by rotation and being eligible, offer themselves for re-appointment

in the ensuing AGM. Their brief resume is attached to the notice of AGM. The BOD has recommended their re-appointment and seeks shareholders approval.

Disclosure of related party transactions

During the year 2008-09, no materially significant related party transactions have been entered into by the Company with the Directors or management or their relatives that may have a potential conflict with the interest of the Company.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India ('SEBI') or any statutory authority, on any matter related to capital markets, during the period from April 1, 2008 to March 31, 2009.

The Company had complied with all requirements on matters related to capital market since listing.

Compliance with mandatory requirements under clause 49 of the listing agreement:

The Company had complied with all requirements prescribed by SEBI and other statutory authorities on all matters relating to capital market from the period April 1 2008 to March 31, 2009.

Whistle Blower

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

Compliance with mandatory and non-mandatory requirements under clause 49 of the Listing Agreement

The Company has disclosed all the mandatory requirements under clause 49 of the Listing Agreement.

Among the non-mandatory requirements of the clause 49 of the Listing Agreement, the Company has set up Compensation Committee and has a whistle blower policy in place.

Board disclosures—Risk management

The Company has laid down systems to inform Board members about the risk assessment and minimization procedures. The risks and Company's mitigation strategies are more fully described in the risk management section and these procedures are periodically reviewed by Board of Directors to ensure effective controls.

Information provided to the board members

- Annual operating plans and budgets including capital budgets and any updates thereof;
- Quarterly results for the Company and its business segments;
- Minutes of meetings of Audit Committee and other committees of the BOD;
- The information on recruitment and remuneration of senior officers just below the BOD level;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the company, or substantial non-payment for services rendered by the company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement and any acquisitions;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Significant development on Human Resources front;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives (variable component) to its Chairman and Managing Director and other Executive Directors. Annual increments are decided by the Compensation Committee within the compensation scale approved by the Board members.

Criteria for making payment to Non Executive Directors

Section 309 of the Companies Act, 1956 provides that a director who is neither in the whole-time employment of the company nor a Managing Director may be paid remuneration by way of commission, if the company by special resolution authorizes such payment. Members of the Company at the Extra-ordinary General Meeting of Company held on November 16, 2006, approved payment of remuneration by way of commission to Independent Directors, at

a sum not exceeding 1% per annum of the net profits. Neither remuneration/commission nor sitting fee is payable to any of the nominee Directors.

The commission and the sitting fee to Non executive/ Independent Directors are at present as below:

- 1 Fixed pay/commission for Independent Directors located in India: Rs. 1,000,000 each;
2. Fixed pay/commission for Independent Directors located abroad: USD 50,000 each;
3. Sitting fee based on the attendance at the Board meetings Rs. 10,000 per meeting;
4. Chairman of Audit Committee Rs. 125,000 per meeting;
5. Chairman of other Committees Rs. 125,000 per meeting;

Period of Contract, Notice Period and Severance Pay of Directors

Chairman, Managing Director and the Executive Director

There is no specific period of contract of service for Chairman and for Executive Directors. The notice period is 6 months. The Managing Director has been appointed for a period of five years.

Nominee Directors

Some of our large investors have nominated their representatives to our Board. Their nomination and service are determined by the Shareholders' Agreement between the Promoters of the Company and the investors.

Independent Directors

Period of contract and notice pay is not applicable to the Independent Directors. They will retire by rotation.

There is no severance pay to any of the directors.

Stock Options to Independent Directors

The following table shows the details of stock options granted to Independent Directors outstanding as at March 31, 2009. The contractual life of each option is 4 years after the date of the grant.

Name	Stock options (No.)	Grant price
Dr. Albert Hieronimus	10,000	Rs. 300
George M Scalise	30,000	Rs. 300
Mark A Runacres	10,000	Rs. 300
Vittal N	10,000	Rs. 300
Srinivasan R	6,670	Rs. 300
Dr. Albert Hieronimus	20,000	Rs.355*
David B Yoffie	30,000	Rs.238*

*Stock Options granted during the year 2008-2009.

All stock options vest equally over three year vesting term at the end of 1, 2 and 3 years respectively from the date of the grant and become fully exercisable at the time of vesting.

Details of shareholdings by investors who have nominees on our Board as on March 31, 2009 are given below:

Name of the shareholder	No. of shares held	% of holding
Walden Software Investments Limited	5,993,535	15.77%
Global Technology Ventures Limited	2,648,561	6.97%

Details of Remuneration to all Directors for the year 2008-09:

Name	Fixed salary (including perquisites)	Bonus	Sitting fees	Commission	Total compensation
Ashok Soota	5,516,309	996,942	-	-	6,513,251
Subroto Bagchi	4,316,362	2,127,781	-	-	6,444,143
Siddhartha V G	-	-	-	-	-
Lip-Bu Tan ¹	-	-	-	-	-
Dr. Albert Hieronimus	-	-	300,000	2,500,000	2,800,000
George M Scalise	-	-	40,000	2,527,000	2,567,000
Mark A Runacres	-	-	310,000	1,000,000	1,310,000
Vittal N	-	-	550,000	1,000,000	1,550,000
Srinivasan R	-	-	50,000	1,000,000	1,050,000
Janakiraman S ²	3,619,602	202,074	-	-	3,821,676
David Yoffie ³	-	-	-	-	-
Rajesh Subramaniam ⁴	-	-	-	-	-

1. Ceased to be Director w.e.f. February 1, 2009 2. Appointed as Director w.e.f. July 16, 2008
3. Appointed as Director w.e.f. December 1, 2008 4. Appointed as Director w.e.f. February 1, 2009

Note: 1) The above amounts exclude benefits accrued by the Company in respect of leave encashment and gratuity, as they are provided for the Company as a whole based on actuarial valuation.

2) The above amounts also exclude stock compensation cost of Rs. 525,000 arising out of grant of stock options to Independent Directors.

Third tier: Governance by the Sub-Committees of the Board of Directors

Board Committees

The Board has constituted the Committees and has assigned their terms of reference. The Chairman of each Committee along with the other members of the Committee, and if required other members of the Board, decide the agenda, frequency and the duration of each meeting of that Committee.

Currently the Board has 6 Committees:

1. Audit Committee
2. Investors Grievances Committee
3. Compensation Committee
4. Administrative Committee
5. Technology Committee and
6. Strategic Initiatives Committee

Audit Committee

The Audit Committee reports to the BOD and is primarily responsible for:

- Appointment and changes to the statutory auditors and internal auditors;
- Assess the independence and objectivity of the auditors and to ensure that the nature and amount of non-audit work does not impair the auditor's independence and objectivity;
- Fix the remuneration of the statutory and internal auditors;
- Review of the reports of the statutory auditors and internal auditors;
- Review critical accounting policies and any changes to such policies;
- Review of the quarterly and annual financial statements of the Company before they are presented to the Board;
- Review and approve any transactions with related parties;
- Review and assess the effectiveness of systems for internal financial control, financial reporting and risk management and compliance controls with management and auditors;
- Review any material breaches of compliance against regulations applicable to the Company;

- Review any concerns raised by MindTree minds or others about possible improprieties in financial reporting, including management override of internal controls and financial irregularities involving management team members; and
- Any other matter referred to the Audit Committee by the BOD of the Company.

Audit Committee Meeting and attendance

The Audit Committee has met four times during the year on April 16, 2008, July 16, 2008, October 20, 2008 and January 19, 2009.

Members of Audit Committee and details of the attendance of directors are given below:

Director		Position	Attendance
Vittal N	Independent Director	Chairman	4/4
Siddhartha V G	Non-Executive Director	Member	4/4
Dr. Albert Hieronimus	Independent Director	Member	3/4
Srinivasan R	Independent Director	Member	4/4

Investors Grievances Committee

The Investors Grievances Committee is responsible for :

- Investor relations and redressal of shareholders grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc; and
- Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

The Investor Grievance Committee consists of the following directors:

- Dr. Albert Hieronimus, Chairman, Independent Director
- Subroto Bagchi, Executive Director

Ms. Usha T N, Company Secretary acts as the Chief Compliance Officer.

The Investors Grievance Committee met on April 16, 2008 and October 20, 2008.

Details of complaints received and resolved for the year ended March 31, 2008 are as below:

Nature of complaints	Opening	Received	Resolved	Outstanding as at 31 March 2009
Non receipt of refund orders and/or non credit of shares in dematerialised account	4	70	74	-

Compensation Committee

The Compensation Committee is responsible to:

- Assist the BOD in ensuring that affordable, fair and effective compensation philosophy and policies are implemented;
- Approve and make recommendations to the BOD in respect of director's fees, salary structure and actual compensation (inclusive of performance based incentives and benefits) of the Executive Directors, including the Chief Executive Officer;
- Review and approve the compensation and ESOP grant to senior executives, needing approval from the BOD;
- Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees;
- Review and approve the change in terms and conditions of the ESOP;
- Criteria for selection and appointment of Non-Executive Directors; and
- Review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or Director's compensation.

The Compensation Committee comprises of the following Directors:

- Mark Runacres, Chairman, Independent Director
- Lip Bu Tan, Non-Executive Director (ceased to be director w.e.f February 1, 2009)
- Srinivasan R, Independent Director
- V G Siddhartha, Non-Executive Director

Mr. Puneet Jetli, Senior Vice President and Head- People function is the secretary to the Compensation Committee.

The Compensation Committee met twice on July 16, 2008 and January 19, 2009 during the year.

Administrative Committee

The Board has constituted an Administrative Committee. The purpose of the Administrative Committee is to authorize and manage the day-to-day business transactions, which would then be ratified by the Board. The Administrative Committee consists of Ashok Soota (Chairman), Subroto Bagchi (Executive Director) and Mr. Siddhartha V G (Non-Executive Director). This Committee meets as and when there is a need to carry out any urgent business transaction, which would need the approval of the BOD.

Technology Committee

The Board has constituted Technology Committee to review and set technology directions to the Company. This Committee meets as and when need arises for the same.

The Technology committee comprises of the following members:

- George Scalise, Independent Director;
- Lip Bu Tan (Ceased to be director w.e.f February 1, 2009, however continues to act as an advisor to the Committee).

During the year Technology Committee met on March 17, 2009.

Strategic Initiatives Committee

The Board has constituted a Strategic Initiatives Committee on January 22, 2008 to handle any merger and acquisition opportunities for the Company and other key strategic activities.

Strategic Initiatives Committee is responsible for:

- Approval for entry into new business areas;
- Approval for setting up new delivery centres outside India;
- Investment in the equity or warrants of any other company, other than routine investments in mutual funds or bank deposits or the like;
- Approval for any merger or acquisition opportunities, including any funding arrangements entered into by the Company for such activities; and
- Any other matter that may be entrusted to the Committee by the Board.

The members of this Committee are:

- Ashok Soota, Chairman
- Dr. Albert Hieronimus, Member
- R Srinivasan, Member
- V G Siddhartha, Member
- Lip Bu Tan (Ceased to be director w.e.f February 1, 2009, however acting as an advisor to the Committee).

Salil Godika, Chief Strategy Officer is the secretary to this Committee.

The frequency, notice, agenda, duration etc., for meetings of the Strategic Initiatives Committee shall be set by the Chairman of the Committee.

Governance by the Management

Details of Public Issue and Utilization thereof

During 2006-07, MindTree raised funds through an Initial Public Offer ('IPO') of 5,593,300 equity shares of Rs. 10 each at a premium of Rs. 415 per share. The issue was open for subscription for the period from February 9, 2007 to February 14, 2007. An amount of Rs. 2,377 million was raised through this IPO.

The utilization of IPO proceeds is as below:

Particulars	Rs. in Million		
	Projection in prospectus	Variation approved by Shareholders*	Actual utilized till March 31, 2009**
Fund a new development centre in Chennai	1,207	812	812
Prepay certain loans	188	114	114
General corporate purposes	753	1,262	1,063
Share issue expenses	229	189	189
Total	2,377	2,377	2,178

*Variation in utilisation of IPO proceeds was approved by shareholders through postal ballot on March 17, 2008 and AGM held on June 30, 2008.

**The remaining unutilized amount was invested in mutual funds and in bank deposits pending utilization.

Management Discussion and Analysis

As required by Clause 49 of the Listing Agreement, the Management Discussion and Analysis is provided elsewhere in the Annual Report.

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification is provided elsewhere in the Annual Report.

Auditors Certificate on Corporate Governance

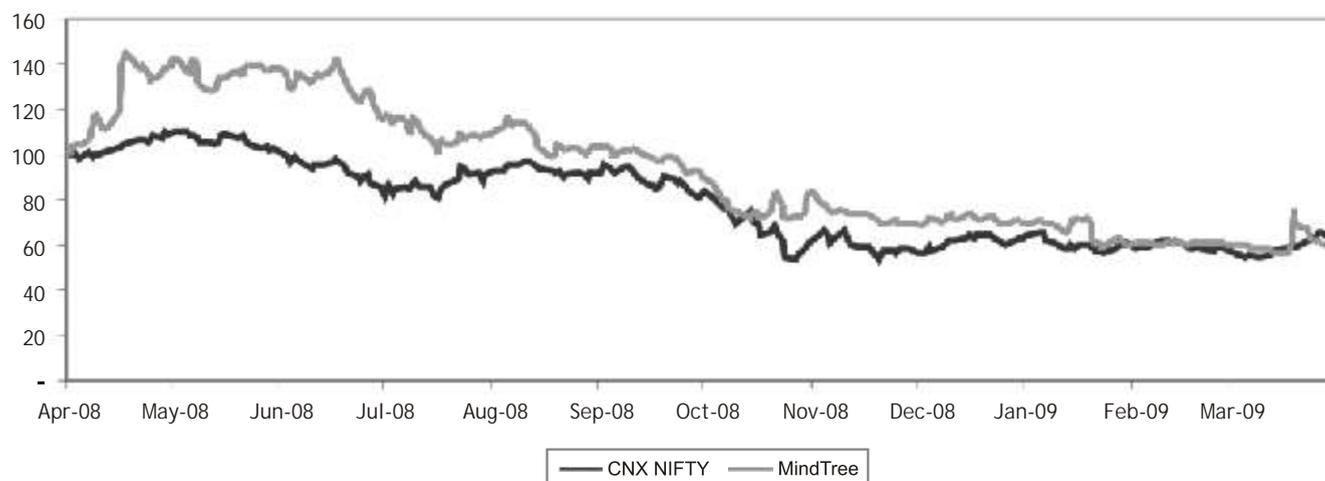
As required by Clause 49 of the Listing Agreement, the auditor's certificate is obtained and provided in the Annual Report.

Market Price Data

The equity shares of the Company were listed in the stock exchanges for 2008-09. High, low and number of shares traded during each month in the last financial year on The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited are as mentioned below:

Date	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)
Apr-08	506.60	334.00	1,435,041	497.90	335.05	2,564,508
May-08	496.00	430.65	796,252	492.00	430.15	1,571,636
Jun-08	490.00	387.00	289,324	486.50	388.00	709,214
Jul-08	415.00	331.50	357,446	417.00	310.10	614,401
Aug-08	408.00	334.75	589,942	409.90	335.00	744,857
Sep-08	374.00	285.00	461,352	367.50	290.00	1,164,121
Oct-08	313.00	222.20	372,113	311.00	195.35	643,879
Nov-08	300.00	221.10	78,170	299.90	219.15	368,747
Dec-08	255.00	229.10	275,020	255.00	223.00	366,095
Jan-09	252.00	195.00	226,007	250.00	190.00	522,053
Feb-09	222.00	200.00	842,131	220.00	180.50	257,399
Mar-09	285.00	187.10	5,684,483	288.00	187.05	10,528,067
Total			11,407,281			20,054,977

MindTree share price movements in NSE compared with CNX Nifty



Shareholder's Satisfaction Survey

During the year, we had sent across an Investor's satisfaction survey questionnaire to all shareholders. Also updated the website of the Company, to facilitate the shareholders to respond to the questionnaire through electronic media. The survey covered:

- Disclosure of information by the Company,
- Clarity & transparency of information,
- Timely information;
- Response time for the shareholders' queries;
- Satisfaction level on responses by our Registrar;
- Satisfaction level for services by our Investor Relations Team; and
- Satisfaction level as a MindTree investor.

The respondents were asked to rank their satisfaction using a 5 point scale, where 1 indicates "Poor" 3 indicates "Satisfactory" and 5 indicates "Excellent".

The responses from the shareholders are very encouraging. Overall ~70% of the shareholders have rated Excellent/Good; ~19% have rated as satisfactory and 12% suggested improvements. Your company is taking further steps to serve investors better.

Management Discussion and Analysis

Readers are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate", "believe", "estimate", "intend", "will" and "expect" and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included in this report and the notes thereto. Investors are also requested to note that this discussion is based on the consolidated financial results of the Company.

Synopsis

The year has seen a series of events which have three characteristics: rarity, extreme impact and retrospective predictability. Economy and industries worldwide are facing recessionary pressures due to U.S financial crisis.

According to NASSCOM, Indian IT industry grew by 12% in FY2009 to reach \$71 billion in revenues.

Despite the current economic challenges, we have shown an industry leading revenue growth. The year was a year of transformation for us and we set up ambitious goal of becoming a \$1 billion organization by FY 2014 and geared up to meet our targets. We posted a strong consolidated annual revenue growth of 67.3% and EBITDA Growth of 163.9% in Rupee Terms. In our Customer Experience Survey during the year, 90% of customers gave a rating of 4 and above (on a scale of 5) on overall satisfaction and 95% of them rated 4 and above (on a scale of 5) on their willingness to do repeat business. We acquired and successfully integrated Aztecsoft during the year. The combined entity draws from the strengths of both MindTree and Aztecsoft and strengthens our position as the best mid-sized Company.

Economy & Indian IT Industry

The world economy has seen tremendous change. By September 2008, financial crisis spiraled out of control with giants like Lehman Brothers, Merrill Lynch, Washington Mutual and Wachovia falling one after another. Bail outs and government interventions have now become commonplace. Globally many industries are affected directly or indirectly.

The Global IT industry had a difficult year as the customers it serves faced a slowdown. The Indian IT industry has grown in strength and value, and today serves a significant portion of the global information technology outsourcing needs, by leveraging its large, highly qualified and growing talent base. As per a NASSCOM report, IT Services alone constituted 57% of Indian IT exports in FY2009, and accounted for about \$26.9 billion in value. As a proportion of national GDP, the sector revenues have grown from 1.2 % in FY1998 to an estimated 5.8 % in FY2009. An estimated 2.3 million professionals are employed directly in this sector. Further, NASSCOM estimates that 8 million additional jobs have been created through indirect employment.

While Indian players have long positioned themselves as 'offshore service providers', our strength is that we have created a model where we deliver larger front-ending high-value services such as consulting and integrated these services into our delivery models.

Today, customers worldwide are looking to their IT partners to provide tangible business value to help them differentiate themselves in the markets that they compete in, and to add to their portfolio of capabilities. In such an environment, it becomes imperative that technology providers understand the business of their customers to great depth and incorporate a solution-based approach rather than a technology-led approach to services. In this aspect too, we are working towards narrowing the gap with respect to the large incumbents.

Indian IT is also playing a key role in global technology IP creation. NASSCOM reports that exports from high-value-added services such as engineering, R&D and offshore product development grew by 15% to reach \$7.3 billion in FY2009.

We have now started to provide value beyond traditional services offerings like custom application development. Knowledge Services is our newest practice line which was formally launched on 1st April 2009 and has already seen early wins. In this segment, we are focusing on Analytics which aid critical day to day decision support for our customers.

Financial Performance

The financial performance discussed below is based on the consolidated financial results for the year ended March 31, 2009.

On December 17, 2007, MindTree Ltd ('MindTree' or 'the Company') acquired 100% of the outstanding equity shares of TES PV Electronic Solutions Private Limited ('TES PV'), which was subsequently renamed as MindTree Technologies Private Limited (MTPL). In the current year, subsequent to the acquisition, the company, vide a scheme of amalgamation proposed to merge MTPL with itself. The approval from the High Court of Karnataka was received in January 2009 and the scheme was effective April 1, 2008. Consequently, the standalone MindTree results include that of MTPL.

During the year, the Company acquired 79.9% of the outstanding equity shares of Aztecsoft Limited (Aztec). Aztec is now a subsidiary of MindTree Limited. From the date of acquiring control (July 31, 2008), the revenues are consolidated. The Company has filed an application with the High Court for the merger of Aztec with the company effective April 1, 2009.

Income

Income from software development:

Revenue	Year ended March 31, 2009	%	Year ended March 31, 2008	%	Rs. in Million
					Growth %
Overseas	11,609	93.8	6,865	92.8	69.1
Domestic	766	6.2	533	7.2	43.7
Total	12,375	100.0	7,398	100.0	67.3

Our revenues for the year is Rs. 12,375 million and have shown a strong growth of 67.3%.

We have 261 active customers as at March 31, 2009 of which 37 are Fortune 500 accounts.

Our million dollar client count is follows:

No of million dollar clients	March 31, 2009	March 31, 2008
\$1 million clients	64	46
\$5 million clients	13	6
\$10 million clients	3	2

We provide our software development services on time-and-material basis or fixed-price basis. Revenue from software development on time-and-material basis is recognized as and when the related services are rendered. Revenue from fixed price contracts is recognized using the proportionate completion method, which is determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract. Our revenues by project type are as follows:

Project Type	March 31, 2009	March 31, 2008
Fixed price	13.1%	21.1%
Time and Material	86.9%	78.9%
Total	100.0%	100.0%

Our revenue breakdown by service offerings is given below:

Service offerings	March 31, 2009	March 31, 2008
Development	48.4%	55.4%
Maintenance	22.4%	28.5%
Consulting and IP Licensing	3.7%	3.8%
Package Implementation	3.8%	3.9%
Independent Testing	18.3%	5.0%
Infrastructure Management and Tech Support	3.4%	3.4%
Total	100.0%	100.0%

We derive revenues from services provided both offshore and onsite. Offshore revenues consist of revenues from software services work conducted in our offshore facilities in India. Onsite revenues consist of revenues from software services work conducted at clients' premises or from our premises outside India. Services performed at a client site or our premises located outside India typically generate higher revenues per-capita at a lower gross margin than the same services performed at our facilities in India. The mix in this category is as follows:

	March 31, 2009	March 31, 2008
Effort mix		
Onsite	12.6%	13.4%
Offshore	87.4%	86.6%
Total	100.0%	100.0%
Revenue mix		
Onsite	29.8%	27.8%
Offshore	70.2%	72.2%
Total	100.0%	100.0%

We have classified our revenues into four geographic segments comprising the Americas, Europe, India and Rest of the World. The geographic break down of revenues contained in the following table is based on the location of the specific client entity for which the project has been executed, irrespective of the location where the invoice is rendered or whether the work for a specific client entity is performed onsite or from our offshore delivery centres in India.

Rs. in Million

Year ended	March 31, 2009	%	March 31, 2008	%
America	8,080	65.3	4,865	65.7
Europe	2,439	19.7	1,366	18.5
India	780	6.3	421	5.7
Rest of World	1,076	8.7	746	10.1
Total	12,375	100.0	7,398	100.0

Our operations predominantly relate to providing software services in 3 primary business segments viz. IT Services and R&D Services and the OPD area acquired from Aztec. Revenues in these segments are as follows:

Year ended	Rs. in Million				
	March 31, 2009	%	March 31, 2008	%	Growth %
IT Services	7,925	64.1	5,730	77.5	38.3
R&D Services	2,193	17.7	1,668	22.5	31.5
Aztecsoft business	2,257	18.2	-	-	-
Total	12,375	100.0	7,398	100.0	67.3

Under IT Services and R&D Services, we are organized by Industry Groups (Verticals). The revenue mix of these verticals in 2008-09 as compared to 2007-08 is as follows:

IT Services	March 31, 2009	March 31, 2008
Banking, Financial and Insurance	27.3%	25.4%
Manufacturing	25.2%	27.1%
Travel and Transportation	19.9%	17.7%
Hitech	9.9%	16.1%
Others	17.7%	13.7%
Total	100.0%	100.0%

R & D Services	March 31, 2009	March 31, 2008
Storage and Servers	34.8%	38.7%
Consumer Appliances	33.0%	29.6%
Communication Systems	12.8%	11.6%
Automotive and Industrial Systems	13.7%	16.0%
Others	5.7%	4.1%
Total	100.0%	100.0%

Other income

Other income for the year ended March 31, 2009 is Rs. 115 million and has decreased by about 59% over the previous year (Rs. 279 million). This is mainly because of

- Reduction in investments as they were redeemed for Aztec acquisition. Consequently dividend from investment and interest on deposits has reduced (Rs. 107 million).
- In the previous year, there was an exchange gain of Rs. 41 million. In the current year, there is a loss (explained later).

Analysis of expenses

- Software development expenses (Rs. 6,968 million) has increased by about 47% as compared to the previous year, but reduced as a % of revenue from 64% to 56% in the current year. Since Aztec was not part of the previous year's results, the increase looks high. If Aztec is excluded, the increase over the previous year will be only 20.5%, which is in line with the business growth.
- Administrative expenses (excluding exchange loss) as % of revenue has decreased from 19% in the previous year to 17% in the current year. In absolute terms, there was an increase of Rs. 678 million (48% over the previous year). If Aztec is excluded, the increase over the previous year will be only 26%.
- As a % of revenue, both software development expenses and administrative expenses have shown an improvement mainly due to effective control on SG&A costs, productivity measures and rupee depreciation during the year
- With effect from 1 April 2008, the Company followed the principles of Accounting Standard ('AS') 30 "Financial Instruments: Recognition and Measurement" in respect of derivative instruments that are not covered by AS 11. Derivative Instruments that do not qualify the conditions of cash flow hedge

accounting under AS 30 are fair valued and the resultant exchange losses are debited to the Profit and Loss account. The exchange losses comprise these Mark to Market (MTM) losses of Rs. 1,523 million and cash losses of Rs. 566 million.

- Interest increased by Rs. 103 million to Rs. 162 million for the year ended March 31, 2009. This is mainly due to increase in working capital loans drawn during the year (explained under Balance Sheet items).

Profitability and Margins

- EBITDA margins were at a robust 27% for the year ended March 31, 2009 as compared to 17% in the previous year. Significant rupee depreciation during the year and our focus on operational efficiency has contributed to this margin improvement. EBITDA grew by 164% over the previous year.
- Our effective tax rate based on current taxes is about 12% as compared to about 11.5% in the previous year.
- Net profits (Rs. 523 million) decreased by about 49% over the previous year, mainly because of the Mark to Market (MTM) provisions as explained above.

Significant changes in Balance Sheet items

- Increase in reserves and surplus of Rs. 181 million :
- Securities premium account decreased by Rs. 209 million because of goodwill adjustment of Rs. 214 million (Goodwill arising on merger of MTPPL has been set off against the securities premium account as per the Scheme of Amalgamation) and increase of Rs. 5 million on exercise of employee stock options.
- General reserve increased from Rs. 194 million to Rs. 201 million due to current year transfer to reserve on account of interim dividend (as per limits prescribed by the Companies Act).

- Stock option outstanding account increased by Rs. 10 million
- In accordance with AS 30, derivative instruments which qualify for cash flow hedge accounting, the resultant exchange loss is debited to hedging reserves to the extent of Rs. 98 million.
- Balance in Profit and loss account increased by Rs. 471 million due to current year profits.
- Secured loans increased to Rs. 1,376 million at March 31, 2009 as compared to Rs. 919 million at March 31, 2008 mainly because of increase in working capital loans of Rs. 860 million and decrease in term loans of Rs. 371 million and decrease in Finance lease obligation of Rs. 32 million. The overall increase in loans was due to capex expansion at our Chennai and Bangalore SEZ facilities.
- During the year, we received an unsecured loan from Council for Scientific and Industrial Research (CSIR) for Rs. 18 million. Under the directions of Government of India, CSIR is implementing a scheme entitled New Millennium Indian Technology Leadership Initiative (NMITLI) that seeks to realize the vision of developed India in Science & Technology. The scheme envisages to support innovation centered scientific & technological developments as a vehicle to attain for the country a global leadership position at least in some selected niche areas. MindTree has been selected to do a project under "Development of Intelligent Video Surveillance Server (IVSS) system.
- Additions to fixed assets at March 31, 2009 was Rs. 1,533 million mainly because of MindTree leasehold improvements at Chennai and Bangalore SEZ units for Rs. 228 million, other MindTree assets comprising computer systems, furniture and fixtures, electrical installations, office equipment (Rs. 325 million) and assets of Aztec (Rs. 980 million) and Capital work in progress decreased by Rs. 103 million mainly due to capitalizations during the current year, as explained above.
- Investments decreased to Rs. 1,013 million at March 31, 2009 as compared to Rs. 1,395 million at March 31, 2008. The movement on investments is as follows:
 - o Investments made by MindTree reduced by Rs. 1,207 million because these investments were redeemed for the purposes of Aztec acquisition and Capex expansion.
 - o Investments made by Aztec were added to the extent of Rs. 825 million, on consolidation.
- Consolidation of Aztec has resulted in goodwill of Rs. 1,461 million.
- The Days Sales Outstanding (DSO) on debtors at March 31, 2009 is 70 days as compared to 87 days at March 31, 2008. The DSO has significantly improved because of our persistent focus on receivables and collections.
- Current liabilities have mainly increased on account of MTM provisions, as explained earlier.

Outlook for FY 2009-10

For FY 2009-10, we have announced the following consolidated guidance:

- Revenue guidance of \$290-300 Million (Rs. 14,906 -15,420 million).
- PAT of \$ 37.7- 39 million (Rs. 1,938- 2,005 million).
- EPS is expected to be in the range of Rs. 49.3- 50.9

The above guidance is based on an average exchange rate of INR 51.4 = 1USD

Strengths & Opportunities

We believe that the following aspects of our business help differentiate us from some of our competitors:

Long term client relationships: We have successfully demonstrated the ability to manage large client relationships over long periods. We are the first Indian company to receive Texas Instruments (TI) 2008 supplier excellence award. We believe that our ability to be accessible to our customers, the attention we give them, our flexible approach and agility to meet customer requirements and our positive attitude in servicing customers has helped increase customer satisfaction levels and is a competitive strength. In our client engagements, we leverage our industry experience with our high quality processes, project management capabilities and breadth of technical expertise. In addition, for strategic clients, an identified senior executive is responsible for the overall client relationship and conducts periodic reviews with the client.

Comprehensive range of Services: We have developed a comprehensive range of service offerings in the IT services, product engineering services (R&D Services and outsourced product development) business and Knowledge Services (Analytics) in order to address the varied requirements of our clients. We believe that our comprehensive range of offerings help our clients achieve their business objectives and enable us to obtain additional business from existing clients as well as address a larger base of potential new clients.

Global delivery model: Our hybrid delivery model OneShore represents our method for global development that achieves a balance of quality, cost savings and localizations. OneShore reflects our company culture. We recognize that technology services firms cannot deliver quality and cost-and-time savings unless they are committed to integrating people, business processes and skill sets into a single corporate vision. OneShore represents a fusion of global resources that is designed to enable us to pursue the same strategy and vision for our customers at a consistently high service level wherever they are located. The customer centric approach inherent in the OneShore model enables us to achieve high standards of quality in our delivery organization. This is demonstrated by our achieving CMMI Level 5 and P-CMM Level 5 quality standards within five years of inception.

Strong People Brand: We have consistently appeared in various surveys conducted to ascertain the best employers in India and have received various accolades in this regard. We recruit talent from some of the best institutes in India and abroad, as well as some of the leading IT companies. We believe that it is our transparent evaluation criteria, inclusive approach to our people, focus on training, competitive compensation packages, being a value-based organization, open communications policies and our ability to prepare our people for leadership roles that has resulted in lower attrition rate. We were ranked second in the survey conducted by Business Today, Mercer and TNS. We won several recognitions in the Annual Recruitment & Staffing Best in Class (RASBIC) Awards. We were selected as the Recruiting and Staffing Industry Leader of 2009, winning in 5 out of the 7 categories including Best Overall Recruiting and Staffing Organization of the Year, Most Innovative Recruiting and Staffing Program/Initiative, Best Use of Technology for Recruiting, The Most Informative Recruiting & Staffing Industry Resource. We were ranked among the top 10 in the Great Places to Work survey conducted by Businessworld and the Great Places to Work Institute.

Knowledge Management and Innovation: Leveraging effective knowledge management techniques through a well planned knowledge ecosystem to nurture share and tap knowledge. We view innovation and knowledge creation as a key strength that is and will

continue to help us deliver value to our customers. This focus of ours has also resulted in our receiving industry recognitions such as the #1 rank for the Asian Most Admired Knowledge Enterprise (MAKE) Award, recognized by Teleos, in association with The KNOW Network.

Experienced management team: The experience of our management team in building large professional service organizations extends back over 20 years. The founding team was led by Ashok Soota, who was, immediately prior to co-founding MindTree, Vice Chairman of Wipro Limited, one of India's largest software companies.

Threats, Risks & Concerns

Deterioration in Demand: Due to the current macro economic developments, the world is seeing an economic recession. Uncertainty remains with regard to IT budgets for 2009 and 2010 with frequent revisions in forecasts by Analysts. We have taken cost containment measures to tighten the belt e.g. reduction in travel, recruitment only on need basis. There has been increased focus on getting closer to customers e.g. more frequent visits of top management. MindTree is trying to expand its share of revenues from Application Management and Infrastructure Management Services which are annuity revenue streams. We have started new service offerings e.g. knowledge services which provides enhanced business value to our customers till these measures make us confident that we are well prepared for the future.

Legislation in existing markets could restrict companies to outsource: Restrictions to outsource services to other countries have been in news for a while. While no substantive anti-outsourcing legislation has been introduced to date, the introduction of such legislation is possible. If introduced, such measures may affect our growth prospects.

Risk of downward pressure on pricing: With economic downturn, customers expect discounts and special pricing incentives. With demand deterioration, competition tends to be more intense which also creates pressure on pricing. We have been focused to provide 'Value Addition' to the customer rather than just IT solutions.

Competition: We are organized into three divisions - Information Technology Services ("IT Services"), Outsourced Product development (OPD) and Research and Development Services ("R&D Services"). The market for all the three divisions is highly competitive and rapidly evolving. We primarily face competition from Indian as well as international technology services companies, divisions of large multinational technology firms, and captive offshore centers of large corporations. Our mature global delivery model, range of services offered, our level of technical expertise and talented pool of people and our culture help differentiate us from some of our competitors.

Foreign currency rate fluctuations: Majority of our revenues are in foreign currencies whereas a significant portion of our expenses are in Indian Rupees. The USD/INR rate has fluctuated unexpectedly and widely during 2008-09 and is expected to do so in future. Our operating results are impacted by forex movements. We continue to maintain a prudent forex management policy which we expect will help us manage this risk appropriately.

Our Strategy

New service offerings: We provide comprehensive range of services viz. IT services, R&D services, Outsourced Product development, Infrastructure Management & Support, Knowledge Services and Independent Testing. We have worked with leading companies from a variety of industry segments, including Consumer Products Group, Retail, Travel, Manufacturing and Financial Services, and Insurance.

Leverage existing client relationships to enhance our business: We intend to continue to grow our business by enhancing our existing relationships and increasing the scope of engagements with our clients by providing tangible business value to our customers. We believe our capability to provide comprehensive range of services enables us to deepen our relationships with existing clients through cross-selling opportunities.

Target large clients: We intend to diversify our existing client base with the addition of new clients, typically Global 1000 companies, which offer us the potential to develop a large relationship with them. We aim to effectively leverage our sales and marketing teams and expand the scope of our engagements with these clients over time. We have offices in multiple locations in the U.S. as well as in the U.K., Germany, the U.A.E., Switzerland, India, Singapore, Australia and Japan. We plan to further expand our geographical coverage by opening new offices in existing as well as new countries. This would enable us to service existing clients in these geographies as well acquire new clients.

Continue our focus on innovation and introduce new technologies: We intend to continue expanding our range of service offerings in order to increase business from our existing clients and to acquire new clients. Historically, we have expanded our service offerings to address new market opportunities in areas such as data warehousing and business intelligence, ERP, mainframe maintenance and re-engineering, hardware design, testing services, and infrastructure management and technical support.

Leverage both organic and inorganic growth opportunities: Growing our current business organically remains a key priority. At the same time, we are also looking to grow inorganically given the right M&A candidates that would either help us build depth (scale) and/or breadth in our capabilities.

Strengthen the "MindTree" brand: We continue to intend to enhance our brand recognition and continue investing in developing the "MindTree" brand in our client markets within selected industries in India and abroad. This we believe facilitates making the brand relevant in the minds of different stakeholders such as customers, people, investors, regulators, suppliers, academic institutions etc. We seek to achieve this through various marketing initiatives including targeted analyst outreach programmes, trade shows, white papers, events, workshops, road shows, speaking engagements and global public relations management. We believe that a strong brand will contribute to attracting and retaining talented people and enhancing our lead generation process and client acquisition.

Auditors' Report to the Members of MindTree Limited

We have audited the attached balance sheet of MindTree Limited ('MindTree' or 'the Company') as at March 31, 2009, the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, 2004, ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- (v) on the basis of written representations received from the directors as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31, 2009 from being appointed as a director in terms of Section 274(1)(g) of the Act; and
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
 - (b) in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

for BSR & Associates
Chartered Accountants

Sd/-
Rajesh Arora
Partner
Membership No. 076124

Bangalore
April 27, 2009

Annexure to the Auditors' Report

The Annexure referred to in the Auditors' Report to the members of MindTree Limited for the year ended March 31, 2009.

We report as follows:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The Company has completed the physical verification of certain assets as per the phased programme of verification. *The Company is in the process of reconciling the results of the physical verification with the books of account for the category of assets physically verified during the year and does not expect any material discrepancies.*
 - c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
2. The Company is a service company, primarily rendering software development services. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
3. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of rupees five lakhs with the party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the services rendered by the Company.
9. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Customs duty, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Employees State Insurance, Wealth tax and Excise duty.
 - b) According to the information and explanations given to us, no material undisputed amounts payable in respect of Provident Fund, Income tax, Sales tax, Service tax, Customs duty, Cess and other material statutory dues were in arrears as at March 31, 2009 for a period of more than six months from the date they became payable.

There were no dues on account of cess under section 441A of the Act since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
 - c) According to the information and explanations given to us, there are no material dues of Sales tax, Service tax, Customs duty, and Cess which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us, the following dues of Income tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income-tax 2006-07	51,446,560	Assessment year	Income Tax Appellate Tribunal	Not yet deposited

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to a financial institution or debenture holders during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register mentioned under Section 301 of the Act.
19. The Company did not have any outstanding debentures during the year.
20. We have verified the end-use of money raised by public issue as disclosed in the notes to the financial statements.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

for BSR & Associates
Chartered Accountants

Sd/-
Rajesh Arora
Partner
Membership No. 076124

Bangalore
April 27, 2009

Balance Sheet

	<u>Schedule</u>	As at <u>March 31, 2009</u>	(Rs.) As at <u>March 31, 2008</u>
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	379,966,860	379,205,580
Share application money		3,000	547,100
Reserves and surplus	2	4,923,608,198	4,960,548,716
		<u>5,303,578,058</u>	<u>5,340,301,396</u>
Loan funds			
Secured loans	3	1,375,666,670	917,174,452
Unsecured loans	4	18,006,000	-
		<u>6,697,250,728</u>	<u>6,257,475,848</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	3,889,321,000	3,474,420,178
Accumulated depreciation		<u>(1,494,142,324)</u>	<u>(1,117,582,744)</u>
Net block		2,395,178,676	2,356,837,434
Capital work-in-progress		42,735,763	232,903,891
		<u>2,437,914,439</u>	<u>2,589,741,325</u>
Investments	6	3,108,360,192	1,654,865,791
Deferred tax assets, net	16(6)	144,744,323	89,849,151
Current assets, loans and advances			
Sundry debtors	7	2,149,858,964	1,721,721,253
Cash and bank balances	8	288,252,776	546,474,287
Loans and advances	9	1,231,212,023	932,458,685
		<u>3,669,323,763</u>	<u>3,200,654,225</u>
Current liabilities and provisions			
Current liabilities	10	2,498,820,621	1,116,107,233
Provisions	11	164,271,368	161,527,411
Net current assets		<u>1,006,231,774</u>	<u>1,923,019,581</u>
		<u>6,697,250,728</u>	<u>6,257,475,848</u>
Significant accounting policies and notes to the accounts	16		

The schedules referred to above form an integral part of the balance sheet.

As per our report attached

For MindTree Limited

For BSR & Associates
Chartered Accountants

Rajesh Arora
Partner
Membership No. 076124

Ashok Soota
Executive Chairman

N. Krishnakumar
CEO & Managing Director

Date: April 27, 2009

Rostow Ravanan
Chief Financial Officer

Usha T N
Company Secretary

Profit and Loss Account

	<u>Schedule</u>	For the year ended March 31, 2009	(Rs.) For the year ended March 31, 2008
Income			
Income from software development			
Overseas		9,484,196,140	6,830,586,387
Domestic		641,503,390	507,809,069
Other income	12	78,790,841	277,618,941
		<u>10,204,490,371</u>	<u>7,616,014,397</u>
Expenditure			
Software development expenses	13	5,694,373,711	4,677,844,885
Administrative and other expenses	14	3,554,091,512	1,402,627,378
		<u>9,248,465,223</u>	<u>6,080,472,263</u>
Profit before interest, depreciation and tax		956,025,148	1,535,542,134
Interest	15	161,991,560	58,948,643
Depreciation	5	468,579,708	349,339,406
Profit before tax		<u>325,453,880</u>	<u>1,127,254,085</u>
Provision for taxation including FBT		80,296,923	128,955,592
Deferred tax credit	16(6)	(54,895,172)	(43,493,790)
Profit for the year		<u>300,052,129</u>	<u>1,041,792,283</u>
Balance in profit and loss account brought forward		1,972,609,642	1,123,618,738
Amount available for appropriation		<u>2,272,661,771</u>	<u>2,165,411,021</u>
Dividend			
Interim		38,023,517	37,828,107
Proposed		-	37,920,558
Total dividend		<u>38,023,517</u>	<u>75,748,665</u>
Dividend tax		6,462,098	12,873,486
Amount transferred to General Reserve		<u>7,501,304</u>	<u>104,179,228</u>
Balance in Profit & Loss Account carried forward		<u>2,220,674,852</u>	<u>1,972,609,642</u>
Earnings per share	16(19)		
(Equity shares, par value Rs. 10 each)			
Basic		7.94	27.69
Diluted		7.86	26.75
Weighted average number of shares used in computing earnings per share			
Basic		37,784,844	37,625,112
Diluted		38,174,898	38,948,715
Significant accounting policies and Notes to the accounts	16		

The schedules referred to above form an integral part of the profit and loss account.

As per our report attached

For MindTree Limited

For BSR & Associates
Chartered Accountants

Rajesh Arora
Partner
Membership No. 076124

Ashok Soota
Executive Chairman

N. Krishnakumar
CEO & Managing Director

Date: April 27, 2009

Rostow Ravanan
Chief Financial Officer

Usha T N
Company Secretary

Cash Flow Statement

	For the year ended March 31, 2009	(Rs.) For the year ended March 31, 2008
Cash flow from operating activities		
Profit before tax	325,453,880	1,127,254,085
Adjustments for :		
Depreciation	468,579,708	349,339,406
Amortization of stock compensation	9,982,210	19,193,756
Interest expense	161,991,560	58,948,643
Interest/dividend income	(49,521,037)	(174,275,010)
Profit on sale of fixed assets	(16,295,083)	(567,985)
Profit on sale of investments	(9,600,939)	(25,277,357)
Exchange difference on derivatives	1,432,554,634	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(4,142,100)	1,287,656
Operating profit before working capital changes	<u>2,319,002,833</u>	<u>1,355,903,194</u>
Increase in sundry debtors	(387,641,053)	(550,112,492)
Increase in loans and advances	(114,440,202)	(41,747,821)
Increase/(decrease) in current liabilities and provisions	(128,295,250)	326,997,164
Income taxes and FBT paid	(255,968,986)	(184,786,215)
Net cash provided by operating activities	<u>1,432,657,342</u>	<u>906,253,830</u>
Cash flow from investing activities		
Purchase of fixed assets	(347,853,872)	(2,177,755,642)
Proceeds from sale of fixed assets	62,102,640	7,541,396
Purchase of business/acquisition	(2,919,519,314)	-
Interest/dividend received from investments	25,174,506	84,655,239
Purchase of investments	(4,627,522,504)	(2,291,785,986)
Sale/maturities of investments	5,884,707,031	2,877,038,618
Net cash used in investing activities	<u>(1,922,911,513)</u>	<u>(1,500,306,375)</u>
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	5,588,850	(119,281,395)
Receipt of share application money	3,000	547,100
Interest paid on loans	(158,568,493)	(59,144,766)
Proceeds from term loans	1,018,006,000	955,000,000
Repayment of term loans	(1,369,107,327)	(127,670,451)
Repayment of finance lease obligation	(38,201,551)	(23,208,819)
Proceeds/(repayment) of other loans, net	858,272,931	(164,700,499)
Dividends paid (including distribution tax)	(88,102,850)	(87,678,384)
Net cash provided by financing activities	<u>227,890,560</u>	<u>373,862,786</u>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	4,142,100	(1,287,656)
Net (decrease)/ increase in cash and cash equivalents	(258,221,511)	(221,477,415)
Cash and cash equivalents at the beginning of the year	546,474,287	767,951,702
Cash and cash equivalents at the end of the year	<u>288,252,776</u>	<u>546,474,287</u>

As per our report attached

For MindTree Limited

For BSR & Associates
Chartered AccountantsRajesh Arora
Partner
Membership No. 076124Ashok Soota
Executive ChairmanN. Krishnakumar
CEO & Managing Director

Date: April 27, 2009

Rostow Ravanan
Chief Financial OfficerUsha T N
Company Secretary

Schedules to the balance sheet

	As at March 31, 2009	(Rs) As at March 31, 2008
1. Share capital		
Authorised capital		
79,620,000 equity shares of Rs 10 each (previous year 79,620,000 equity shares of Rs. 10 each)	796,200,000	796,200,000
Issued, subscribed and paid-up capital		
37,996,686 equity shares of Rs 10 each fully paid (previous year 37,920,558 equity shares of Rs. 10 each)	379,966,860	379,205,580
	<u>379,966,860</u>	<u>379,205,580</u>
For details of options, in respect of the above equity shares, refer Note 5 of Schedule 16		
2. Reserves and surplus		
Securities premium account		
At the commencement of the year	2,761,421,384	2,750,289,294
Additions during the year		
On exercise of employee stock options	5,374,670	11,132,090
	<u>2,766,796,054</u>	<u>2,761,421,384</u>
Deductions during the year		
Adjustment of goodwill arising on amalgamation of MindTree Technologies Private Limited, in accordance with scheme of amalgamation. (refer Note 3 of Schedule 16)	(223,236,589)	-
	<u>2,543,559,465</u>	<u>2,761,421,384</u>
General reserve		
At the commencement of the year	194,231,525	90,052,297
Add: Transfer from profit and loss account	7,501,304	104,179,228
	<u>201,732,829</u>	<u>194,231,525</u>
Stock option outstanding account	51,848,455	55,899,185
Less: Deferred employee compensation expense	(9,580,080)	(23,613,020)
	<u>42,268,375</u>	<u>32,286,165</u>
Hedge reserve (refer Note 23 of Schedule 16)		
At the commencement of the year	-	-
Additions during the year	(84,627,323)	-
	<u>(84,627,323)</u>	<u>-</u>
Balance in profit and loss account	2,220,674,852	1,972,609,642
	<u>4,923,608,198</u>	<u>4,960,548,716</u>
3. Secured loans		
From banks		
- Term loans (Term loans are secured by a first, pari passu charge on fixed assets)	515,666,670	884,773,997
- Other loans (Loans from banks are secured by a pari passu charge on book debts and other current assets)	860,000,000	-
Finance lease obligation (Secured by hypothecation of assets taken on lease)	-	32,400,455
	<u>1,375,666,670</u>	<u>917,174,452</u>
4. Unsecured loans		
Council for Scientific and Industrial Research	18,006,000	-
	<u>18,006,000</u>	<u>-</u>

Schedules to the balance sheet (continued)

Assets	Gross block			Accumulated depreciation			Net block	
	As at April 1, 2008	Additions during the year	Deletions during the year	As at March 31, 2009	For the year	Deductions during the year	As at March 31, 2009	As at March 31, 2008
Leasehold land	391,875,820	-	-	391,875,820	11,635,689	-	23,507,779	368,368,041
Buildings	1,280,547,680	24,978,415	-	1,305,526,095	45,073,029	-	66,037,788	1,239,488,307
Leasehold improvements	610,890,798	203,023,257	45,754,864	768,159,191	124,230,615	32,600,166	360,854,041	407,305,150
Computer systems (including software)	793,782,338	194,169,915	4,248,655	983,703,598	197,235,393	3,991,595	788,310,376	195,393,222
Furniture and fixtures	56,905,687	15,636,792	3,445,906	69,096,573	11,307,134	3,191,925	57,695,263	11,401,310
Electrical installations	79,422,770	30,099,462	8,558,532	100,963,700	22,581,356	7,252,698	57,005,580	43,958,120
Office equipment	196,042,322	77,434,909	5,225,731	268,251,500	51,081,134	2,599,956	138,986,974	129,264,526
Motor vehicles - own	3,132,949	1,584,661	2,973,087	1,744,523	785,162	1,841,233	1,744,523	332,355
- leased	61,819,814	5,801,096	67,620,910	-	4,650,196	40,542,555	-	25,927,455
Total	3,474,420,178	552,728,507	137,827,685	3,889,321,000	468,579,708	92,020,128	1,494,142,324	2,395,178,676
Previous year	1,367,892,485	2,145,577,099	39,049,406	3,474,420,178	349,339,406	32,075,995	1,117,582,744	2,356,837,434
Capital work-in-progress								42,735,763
								232,903,891

Leasehold land includes land acquired on leases. The ownership of the land does not transfer to the Company at the end of the lease term and accordingly the cost is amortized over the period of the respective leases. Additions to the fixed assets include net block of Rs. 35,757,300 (previous year: Nil) relating to fixed assets of MindTree Technologies Private Limited, on account of merger (refer Note 3 of Schedule 16).

Assets	Net block at the date of merger
Computer systems (including software)	33,481,329
Furniture and fixtures	244,038
Electrical installations	30,793
Office equipment	416,479
Motor vehicles - own	1,584,661
Total	35,757,300

Schedules to the balance sheet (continued)

		(Rs.)	
		As at March 31, 2009	As at March 31, 2008
6.	Investments		
	A. Long-term investments - unquoted (fully paid equity shares)		
	- 2,400 (previous year: 2,400) equity shares in Career Community.com Limited	1,398,216	1,398,216
	- 12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited	126,400	126,400
	- Nil (previous year 6000) equity shares in MindTree Technologies Private Limited (for details refer Note 3 of Schedule 16)	-	259,718,592
		<u>1,524,616</u>	<u>261,243,208</u>
	Less: Provision for diminution in the value of investments	<u>1,524,616</u>	<u>1,524,616</u>
		<u>-</u>	<u>259,718,592</u>
	Quoted (fully paid equity shares)		
	- 36,441,595 (previous year: nil) equity shares in Aztecsoft Limited (for details refer Note 4 of Schedule 16)	<u>2,919,519,314</u>	-
		<u>2,919,519,314</u>	-
	Less: Provision for diminution in the value of investments	-	-
		<u>2,919,519,314</u>	-
		<u>2,919,519,314</u>	<u>259,718,592</u>
	Description	Market Value	
	Aztecsoft Limited	<u>1,297,320,782</u>	-
	B. Current investments		
	Non-trade Investments - quoted (valued at lower of cost or market value)		
		Number of Units as at	
		March 31, 2009	March 31, 2008
		As at	As at
		March 31, 2009	March 31, 2008
	Deutsche Mutual Fund (25,065,328 units purchased / 30,361,513 units redeemed during the year)	-	5,296,185
	HDFC Mutual Fund (63,569,237 units purchased / 65,788,077 units redeemed during the year)	4,129,288	6,348,128
	HSBC Mutual Fund (401,494,179 units purchased / 420,995,193 units redeemed during the year)	-	19,501,014
	ICICI Prudential Mutual Fund (38,013,210 units purchased / 36,895,113 units redeemed during the year)	5,249,496	4,131,399
	ING Vysya Mutual Fund (28,617 units purchased / 5,429,920 units redeemed during the year)	-	5,401,303
	Kotak Mahindra Mutual Fund (18,796 units purchased / 2,943,865 units redeemed during the year)	-	2,925,069
		<u>96,928,503</u>	<u>442,944,779</u>
	Less: Provision for diminution in the value of investments	-	-
		<u>96,928,503</u>	<u>442,944,779</u>
	Description	Market Value	
	Deutsche Mutual Fund	-	57,753,253
	HDFC Mutual Fund	41,422,954	63,681,246
	HSBC Mutual Fund	-	195,139,207
	ICICI Prudential Mutual Fund	55,505,549	41,316,053
	ING Vysya Mutual Fund	-	54,078,382
	Kotak Mahindra Mutual Fund	-	35,768,038
		<u>96,928,503</u>	<u>447,736,179</u>

Schedules to the balance sheet (continued)

6. Investments (continued)

C. Current investments - Balance IPO money

Non-Trade Investments - quoted (valued at lower of cost or market value)

	Number of Units as at		As at		(Rs.)
					As at
	<u>March 31, 2009</u>	<u>March 31, 2008</u>	<u>March 31, 2009</u>	<u>March 31, 2008</u>	
Birla Sun Life Mutual Fund (NIL units purchased / 3,613,580 units redeemed during the year)	-	3,613,580	-		55,049,996
DBS Chola Mutual Fund (13,861 units purchased / 2,706,662 units redeemed during the year)	-	2,692,801	-		26,928,182
Deutsche Mutual Fund (97,994 units purchased / 5,279,686 units redeemed during the year)	-	5,181,692	-		53,002,666
DSP Merrill Lynch Mutual Fund (556 units purchased / 54,434 units redeemed during the year)	-	53,878	-		53,906,176
Franklin Templeton Mutual Fund (602,704 units purchased / 8,106,553 units redeemed during the year)	-	7,503,849	-		76,785,644
HDFC Mutual Fund (15,293,374 units purchased / 22,812,549 units redeemed during the year)	-	7,519,175	-		75,428,607
HSBC Mutual Fund (35,966 units purchased / 5,452,382 units redeemed during the year)	-	5,416,416	-		54,194,489
ICICI Prudential Mutual Fund (11,766,779 units purchased / 16,649,681 units redeemed during the year)	5,719,676	10,602,578	60,476,995		106,031,084
ING Vysya Mutual Fund (69,254 units purchased / 3,653,306 units redeemed during the year)	-	3,584,052	-		35,852,355
Kotak Mahindra Mutual Fund (22,965 units purchased / 4,330,861 units redeemed during the year)	-	4,307,896	-		52,677,390
Lotus India Mutual Fund (Nil units purchased / 2,538,959 units redeemed during the year)	-	2,538,959	-		27,896,808
Principal PNB Mutual Fund (79,703 units purchased / 3,273,808 units redeemed during the year)	-	3,194,105	-		32,004,935
IDFC Mutual Fund (12,310,965 units purchased / 31,972,253 units redeemed during the year)	-	19,661,288	-		196,721,021
Tata Mutual Fund (6,316,869 units purchased / 13,738,296 units redeemed during the year)	3,132,387	10,553,814	31,435,380		105,931,885
			<u>91,912,375</u>	<u>952,411,238</u>	
Less: Provision for diminution in the value of investments			-	208,818	
			<u>91,912,375</u>	<u>952,202,420</u>	
			<u>3,108,360,192</u>	<u>1,654,865,791</u>	

Schedules to the balance sheet (continued)

6. Investments (continued)

Description	Market Value	
Birla Sun Life Mutual Fund	-	55,093,720
DBS Chola Mutual Fund	-	26,938,791
Deutsche Mutual Fund	-	52,814,404
DSP Merrill Lynch Mutual Fund	-	53,910,482
Franklin Templeton Mutual Fund	-	79,538,915
HDFC Mutual Fund	-	75,428,607
HSBC Mutual Fund	-	54,194,489
ICICI Prudential Mutual Fund	60,476,995	106,031,084
ING Vysya Mutual Fund	-	35,852,355
Kotak Mahindra Mutual Fund	-	52,677,390
Lotus India Mutual Fund	-	28,190,311
Principal PNB Mutual Fund	-	32,004,935
IDFC Mutual Fund	-	196,721,021
Tata Mutual Fund	31,435,380	105,931,893
	<u>91,912,375</u>	<u>955,328,397</u>

(Rs.)

	As at March 31, 2009	As at March 31, 2008
7. Sundry debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	55,138,350	37,383,213
- considered doubtful	212,154,347	131,098,412
Other debts		
- considered good*	2,094,720,614	1,684,338,040
- considered doubtful	-	548,275
Less: Provision for doubtful debts	212,154,347	131,646,687
	<u>2,149,858,964</u>	<u>1,721,721,253</u>
	9,050,498	-

* includes amounts due from the companies under the same management as defined under section 370(1B) of the Companies Act, 1956 (refer Note 16 of Schedule 16)

Schedules to the balance sheet (continued)

	As at March 31, 2009	(Rs.) As at March 31, 2008
8. Cash and bank balances		
Cash on hand	28,186	10,582
Balances with scheduled banks		
Current accounts	34,924,294	13,296,769
Deposit accounts	111,342,471	439,033,037
Balances with non-scheduled banks - in current accounts		
Wachovia Bank, N.A., USA	5,897,914	15,083,538
HSBC Bank, Swindon, UK	1,569,919	5,689,891
Deutsche Bank, Singapore	571,742	4,751,842
Bank of Tokyo, Mitsubishi	13,977,136	2,336,457
Silicon Valley Bank, USA	96,967,134	54,895,144
HSBC Dubai	968,330	1,009,047
HSBC Germany	4,731,868	3,019,227
May Bank, Malaysia	349,728	349,728
UBS, Basel	2,436,230	2,043,695
HSBC, Australia	528,548	3,706,578
HSBC, Singapore	4,007,453	264,604
HSBC, Netherlands	9,951,823	984,148
	<u>288,252,776</u>	<u>546,474,287</u>
Maximum amount outstanding at any time during the year with non-scheduled banks is as under:		
Wachovia Bank, N.A., USA	78,057,331	133,516,732
HSBC Bank, Swindon, UK	26,982,412	16,044,777
Deutsche Bank, Singapore	22,191,608	16,120,663
Bank of Tokyo, Mitsubishi	25,019,067	6,820,740
Silicon Valley Bank, USA	624,338,211	619,257,013
HSBC Dubai	9,002,648	10,640,394
HSBC Germany	19,977,436	8,878,510
May Bank, Malaysia	349,728	361,698
UBS, Basel	5,803,246	3,233,340
HSBC, Australia	49,999,984	7,260,708
HSBC, Singapore	46,370,803	268,673
HSBC, Netherlands	10,168,704	1,990,612
9. Loans and advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received *	668,084,825	681,972,232
Unbilled revenue	274,533,907	138,027,687
Advance tax and tax deducted at source, net of provision for taxes	288,593,291	112,492,474
Less: Provision for doubtful advances	-	33,708
Total	<u>1,231,212,023</u>	<u>932,458,685</u>
* includes amounts due from Directors	-	782,221
Maximum amount due from directors at anytime during the year	-	2,150,535
Amount due from subsidiary and the maximum amount due at anytime during the year	-	2,614,620

Schedules to the balance sheet (continued)

	As at March 31, 2009	(Rs.) As at March 31, 2008
10. Current liabilities		
Advances from customers	44,089,722	9,506,574
Interest accrued but not due	3,635,808	212,741
Unearned revenue	44,834,333	20,822,859
Sundry creditors (refer note 14 of schedule 16)		
- dues to other than micro and small enterprises		
Expenses	149,665,295	110,510,606
Capital goods	35,302,638	62,154,533
Other liabilities	2,143,391,967	875,986,493
Unclaimed dividend	1,509,971	762,049
Book overdraft	76,390,887	36,151,378
	<u>2,498,820,621</u>	<u>1,116,107,233</u>
11. Provision		
Proposed dividend	-	37,920,558
Provision for gratuity	-	13,182,019
Leave encashment	92,175,650	38,204,073
Post contract support services	10,000,000	10,480,060
Provision for discount	51,354,403	44,983,541
Provision for		
tax on dividend	-	6,444,599
foreign taxes, net of taxes paid	10,741,315	10,312,561
	<u>164,271,368</u>	<u>161,527,411</u>

Schedules to the profit and loss account

	For the year ended March 31, 2009	(Rs.) For the year ended March 31, 2008
12. Other income		
Interest on deposits (tax deducted at source - Rs. 3,296,358, previous year Rs. 14,231,891)	14,547,036	61,158,691
Profit on sale of investments	9,600,939	25,277,357
Profit from sale of fixed assets, net	16,295,083	567,985
Dividend from investments	34,974,001	113,116,319
Exchange gain, net	-	39,930,740
Miscellaneous income	3,373,782	37,567,849
	<u>78,790,841</u>	<u>277,618,941</u>
13. Software development expenses		
Salary and allowances	3,933,857,426	3,309,697,877
Contribution to provident and other funds	386,564,329	300,194,280
Staff welfare	57,565,837	47,271,104
Travel and conveyance	660,760,255	561,354,061
Communication expenses	54,978,052	37,062,460
Sub-contractor charges	138,149,651	92,521,675
Software purchases	19,644,784	32,598,897
Computer consumables	237,040,266	164,590,692
Rent	206,293,171	142,983,333
Post contract support services	(480,060)	(10,429,494)
	<u>5,694,373,711</u>	<u>4,677,844,885</u>
14. Administrative and other expenses		
Salary and allowances	787,979,191	612,331,593
Contribution to provident and other funds	33,278,354	37,869,111
Travel and conveyance	123,713,326	100,478,353
Power and fuel	124,458,446	106,068,913
Rent	32,760,958	21,342,847
Lease rentals/charges	13,625,268	6,124,099
Telephone charges	78,192,188	62,516,661
Printing and stationery	20,274,920	21,778,745
Office maintenance	66,859,295	48,388,469
Exchange loss, net	1,763,950,795	-
Staff training expenses	37,116,670	39,580,526
Advertisement	3,426,801	3,932,160
Bank charges	17,899,004	4,227,653
Insurance	13,893,108	12,344,103
Rates and taxes	13,477,961	11,718,616
Auditor's remuneration	6,619,848	5,133,900
Recruitment expenses	59,621,525	50,990,945
Repairs and maintenance		
- Plant and machinery	19,529,325	12,311,416
- Others	3,147,667	1,244,233
Marketing expenses	53,219,962	48,087,697
Donations	5,286,180	199,200
Legal and professional expenses	115,304,897	120,003,137
Provision for bad and doubtful debts and advances	80,055,508	15,055,125
Miscellaneous expenses	80,400,315	60,899,876
	<u>3,554,091,512</u>	<u>1,402,627,378</u>
15. Interest		
Interest on term loans	108,611,090	48,166,225
Interest on short term credit / finance charges	53,380,470	10,782,418
	<u>161,991,560</u>	<u>58,948,643</u>

Schedule 16 - Significant accounting policies and notes to the accounts for the year ended March 31, 2009

1. Background

MindTree Limited ('MindTree' or 'the Company') is an international Information Technology ("IT") consulting and implementation company that delivers business solutions through global software development. MindTree is structured into two business units that focus on software development - R&D Services and IT Services. R&D Services enables faster product realization by leveraging the expertise in the areas of hardware design, embedded software, middleware and testing and through MindTree's own IP building blocks in the areas of Bluetooth, VOIP, IVP6, iSCSI and others in datacom, telecom, wireless, storage, industrial automation, avionics, consumer products and computing. IT Services offer consulting and implementation and post production support for customers in manufacturing, financial services, travel and leisure and other industries, in the areas of e-business, data warehousing and business intelligence, supply chain management, ERP and maintenance and re-engineering of legacy mainframe applications. MindTree is head quartered in Bangalore and has offices in India, United States of America, United Kingdom, Japan, Singapore, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada and France.

The name of the Company was changed from 'MindTree Consulting Limited' to 'MindTree Limited' and approval for the purpose from shareholders was obtained through a postal ballot pursuant to section 192A of the Companies Act, 1956 on March 17, 2008. Consequent to the change of name, a fresh certificate of incorporation was granted to the Company on March 28, 2008 by the Registrar of Companies, Karnataka.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except for certain financial instruments which are measured at fair values and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, as amended, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, (the 'Act') to the extent applicable.

2.2 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

2.3 Fixed assets

2.3.1 Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation. Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

2.3.2 Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired on or after April 1, 2001 are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.3.3 Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date and the cost of the fixed asset not ready for its intended use on such date, are disclosed under capital work-in-progress.

2.3.4 Depreciation is provided on the straight-line method. The rates specified under schedule XIV of the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, the management has estimated the useful life as under:

Asset classification	Useful life
Computer systems (including software)	2-3 years
Furniture and fixtures	5 years
Electrical installations	3 years
Office equipment	4 years
Motor vehicles	4 years
Building	30 years

2.3.5 Fixed assets individually costing Rs. 5,000 or less are fully depreciated in the period of purchase/ installation. Depreciation on additions and disposals during the year is provided on proportionate basis.

2.3.6 The cost of leasehold land is amortized over the period of the lease. Leasehold improvements and assets acquired on lease are amortized over the lease term or useful life, whichever is lower.

2.4 Investments

2.4.1 Long-term investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.

2.4.2 Current investments are carried at the lower of cost (determined on the specific identification basis) and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.

2.4.3 Profit or loss on sale of investments is determined on the specific identification basis.

2.5 Employee benefits

2.5.1 Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by ICICI Prudential Life Insurance Company and SBI Life Insurance Company. Actuarial gains and losses are charged to the profit and loss account.

2.5.2 Leave encashment is a long-term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.

2.5.3 Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the profit and loss account.

2.6 Revenue recognition

2.6.1 The Company derives its revenues primarily from software services. Revenue from software development on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts is recognised using the proportionate completion method, which is

determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract. Unbilled revenue represents cost and earnings in excess of billings while unearned revenue represents the billing in excess of cost and earnings. Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. Revenues are stated net of discounts and include expenses billed to the customers.

Maintenance revenue is accrued over the period of the contract.

- 2.6.2 Provision for discounts is recognised on accrual basis in accordance with contractual terms of agreements with customers.
- 2.6.3 Dividend income is recognised when the right to receive payment is established.
- 2.6.4 Interest income is recognized using the time proportion method, based on the transactional interest rates.
- 2.7 Foreign exchange transactions
- 2.7.1 The Company is exposed to foreign currency transactions including foreign currency revenues and receivables. With a view to minimize the volatility arising from fluctuations in currency rates, the Company enters into foreign exchange forward contracts and other derivative instruments. Additionally, the Company enters into interest rate and currency derivatives to minimize its interest costs.
- 2.7.2 Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account for the year.
- 2.7.3 Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- 2.7.4 Forward exchange contracts and other similar instruments that are not hedges of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/fair value at the reporting date, or based on the spot exchange rate on the reporting date. For contracts recorded at the spot exchange rates, the premium or discount at the inception is amortized as income or expense over the life of the contract.
- 2.7.5 For forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecast transactions, the Company has adopted the principles of Accounting Standard ('AS') 30, 'Financial Instruments: Recognition and Measurement' with effect from April 1, 2008. In accordance with the principles of AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where Company has met all the conditions of cash flow hedge accounting, are fair valued at balance sheet date and the resultant exchange loss/(gain) is debited/credited to the hedge reserve. This loss/ (gain) would be recorded in profit and loss account when the underlying transactions affect earnings. Other derivative instruments that relate to a

firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting have been recorded at fair value at the reporting date and the resultant exchange loss/ (gain) has been debited/ credited to profit and loss account for the year.

2.8 Warranties

Warranty costs (i.e. post contract support services) are estimated by the management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of recognition of revenue.

2.9 Provision and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

2.10 Taxation

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company. Deferred tax charge or credit are recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing difference originate. For this purpose, the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

2.11 Fringe benefit tax

Consequent to the introduction of Fringe Benefit Tax (FBT) effective April 1, 2005, in accordance with the guidance note on accounting for fringe benefits tax issued by the ICAI, the Company has made provision for FBT under income taxes.

The Finance Act, 2007 has introduced Fringe Benefit Tax (FBT) on employee stock options. The Company recovers such FBT from the employees, upon the exercise of the stock options. The FBT liability and related recovery is recorded at the time of exercise of options in the profit and loss account.

2.12 Earnings per share

In determining earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any

extra-ordinary item. The number of equity shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of equity shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.13 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset (including goodwill) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

2.14 Employee stock options

The Company measures the compensation cost relating to employee stock options using the intrinsic value method. The compensation cost is amortized over the vesting period of the option.

3. Acquisition and amalgamation of TES PV Electronic Solutions Private Limited

On December 17, 2007, the Company acquired 100% equity in TES PV Electronic Solutions Private Limited ('TES PV'), a company that delivered a range of services that included hardware product design cycle, system design cycle (board design/development), embedded software services, turnkey silicon design, coverage, IP-ReD, EDA Solutions, embedded system solutions, system/ board design and intellectual properties.

TES PV was subsequently renamed as MindTree Technologies Private Limited ('MTPL'). The total consideration of Rs. 259,925,675 (including direct transaction costs of Rs. 1,762,093) were allocated to net assets of Rs. 36,689,086 resulting in goodwill of Rs. 223,236,589.

Subsequent to the acquisition, the Company vide a scheme of amalgamation ('the scheme') approved by the shareholders of the Company in June 2008 proposed to merge MTPL with itself. Approval of Hon'ble High Court of Karnataka was received in January 2009 and the scheme became effective April 1, 2008.

In terms of the scheme, MTPL was amalgamated with the Company with effect from April 1, 2008. The Company has accounted for the amalgamation as amalgamation in the nature of purchase under AS 14 - Accounting for amalgamations.

Following are the salient features of the scheme:

- 6,000 equity shares of Rs. 100/- each held by the Company in MindTree Technologies Private Limited were cancelled and extinguished, from the effective date of the scheme.
- All the assets and liabilities of MindTree Technologies Private Limited are recorded in the books of the Company at their carrying amounts as on April 1, 2008.
- Pursuant to the scheme of amalgamation approved by the Hon'ble High Court of Karnataka, the goodwill of Rs. 223,236,589 resulting from the amalgamation was set-off

against the securities premium account of the Company. If the treatment specified by AS-14 had been followed, the goodwill balance of Rs. 223,236,589 would have been amortized as per the Company's accounting policy.

4. Purchase of business

During the year, the Company acquired 36,441,595 equity shares of Aztecsoft Limited ('Aztec'), a Company listed on recognized stock exchanges in India at a cost of Rs. 2,919,519,314. Consequent to the acquisition of these shares, Aztec has become a subsidiary of the Company. As at March 31, 2009, the Company holds 79.9% of equity shares based on outstanding issued equity of Aztec.

The Company has filed an application with the Hon'ble High Court of Karnataka for the merger of Aztec with the Company effective April 1, 2009.

5. Employee stock options

The Company instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors (Board). Under the ESOP, the Company currently administers five stock option programs.

Program 1 [ESOP 1999]

Options under this program have been granted to employees at an exercise price of Rs. 2 per option. In conjunction with the consolidation and subsequent issue of bonus shares, the Company increased the exercise price of the options outstanding as at December 31, 2006 (to the revised par value of the underlying equity shares), to comply with the regulatory requirements. The modifications did not increase the value of the options for the employee, and accordingly did not result in an accounting consequence. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. This program extends to employees who have joined on or before September 30, 2001 or have been issued employment offer letters on or before August 7, 2001. This plan was terminated on September 30, 2001. The contractual life of each option is 11 years after the date of grant.

Outstanding options as at April 1, 2008	39,539
Granted during the year	-
Exercised during the year	7,250
Lapsed during the year	-
Forfeited during the year	-
Outstanding options as at March 31, 2009	32,289

Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of Rs. 50 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. This program extends to employees who have joined on or after October 1, 2001 or have been issued employment offer letters on or after August 8, 2001 or options granted to existing employees with grant date on or after October 1, 2001. This plan was terminated on April 30, 2006. The contractual life of each option is 11 years after the date of grant.

Outstanding options as at April 1, 2008	362,626
Granted during the year	-
Exercised during the year	57,419
Lapsed during the year	5,720
Forfeited during the year	15,576
Outstanding options as at March 31, 2009	283,911

Program 3 [ESOP 2006 (a)]

Options under this program have been granted to employees at an exercise price of Rs. 250 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. This program extends to employees to whom the options are granted on or after May 1, 2006. This plan was terminated on October 25, 2006. The contractual life of each option is 5 years after the date of grant.

Outstanding options as at April 1, 2008	302,563
Granted during the year	-
Exercised during the year	5,030
Lapsed during the year	6,450
Forfeited during the year	21,280
Outstanding options as at March 31, 2009	269,803

Program 4 [ESOP 2006 (b)]

Options under this program are granted to employees at an exercise price periodically determined by the Compensation Committee. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. This program extends to employees to whom the options are granted on or after October 25, 2006. The contractual life of each option is 5 years after the date of grant.

Outstanding options as at April 1, 2008	2,810,770
Granted during the year	173,000
Exercised during the year	6,429
Lapsed during the year	21,154
Forfeited during the year	219,020
Outstanding options as at March 31, 2009	2,737,167

Directors' Stock Option Plan, 2006 ('DSOP 2006')

Options under this program have been granted to independent directors at an exercise price ranging from Rs. 238 to Rs. 355 per option. All stock options vest equally over three year vesting term at the end of 1, 2 and 3 years respectively from the date of the grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. The contractual life of each option is 4 years after the date of the grant.

Outstanding options as at April 1, 2008	66,670
Granted during the year	50,000
Exercised during the year	-
Lapsed during the year	-
Forfeited during the year	-
Outstanding options as at March 31, 2009	116,670

The weighted average exercise price is Rs. 10 under program 1, Rs. 50 under program 2, Rs. 250 under program 3, Rs. 329.20 under program 4 and Rs. 293.49 under DSOP 2006.

The weighted average exercise price for stock options exercised during the year ended March 31, 2009 was Rs. 80.60. The options outstanding at March 31, 2009 had a weighted average exercise price of Rs. 295.74 and a weighted average remaining contractual life of 3.50 years.

The Company has recorded compensation cost for all grants using the intrinsic value-based method of accounting, in line with prescribed SEBI guidelines

Had compensation been determined under the fair value approach described in the guidance note on, "Accounting for employee share based payments", the Company's net profit and

basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

	Amounts in Rs.	
	Year ended March 31, 2009	Year ended March 31, 2008
Net profit as reported	300,052,129	1,041,792,283
Add: Stock-based employee compensation expense (intrinsic value method)	9,982,210	19,193,756
Less: Stock-based employee compensation expense (fair value method)	127,468,678	79,179,869
Pro forma net profit	182,565,661	981,806,170
Basic earnings per share as reported	7.94	27.69
Pro forma basic earnings per share	4.83	26.09
Diluted earnings per share as reported	7.86	26.75
Pro forma diluted earnings per share	4.79	25.36

The weighted average fair value of each option granted during the year ended March 31, 2009, estimated on the date of grant was Rs. 154.87 using the Black-Scholes model with the following assumptions:

Grant date share price	Rs. 238 - Rs. 435
Exercise price	Rs. 238 - Rs. 435
Dividend yield%	0.23 - 0.42%
Expected life	3-5 years
Risk free interest rate	5.14 - 9.54%
Volatility	40.09 - 61.64%

The Company has established a Trust ('MindTree Benefit Trust') for the benefit of employees. As at March 31, 2009 outstanding equity shares of the Company held by the trust were 189,110.

6. Provision for taxation

The Company's profits from export of software and related activities are fully deductible from taxable income. The unit of the Company at Bangalore is registered as a 100 percent Export Oriented Unit, which is entitled to a tax holiday under section 10B of the Income Tax Act, 1961 ('the Act') till 31 March 2009. The Company also has units at Bangalore and Chennai registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under section 10AA of the Income Tax Act, 1961.

Deferred tax asset included in the balance sheet comprises the following:

Particulars	Amounts in Rs.	
	As at March 31, 2009	As at March 31, 2008
Excess of depreciation as per books over depreciation allowed under Income Tax Act	46,818,500	45,102,442
Provision for doubtful debts	72,111,263	44,746,709
Provision for leave encashment	23,265,310	
Provision for warranty	2,549,250	
Total deferred tax assets	144,744,323	89,849,151

7. Contingent liabilities and commitments

- a) Guarantees given by Company's bankers as at March 31, 2009 are Rs. 30,902,359 (previous year- Rs. 43,317,454).
- b) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2009 is Rs. 78,979,164 (previous year-Rs. 160,583,022).
- c) On September 19, 2007, the Company received a notice from the Honorable High court of Karnataka to appear before the Honorable court in respect of assessment of income for A.Y 2001-02. The Assessing Officer ('AO') has held that interest receipts are not eligible for deduction under section 10B of the Act even though they are business income and disallowed the same and raised a demand of Rs. 616,530. Further AO also mentioned that losses from export earnings cannot be set off against other income. The AO also rejected the claim of carry forward of business loss and unabsorbed depreciation. The order of the AO was not upheld by Income Tax Appellate Tribunal (ITAT) and the AO preferred an appeal with the Honorable High Court of Karnataka against the order of the ITAT. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements for year end March 31, 2009.
- d) On January 2, 2008, MindTree has received an assessment order for A.Y 2005-06 from the AO with a demand amounting to Rs. 6,479,880 on account of certain disallowances / adjustments made by income tax department. A significant portion of this amount arises from manner of adjustment of brought forward losses in arriving at the taxable profits of the Company. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements for the year ended March 31, 2009. The Company has filed an appeal against the demand received. The Income-tax department has adjusted the amount of demand against the refund due for A.Y 2006-07.
- e) On January 5, 2009, MindTree has received an assessment order for A.Y 2006-07 from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs. 51,446,560 on account of certain disallowances / adjustments made by income tax department. A significant portion of this amount arises from manner of adjustment of brought forward losses in arriving at the taxable profits of the Company. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements for the year ended March 31, 2009. The Company has filed an appeal against the demand received.

8. Quantitative details

The Company is engaged in the software development services. Such services are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under paragraphs 3 and 4C of Part II of the Schedule VI to the Companies Act, 1956.

9. Value of imports on CIF basis

Amounts in Rs.

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Capital goods	83,903,366	234,216,056
Others	66,289,323	21,603,895
Total	150,192,689	255,819,951

10. Expenditure in foreign currency

Amounts in Rs.

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Travel expenses	303,858,598	314,547,915
Professional charges	9,167,206	8,685,556
Branch office expenses	2,567,144,395	1,890,698,276
Others	30,818,472	23,461,484
Total	2,910,988,671	2,237,393,231

11. The amounts remitted during the year in foreign currencies on account of dividends are as follows:

Particulars	Number of shares to which dividends relate	Amounts in Rs.
Final dividend for the year 2007-08	11,665,544	11,665,544
Interim dividend for the year 2008-09	14,118,629	14,118,629

12. Earnings in foreign currency

Amounts in Rs.

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Income from software development	9,484,196,140	6,830,586,387
Interest income	888,494	441,867
Other income	65,607	-
Total	9,485,150,241	6,831,028,254

13. Auditor's remuneration

Amounts in Rs.

Particulars	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Audit fees	5,492,665	4,865,524
Tax audit fee	166,695	177,681
Other services	890,640	-
Reimbursement of expenses	69,848	90,695

14. Dues to micro, small and medium enterprises

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2009 has been made in the financials statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. In view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material.

Amounts in Rs.

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

15. Segmental reporting

The Company's operations predominantly relate to providing IT services in two primary business segments viz. IT Services and R&D Services. The Company considers the business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. Income and direct expenses in relation to segments are categorised 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 Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable 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.

Business segments

Amounts in Rs.

Profit and Loss statement for the year ended March 31, 2009	R&D Services	IT Services	Total
Revenues	2,193,420,204	7,932,279,326	10,125,699,530
Operating expenses, net	1,708,571,830	5,740,673,058	7,449,244,888
Segmental operating income	484,848,374	2,191,606,268	2,676,454,642
Unallocable expenses			2,267,800,043
Profit for the period before interest			408,654,599
Interest expense			161,991,560
Other income			78,790,841
Net profit before taxes			325,453,880
Income taxes			25,401,751
Net profit after taxes			300,052,129

Profit and Loss statement for the year ended March 31, 2008	R&D Services	IT Services	Total
Revenues	1,608,738,059	5,729,657,397	7,338,395,456
Operating expenses, net	1,424,952,076	4,651,292,533	6,076,244,609
Segmental operating income	183,785,983	1,078,364,864	1,262,150,847
Unallocable expenses			353,567,060
Profit for the period before interest			908,583,787
Interest expense			58,948,643
Other income			277,618,941
Net profit before taxes			1,127,254,085
Income taxes			85,461,802
Net profit after taxes			1,041,792,283

Geographical segments

Amounts in Rs.		
Revenues	Year ended March 31, 2009	Year ended March 31, 2008
America	6,074,333,619	4,844,040,680
Europe	2,346,132,227	1,348,610,633
India	630,502,394	420,941,397
Rest of World	1,074,731,290	724,802,746
Total	10,125,699,530	7,338,395,456

16. Related party transactions

Name of Related Party	Nature of Relationship
MindTree Benefit Trust	The Trust is effectively controlled by the Company
MindTree Technologies Private Limited	Subsidiary merged with the Company effective April 1, 2008
Aztecsoft Limited	Subsidiary
Aztec Software Inc, USA	Step subsidiary
Aztecsoft Disha Inc, USA	Step subsidiary

Transactions with the above related parties during the period were:

Name of Related Party	Nature of Transaction	March 31, 2009	March 31, 2008
Aztecsoft Limited	Income from software development	8,499,552	-
Aztecsoft Limited	Sub-contracting services paid	6,664,318	-
Aztecsoft Limited	Travel advance given	550,946	-
MindTree Technologies Private Limited	Advance given	-	8,620,889
MindTree Technologies Private Limited	Sub contracting services received	-	6,006,269

Balances receivable from related parties are as follows:

Name of Related Party	March 31, 2009	March 31, 2008
Aztecsoft Limited*	9,050,498	-
MindTree Technologies Private Limited	-	2,614,620

* Gross of tax deducted at source - Rs. 963,000

Balances payable to related parties are as follows:

Name of Related Party	March 31, 2009	March 31, 2008
Aztecsoft Limited	6,664,318	Nil

Key managerial personnel:

Ashok Soota	Chairman and Managing Director (Executive Chairman effective April 1, 2009)
Subroto Bagchi	Gardener
N Krishnakumar	Chief Executive Officer (CEO & Managing Director effective April 1, 2009)

S Janakiraman	President and CEO, R&D services (President & Group-CEO effective April 1, 2009)
Dr. Albert Hieronimus	Non executive Director
George M. Scalise	Non executive Director
Mark A. Runacres	Non executive Director
N. Vittal	Non executive Director
R. Srinivasan	Non executive Director

Remuneration paid to key managerial personnel amounts to Rs. 30,861,603 (Rs. 30,484,619 for previous year). Amounts payable to directors in the nature of travel and business expenses as at March 31, 2009 amounted to Rs. 582,711 (amounts due from directors Rs. 782,221 as at March 31, 2008).

17. Computation of net profit in accordance with section 198 and with section 349 of the Companies Act, 1956

Amounts in Rs.	
Particulars	For the year ended March 31, 2009
Profit before taxation	325,453,880
Add: Depreciation as per accounts	468,579,708
Managerial remuneration	26,056,070
Provision for doubtful debts/advances	80,055,508
Less: Depreciation as per Section 350*	468,579,708
Bad debts written off	-
Profit on sale of investments	9,600,939
Net profit for section 198 of the Companies Act, 1956	421,964,519
Managerial remuneration** comprises of:	
Salaries and allowances	15,547,302
Contribution to provident fund	476,583
Perquisites	755,185
Directors' sitting fees	1,250,000
Commission to non-executive Directors	8,027,000
Total	26,056,070

* The Company depreciates the fixed assets based on the estimated useful lives that are lower than those implicit in Schedule XIV of the Companies Act 1956. Accordingly the rates of the depreciation used by the Company are higher than the minimum prescribed by the Schedule XIV

** Stock compensation cost amounting to Rs. 525,000 has not been considered in the managerial remuneration computation.

The above excludes gratuity and leave encashment payable which cannot be separately identified from the composite amount advised by the actuary.

18. Lease transactions

All assets leased on a 'finance lease' basis on or after April 1, 2001 are capitalized in the books of the Company with a corresponding liability recognising future liability on these leases. The Company has acquired certain vehicles on finance

lease. The legal title to these vehicles under finance lease vests in the lessors.

The total minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of minimum lease payments are as follows:

Amounts in Rs.

	Year ended March 31, 2009	Year ended March 31, 2008
(a) Total minimum lease payments	-	37,240,501
(b) Future interest included in (a) above	-	4,840,046
(c) Present value of minimum lease payments [(a) - (b)]	-	32,400,455

Finance charges during the year on such finance leases as mentioned above are Rs.1,111,954 (previous year-

Rs. 4,033,871) which is included under 'Interest on short term credit / finance charges'.

Lease rental expense under non-cancelable operating lease during the year amounted to Rs. 53,734,226 (previous year- Rs. 29,428,480). Future minimum lease payments under non-cancelable operating lease as at March 31, 2009 is as below:

Minimum lease payments	Amounts in Rs.
Payable - Not later than one year	82,694,027
Payable - Later than one year and not later than five years	13,782,338

Additionally, the Company leases office facilities and residential facilities under cancelable operating leases. The rental expense under cancelable operating lease during the period was Rs. 185,319,903 (previous year- Rs. 134,897,700).

Rental income from sub-lease of office facilities during the year was Rs. Nil (previous year- Rs. 573,865) which is included in miscellaneous income.

19. Earnings per share

The computation of earnings per share is set out below:

Amounts in Rs.

Particulars	For the year ended March 31, 2009		For the year ended March 31, 2008	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after tax	300,052,129		1,041,792,283	
Shares				
Weighted average number of equity shares outstanding during the year	37,784,844	37,784,844	37,625,112	37,625,112
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	390,054	-	1,323,603
Weighted average number of equity shares for calculation of earnings per share	37,784,844	38,174,898	37,625,112	38,948,715

As per the Guidance note (issued in January 2005) on Accounting for Employee Share Based Payments by the ICAI, 189,110 (previous year- 189,110), weighted average number of shares held by MindTree Benefit Trust have been reduced from the equity shares outstanding for computing basic and diluted earnings per share for the year ended March 31, 2009.

20. The disclosure of provisions movement as required under the provisions of Accounting Standard - 29 'Provisions, Contingent Liabilities and Contingent Assets' is as follows:-

Provision for warranty

Amounts in Rs.

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
Balance as at beginning of the year	10,480,060	20,909,554
Provisions made during the year	-	-
Utilisations during the year	-	-
Released during the year	480,060	(10,429,494)
Provision as at the end of the year	10,000,000	10,480,060

Provision for discount

Amounts in Rs.

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
Balance as at beginning of the year	44,983,541	53,992,168
Provisions made during the year	17,060,691	8,166,890
Utilisations during the year	(10,689,829)	(17,175,517)
Released during the year	-	-
Provision as at the end of the year	51,354,403	44,983,541

Management expects to utilize these provisions over a period of six months to one year.

21. Statement of utilisation of IPO funds as of March 31, 2009

Particular	Amounts in Rs.
Amount raised through IPO	2,377,152,500
Share issue expenses paid	188,717,404
Net proceeds	2,188,435,096
Deployment	
Repayment of debts	113,750,000
Development centre at Chennai	812,542,615
Investment in fixed deposits with banks	108,500,000
Short term investments in mutual funds pending utilization (excluding income received from mutual fund amounting to Rs. 1,420,385 re-invested)	90,491,990
General corporate purposes	1,063,150,491
Total	2,188,435,096

22. Gratuity plan

Effective April 1, 2006 the Company adopted the revised accounting standard on employee benefits.

The following table set out the status of the gratuity plan as required under AS 15 (revised).

Particulars	Amounts in Rs.	
	For the year ended March 31, 2009	For the year ended March 31, 2008
Obligations at beginning of the year	103,770,005	69,954,568
Service cost	25,301,690	31,412,987
Interest cost	7,134,196	5,596,365
Benefits settled	(3,996,616)	(2,872,232)
Actuarial (gain)/loss	(141,754)	(321,683)
Obligations at end of the year	132,067,521	103,770,005
Change in plan assets		
Plans assets at beginning of the year, at fair value	90,587,986	65,908,422
Expected return on plan assets	6,209,699	5,928,278
Actuarial gain/(loss)	(5,463,022)	2,623,518
Contributions	44,729,474	19,000,000
Benefits settled	(3,996,616)	(2,872,232)
Plans assets at the end of the year, at fair value	132,067,521	90,587,986
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	132,067,521	90,587,986
Present value of defined obligations as at the end of the year	132,067,521	103,770,005
Asset/(liability) recognized in the balance sheet	-	(13,182,019)
Gratuity cost for the year		
Service cost	25,301,690	31,412,987
Interest cost	7,134,196	5,596,365
Expected return on plan assets	(6,209,699)	(5,321,237)
Actuarial (gain)/loss	5,321,268	(2,945,201)
Net gratuity cost	31,547,455	28,742,914
Assumptions		
Interest rate	7.01%	8.00%
Expected rate of return on plan assets	7.01%	8.00%
Expected rate of salary increase	5-10%	8.50%
Attrition rate	12.30%	12.50%
Retirement age	60	60

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

23. Derivatives

Forward and option contracts

As at March 31, 2009, the Company has outstanding forward contracts amounting to USD 34.5 million (previous year USD 44.4 million) and CHF 0.05 million (previous year CHF 22 million), option contracts amounting to USD 5 million (previous year USD 1.5 million), forward strips and leverage option contracts amounting to USD 130 million (previous year USD 139 million). These derivative instruments have been entered to hedge highly probable forecast sales.

In accordance with the principles of AS 30, those derivative instruments which qualify for cash flow hedge accounting have been fair valued at balance sheet date and the resultant exchange loss of Rs. 84,627,323 (previous year Rs. Nil) has been debited to hedge reserve. Other derivative instruments that do not qualify for hedge accounting have been fair valued at balance sheet date and resultant exchange loss of Rs. 1,432,554,634 (previous year Rs. Nil) has been recognized in the profit and loss account for the year.

Currency and interest rate swaps

As at March 31, 2009, the Company had entered into currency and interest swap arrangements to the extent of Rs. 15.67 million (previous year Rs. 736.55 million)

24. Change in accounting policy

Effective April 1, 2008, the Company has adopted the principles of AS 30 for forward exchange contracts and other

derivatives that are not covered by AS 11 and that relate to a firm commitment or a highly probable forecast transaction. In the previous year, the Company has accounted for such contracts in accordance with the guidance in the Announcement of ICAI dated March 29, 2008. Had the Company accounted for these contracts in accordance with the aforesaid ICAI Announcement, exchange loss would have increased by Rs. 84,627,323 and profit for the year would have been lower by the same amount.

25. Prior period comparatives

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

For MindTree Limited

Ashok Soota
Executive Chairman

N Krishnakumar
CEO & Managing Director

Rostow Ravanan
Chief Financial Officer

Usha T N
Company Secretary

Balance Sheet Abstract And Company's General Business Profile

1 Registration Details

Registration No:	25564
State Code	08
Balance Sheet Date:	March 31, 2009

2 Capital raised during the year

	Rs.
Public issue	Nil
Right issue	Nil
Bonus issue	Nil
Private Placement	Nil
Offer of shares under Employees Stock Option Plan	761,280

3 Position of mobilisation and deployment of funds (Amount in Rs.)

Total Liabilities	6,697,250,728
Total Assets	6,697,250,728
Sources of Funds	
Paid up Capital	379,966,860
Pending Allotment	3,000
Secured Loans	1,375,666,670
Reserves and Surplus	4,923,608,198
Unsecured Loans	18,006,000
Application of Funds	
Net Fixed Assets	2,437,914,439
Investments	3,108,360,192
Net Current Assets	1,006,231,774
Deffered Tax Assets	144,744,323
Misc Expenditure	Nil
Accumulated losses	Nil

4 Performance of Company

	Rs.
Income from Software development	10,125,699,530
Other Income	78,790,841
Total Income	10,204,490,371
Total Expenditure	9,879,036,491
Profit Before Tax	325,453,880
Profit After Tax	300,052,129
Earning per share (basic) (in Rs.)	7.94
Earning per share (diluted) (in Rs.)	7.86
Dividend Rate (%)	10.00

5 Generic Names of principal products /services of Company

Item Code:	85249009.10
Product Description	Computer Software

For MindTree Limited

Bangalore
April 27, 2009Ashok Soota
Executive ChairmanN. Krishnakumar
CEO & Managing Director

Auditors' Report to the Board of Directors on the Consolidated Financial Statements of MindTree Limited and its Subsidiaries

We have audited the attached consolidated balance sheet of MindTree Limited ('MindTree' or 'the Company') and its subsidiaries (collectively called 'the MindTree Group') as at March 31, 2009, the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements prescribed in the Companies (Accounting Standards) Rules, 2006.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated balance sheet, of the state of affairs of the MindTree Group as at March 31, 2009;
- b) in the case of the consolidated profit and loss account, of the profit of the MindTree Group for the year ended on that date; and
- c) in the case of the consolidated cash flow statement, of the cash flows of the MindTree Group for the year ended on that date.

for BSR & Associates
Chartered Accountants

Rajesh Arora
Partner
Membership No. 076124

Bangalore
April 27, 2009

Consolidated Balance Sheet

	<u>Schedule</u>	As at <u>March 31, 2009</u>	(Rs.) As at <u>March 31, 2008</u>
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	379,966,860	379,205,580
Share application money		3,000	547,100
Reserves and surplus	2	<u>5,132,752,781</u>	<u>4,951,621,634</u>
		5,512,722,641	5,331,374,314
Minority interest		327,595,434	-
Loan funds			
Secured loans	3	1,375,666,670	<u>918,901,521</u>
Unsecured loans	4	18,006,000	-
		<u>7,233,990,745</u>	<u>6,250,275,835</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	4,940,873,671	3,581,684,208
Accumulated depreciation		<u>(2,109,609,728)</u>	<u>(1,189,089,467)</u>
Net block		2,831,263,943	2,392,594,741
Capital work-in-progress		<u>130,354,970</u>	<u>232,903,891</u>
		<u>2,961,618,913</u>	<u>2,625,498,632</u>
Goodwill	16(4)	1,460,494,507	214,102,422
Investments	6	1,013,301,543	1,395,147,199
Deferred tax assets, net	16(6)	189,747,773	89,849,151
Current assets, loans and advances			
Sundry debtors	7	2,792,345,904	1,756,211,640
Cash and bank balances	8	487,580,966	552,984,659
Loans and advances	9	<u>1,411,106,229</u>	<u>948,683,837</u>
		<u>4,691,033,099</u>	<u>3,257,880,136</u>
Current liabilities and provisions			
Current liabilities	10	2,859,912,086	1,162,071,617
Provisions	11	<u>222,293,004</u>	<u>170,130,088</u>
Net current assets		<u>1,608,828,009</u>	<u>1,925,678,431</u>
		<u>7,233,990,745</u>	<u>6,250,275,835</u>
Significant accounting policies and notes to the accounts	16		

The schedules referred to above form an integral part of the consolidated balance sheet.

As per our report attached

For MindTree Limited

For BSR & Associates
Chartered Accountants

Rajesh Arora
Partner
Membership No. 076124

Ashok Soota
Executive Chairman

N. Krishnakumar
CEO & Managing Director

Date: April 27, 2009

Rostow Ravanan
Chief Financial Officer

Usha T N
Company Secretary

Consolidated Profit and Loss Account

	<u>Schedule</u>	For the year ended <u>March 31, 2009</u>	(Rs.) For the year ended <u>March 31, 2008</u>
Income			
Income from software development			
Overseas		11,608,775,429	6,864,855,496
Domestic		765,897,190	533,002,391
Other income	12	<u>115,189,498</u>	<u>279,441,888</u>
		<u>12,489,862,117</u>	<u>7,677,299,775</u>
Expenditure			
Software development expenses	13	6,967,839,994	4,724,679,610
Administrative and other expenses	14	<u>4,186,621,946</u>	<u>1,419,282,571</u>
		11,154,461,940	6,143,962,181
Profit before interest, depreciation, tax and minority interest		1,335,400,177	1,533,337,594
Interest	15	161,991,560	59,032,861
Depreciation	5	<u>569,554,222</u>	<u>356,038,322</u>
Profit before tax and minority interest		<u>603,854,395</u>	1,118,266,411
Provision for taxation including FBT		138,596,961	128,895,000
Deferred tax credit	16(6)	(68,087,645)	(43,493,790)
MAT credit entitlement		<u>(3,264,717)</u>	-
Net profit after tax, before share of profits of associates and minority interest		536,609,796	1,032,865,201
Share of profits of associates		<u>27,388,626</u>	-
Net profit before minority interest		563,998,422	1,032,865,201
Minority interest		<u>40,986,709</u>	-
Net profit for the year after minority interest		523,011,713	1,032,865,201
Balance in profit and loss account brought forward		<u>1,963,682,560</u>	1,123,618,738
Amount available for appropriation		<u>2,486,694,273</u>	<u>2,156,483,939</u>
Dividend			
Interim		38,023,517	37,828,107
Proposed		-	37,920,558
Total dividend		<u>38,023,517</u>	<u>75,748,665</u>
Dividend tax		6,462,098	12,873,486
Amount transferred to General Reserve		7,501,304	104,179,228
Balance in Profit & Loss Account carried forward		<u>2,434,707,354</u>	<u>1,963,682,560</u>
Earnings per share	16(11)		
(Equity shares, par value Rs. 10 each)			
Basic		13.84	27.45
Diluted		13.70	26.52
Weighted average number of shares used in computing earnings per share			
Basic		37,784,844	37,625,112
Diluted		38,174,898	38,948,715
Significant accounting policies and Notes to the accounts	16		

The schedules referred to above form an integral part of the consolidated profit and loss account

As per our report attached

For BSR & Associates
Chartered Accountants

Rajesh Arora
Partner
Membership No. 076124

Date: April 27, 2009

For MindTree Limited

Ashok Soota
Executive Chairman

N. Krishnakumar
CEO & Managing Director

Rostow Ravanan
Chief Financial Officer

Usha T N
Company Secretary

Consolidated cash flow statement

	For the year ended March 31, 2009	(Rs.) For the year ended March 31, 2008
Cash flow from operating activities		
Profit before tax	603,854,395	1,118,266,411
Adjustments for :		
Depreciation	569,554,222	356,038,322
Amortization of stock compensation	9,982,210	19,193,756
Interest expense	161,991,560	59,032,861
Interest / dividend income	(87,029,007)	(174,275,010)
Profit on sale of fixed assets	(18,920,283)	(567,053)
Profit on sales of investments	(5,750,038)	(25,277,357)
Exchange difference on derivatives	1,522,924,878	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(4,122,816)	1,306,345
Operating profit before working capital changes	<u>2,752,485,121</u>	<u>1,353,718,275</u>
Increase in sundry debtors	(335,198,968)	(539,532,143)
Increase in loans and advances	(2,093,671)	(38,697,616)
(Decrease)/Increase in current liabilities and provisions	(330,388,559)	326,353,048
Income taxes and FBT paid	<u>(286,852,593)</u>	<u>(188,095,144)</u>
Net cash provided by operating activities	<u>1,797,951,330</u>	<u>913,746,420</u>
Cash flow from investing activities		
Purchase of fixed assets	(434,567,964)	(2,183,408,743)
Proceeds from sale of fixed assets	65,112,650	7,550,400
Purchase of business/acquisition	(2,919,519,314)	(254,355,716)
Interest /dividend received from investments	62,682,476	84,655,239
Purchase of investments	(8,076,388,561)	(2,032,067,394)
Sale/maturities of investments	<u>9,079,178,187</u>	<u>2,877,038,620</u>
Net cash used in investing activities	<u>(2,223,502,526)</u>	<u>(1,500,587,594)</u>
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	5,588,850	(119,281,395)
Receipt of share application money	3,000	547,100
Interest paid on loans	(158,568,493)	(59,228,984)
Proceeds from term loans	1,018,006,000	955,000,000
Repayment of term loans	(1,369,107,327)	(128,268,543)
Repayment of finance lease obligation	(38,201,551)	(23,208,819)
Proceeds / (repayments) of other loans, net	858,272,931	(164,700,499)
Dividends paid (including distribution tax)	<u>(90,404,786)</u>	<u>(87,678,384)</u>
Net cash provided by financing activities	<u>225,588,624</u>	<u>373,180,476</u>
Effect of exchange differences on translation of foreign currency cash and cash equivalent	4,122,816	(1,306,345)
Net (decrease)/increase in cash and cash equivalents	(195,839,756)	(214,967,043)
Cash and cash equivalents at the beginning of the year	<u>683,420,722</u>	<u>767,951,702</u>
Cash and cash equivalents at the end of the year	<u>487,580,966</u>	<u>552,984,659</u>

As per our report attached

For BSR & Associates
Chartered AccountantsRajesh Arora
Partner
Membership No. 076124

Date: April 27, 2009

For MindTree Limited

Ashok Soota
Executive ChairmanN. Krishnakumar
CEO & Managing DirectorRostow Ravanan
Chief Financial OfficerUsha T N
Company Secretary

Schedules to the consolidated balance sheet

	As at March 31, 2009	(Rs.) As at March 31, 2008
1. Share capital		
Authorised capital		
79,620,000 equity shares of Rs. 10 each (previous year 79,620,000 equity shares of Rs. 10 each)	796,200,000	796,200,000
Issued, subscribed and paid-up capital		
37,996,686 equity shares of Rs. 10 each fully paid (previous year 37,920,558 equity shares of Rs. 10 each)	379,966,860	379,205,580
	<u>379,966,860</u>	<u>379,205,580</u>
- For details of options, in respect of the above equity shares, refer to Note 5 of Schedule 16		
2. Reserves and surplus		
Securities premium account		
At the commencement of the year	2,761,421,384	2,750,289,294
Additions during the year		
On exercise of employee stock options	5,374,670	11,132,090
	<u>2,766,796,054</u>	<u>2,761,421,384</u>
Deductions during the year		
Adjustment of goodwill arising on amalgamation of MindTree Technologies Private Limited, in accordance with scheme of amalgamation. (Note 3 of Schedule 16)	(214,309,508)	-
	<u>2,552,486,546</u>	<u>2,761,421,384</u>
General Reserve		
At the commencement of the year	194,231,525	90,052,297
Add: Transfer from profit and loss account	7,501,304	104,179,228
	<u>201,732,829</u>	<u>194,231,525</u>
Stock option outstanding account	51,848,455	55,899,185
Less: Deferred employee compensation expense	(9,580,080)	(23,613,020)
	<u>42,268,375</u>	<u>32,286,165</u>
Hedge reserve (Note 16 of Schedule 16)		
At the commencement of the year	-	-
Additions during the year	(98,442,323)	-
	<u>(98,442,323)</u>	<u>-</u>
Balance in profit & loss account	2,434,707,354	1,963,682,560
	<u>5,132,752,781</u>	<u>4,951,621,634</u>
3. Secured loans		
From banks		
- Term loans	515,666,670	886,501,066
(Term loans are secured by a first, pari passu charge on fixed assets)		
- Other loans	860,000,000	-
(Loans from banks are secured by a pari passu charge on book debts and other current assets)		
Finance lease obligation	-	32,400,455
(Secured by hypothecation of assets taken on lease)		
	<u>1,375,666,670</u>	<u>918,901,521</u>
4. Unsecured loans		
Council for Scientific and Industrial Research	18,006,000	-
	<u>18,006,000</u>	<u>-</u>

Schedules to the consolidated balance sheet (continued)

Assets	Gross block				Accumulated depreciation			Net block	
	As at April 1, 2008	Additions during the year*	Deletions during the year	As at March 31, 2009	As at April 1, 2008	For the year	Deductions/ (Adjustments) during the year*	As at March 31, 2009	As at March 31, 2008
Leasehold land	391,875,820	204,300,756	2,069,610	594,106,966	11,872,090	11,623,904	(18,607,964)	42,103,958	552,003,008
Buildings	1,280,547,680	57,917,485	-	1,338,465,165	20,964,759	38,582,588	(11,785)	59,559,132	1,278,906,033
Leasehold improvements	612,911,398	282,220,427	45,754,864	849,376,961	271,244,192	132,957,520	(12,764,224)	416,965,936	432,411,025
Computer systems (including software)	892,985,873	524,540,435	4,248,656	1,413,277,652	660,788,780	236,285,759	(265,905,626)	1,162,980,165	250,297,487
Furniture and fixtures	57,517,105	133,199,746	16,447,344	174,269,507	49,947,434	31,968,666	(23,166,700)	105,082,800	69,186,707
Electrical installations	81,044,935	130,576,250	22,856,906	188,764,279	43,268,295	41,920,058	(15,536,159)	100,724,512	88,039,767
Office equipment	197,074,567	181,038,531	10,731,486	367,381,612	91,121,558	69,015,795	(52,717,532)	212,854,885	154,526,727
Motor vehicles - own	5,907,016	13,455,967	4,131,454	15,231,529	3,990,000	2,549,736	(2,798,604)	9,338,340	5,893,189
Motor vehicles - leased	61,819,814	5,801,096	67,620,910	-	35,892,359	4,650,196	40,542,555	-	25,927,455
TOTAL	3,581,684,208	1,533,050,693	173,861,230	4,940,873,671	1,189,089,467	569,554,222	(350,966,039)	2,109,609,728	2,831,263,943
Previous year	1,367,892,485	2,252,861,214	39,069,491	3,581,684,208	800,319,333	356,038,322	(32,731,812)	1,189,089,467	2,392,594,741
Capital work-in-progress									130,354,970

Leasehold land includes land acquired on leases. The ownership of the land does not transfer to the Group at the end of the lease term and accordingly the cost is amortized over the period of the respective lease.

*Consequent to the acquisition of Aztecsoft Limited by MindTree, additions to gross block and accumulated depreciation include additions on acquisition of Aztecsoft Limited

Assets	Gross block as at the date of acquisition	Accumulated depreciation at the date of acquisition	Net block at the date of acquisition
Leasehold land	204,300,756	18,607,964	185,692,792
Buildings	32,939,070	11,785	32,927,285
Leasehold improvements	78,858,722	48,234,453	30,624,269
Computer systems (including software)	458,100,420	356,894,500	101,205,920
Furniture and fixtures	118,131,172	45,494,889	72,636,283
Electrical installations	102,062,295	38,757,251	63,305,044
Office equipment	92,149,305	62,882,480	29,266,825
Motor vehicles - own	14,450,586	7,327,184	7,123,402
TOTAL	1,100,992,326	578,210,506	522,781,820

Schedules to the consolidated balance sheet (continued)

			(Rs.)
		As at	As at
		March 31, 2009	March 31, 2008
6. Investments			
A. Long-term investments - unquoted (fully paid equity shares)			
- 2,400 (previous year: 2,400) equity shares in Career Community.com Limited		1,398,216	1,398,216
- 643,790 (previous year: nil) Series A Convertible Preferred Stock at US\$ 0.0001 each fully paid at premium of US \$ 0.2557 each in 30 Second Software Inc		6,745,334	-
- 12,640 (previous year: 12,640) equity shares in Worldcast Technologies Private Limited		<u>126,400</u>	<u>126,400</u>
		8,269,950	1,524,616
Less: Provision for diminution in the value of investments		<u>1,524,616</u>	<u>1,524,616</u>
		<u>6,745,334</u>	<u>-</u>
B. Current investments			
Non-Trade Investments - quoted (valued at lower of cost or market value)			
	Number of Units as at		
	<u>March 31, 2009</u>	<u>March 31, 2008</u>	
Deutsche Mutual Fund (25,065,328 units purchased / 30,361,513 units redeemed during the year)	-	5,296,185	-
HDFC Mutual Fund (63,569,237 units purchased / 65,788,077 units redeemed during the year)	4,129,288	6,348,128	41,422,954
HSBC Mutual Fund (401,494,180 units purchased / 420,995,193 units redeemed during the year)	-	19,501,014	-
ICICI Prudential Mutual Fund (38,013,210 units purchased / 36,895,113 units redeemed during the year)	5,249,496	4,131,399	55,505,549
ING Vysya Mutual Fund (28,617 units purchased / 5,429,920 units redeemed during the year)	-	5,401,303	-
Kotak Mahindra Mutual Fund (18,796 units purchased / 2,943,865 units redeemed during the year)	-	2,925,069	-
Fortis Mutual Fund (9,666,072 units purchased / Nil units redeemed during the year)	9,666,072	-	96,690,682
IDFC Mutual Fund (8,812,564 units purchased / Nil units redeemed during the year)	8,812,564	-	88,136,606
Reliance Mutual Fund (5,567,756 units purchased / Nil units redeemed during the year)	5,567,756	-	107,343,547
Deutsche Mutual Fund (4,279,620 units purchased / Nil units redeemed during the year)	4,279,620	-	42,961,821
UTI Mutual Fund (33,975 units purchased / Nil units redeemed during the year)	33,975	-	33,985,122
HSBC Mutual Fund (2,857,201 units purchased / Nil units redeemed during the year)	2,857,201	-	30,778,039
Franklin Templeton Mutual Fund (8,305,264 units purchased / Nil units redeemed during the year)	8,305,264	-	83,148,984

Schedules to the consolidated balance sheet (continued)

	Number of Units as at		(Rs.)	
	March 31, 2009	March 31, 2008	As at March 31, 2009	As at March 31, 2008
Religare Mutual Fund - Short term Plan (8,366,813 units purchased / Nil units redeemed during the year)	8,366,813	-	83,943,167	-
JM Financial Mutual Fund (8,078,882 units purchased / Nil units redeemed during the year)	8,078,882	-	80,874,557	-
ICICI Prudential Mutual Fund (2,347,620 units purchased / Nil units redeemed during the year)	2,347,620	-	67,314,708	-
Tata Mutual Fund - Floater Fund (3,105,719 units purchased / Nil units redeemed during the year)	3,105,719	-	31,167,760	-
J P Morgan Mutual Fund - Treasury Fund (2,259,747 units purchased / Nil units redeemed during the year)	2,259,747	-	22,617,578	-
HDFC Mutual Fund (1,332,557 units purchased / Nil units redeemed during the year)	1,332,557	-	38,731,657	-
Fidelity Mutual Fund (1,001,860 units purchased / Nil units redeemed during the year)	1,001,860	-	10,021,103	-
			<u>914,643,834</u>	<u>442,944,779</u>
Less: Provision for diminution in the value of investments			-	-
			<u>914,643,834</u>	<u>442,944,779</u>

Description	Market Value	
Deutsche Mutual Fund	-	57,753,253
HDFC Mutual Fund	41,422,954	63,681,246
HSBC Mutual Fund	-	195,139,207
ICICI Prudential Mutual Fund	55,505,549	41,316,053
ING Vysya Mutual Fund	-	54,078,382
Kotak Mahindra Mutual Fund	-	35,768,038
Fortis Mutual Fund	96,690,682	-
IDFC Mutual Fund	89,206,606	-
Reliance Mutual Fund	107,343,547	-
Deutsche Mutual Fund	43,804,821	-
UTI Mutual Fund	33,985,122	-
HSBC Mutual Fund	30,821,039	-
Franklin Templeton Mutual Fund	83,148,984	-
Religare Mutual Fund	83,943,167	-
JM High Liquidity Fund	80,874,557	-
ICICI Prudential Mutual Fund	67,505,000	-
Tata Mutual Fund	31,167,760	-
J P Morgan Mutual Fund	22,617,578	-
HDFC Mutual Fund	38,918,000	-
Fidelity Mutual Fund	10,021,103	-
	<u>916,976,469</u>	<u>447,736,179</u>

Schedules to the consolidated balance sheet (continued)

C. Current investments - Balance IPO money

Non-Trade Investments - quoted (valued at lower of cost or market value)

	Number of Units as at		(Rs.)	
	<u>March 31, 2009</u>	<u>March 31, 2008</u>	<u>As at March 31, 2009</u>	<u>As at March 31, 2008</u>
Birla Sun Life Mutual Fund (Nil units purchased / 3,613,580 units redeemed during the year)	-	3,613,580	-	55,049,996
DBS Chola Mutual Fund (13,861 units purchased / 2,706,662 units redeemed during the year)	-	2,692,801	-	26,928,182
Deutsche Mutual Fund (97,994 units purchased / 5,279,686 units redeemed during the year)	-	5,181,692	-	53,002,666
DSP Merrill Lynch Mutual Fund (556 units purchased / 54,434 units redeemed during the year)	-	53,878	-	53,906,176
Franklin Templeton Mutual Fund (602,704 units purchased / 8,106,553 units redeemed during the year)	-	7,503,849	-	76,785,644
HDFC Mutual Fund (15,293,374 units purchased / 22,812,549 units redeemed during the year)	-	7,519,175	-	75,428,607
HSBC Mutual Fund (35,966 units purchased / 5,452,382 units redeemed during the year)	-	5,416,416	-	54,194,489
ICICI Prudential Mutual Fund (11,766,779 units purchased / 16,649,681 units redeemed during the year)	5,719,676	10,602,578	60,476,995	106,031,084
ING Vysya Mutual Fund (69,254 units purchased / 3,653,306 units redeemed during the year)	-	3,584,052	-	35,852,355
Kotak Mahindra Mutual Fund (22,965 units purchased / 4,330,861 units redeemed during the year)	-	4,307,896	-	52,677,390
Lotus India Mutual Fund (Nil units purchased / 2,538,959 units redeemed during the year)	-	2,538,959	-	27,896,808
Principal PNB Mutual Fund (79,703 units purchased / 3,273,808 units redeemed during the year)	-	3,194,105	-	32,004,935
IDFC Mutual Fund (12,310,965 units purchased / 31,972,253 units redeemed during the year)	-	19,661,288	-	196,721,021
Tata Mutual Fund (6,316,869 units purchased / 13,738,296 units redeemed during the year)	3,132,387	10,553,814	31,435,380	105,931,885
			<u>91,912,375</u>	<u>952,411,238</u>
Less: Provision for diminution in the value of investments			-	208,818
			<u>91,912,375</u>	<u>952,202,420</u>
			<u>1,013,301,543</u>	<u>1,395,147,199</u>

Schedules to the consolidated balance sheet (continued)

Description		Market Value
Birla Sun Life Mutual Fund	-	55,093,720
DBS Chola Mutual Fund	-	26,938,791
Deutsche Mutual Fund	-	52,814,404
DSP Merrill Lynch Mutual Fund	-	53,910,482
Franklin Templeton Mutual Fund	-	79,538,915
HDFC Mutual Fund	-	75,428,607
HSBC Mutual Fund	60,476,995	54,194,489
ICICI Prudential Mutual Fund	-	106,031,084
ING Vysya Mutual Fund	-	35,852,355
Kotak Mahindra Mutual Fund	-	52,677,390
Lotus India Mutual Fund	-	28,190,311
Principal PNB Mutual Fund	-	32,004,935
Standard Chartered Mutual Fund	-	196,721,021
Tata Mutual Fund	31,435,380	105,931,893
	<u>91,912,375</u>	<u>955,328,397</u>

Schedules to the consolidated balance sheet (continued)

	As at March 31, 2009	(Rs.) As at March 31, 2008
7. Sundry debtors (Unsecured)		
Debits outstanding for a period exceeding six months		
- considered good	55,541,600	37,858,845
- considered doubtful	268,155,002	131,256,956
Other debts		
- considered good	2,736,804,304	1,718,352,795
- considered doubtful	715,389	548,275
Less: Provision for doubtful debts	268,870,391	131,805,231
	<u>2,792,345,904</u>	<u>1,756,211,640</u>
8. Cash and bank balances		
Cash on hand	94,455	22,262
Balances with scheduled banks		
Current accounts	143,931,438	16,793,464
Deposit accounts	116,411,790	439,833,037
Balances with non-scheduled banks - in current accounts		
Wachovia Bank, N.A., USA	5,897,914	15,083,538
HSBC Bank, Swindon, UK	1,569,919	5,689,891
Deutsche Bank, Singapore	571,742	4,751,842
Bank of Tokyo, Mitsubishi	13,977,136	2,337,029
Silicon Valley Bank, USA	96,967,134	54,895,144
HSBC Dubai	968,330	1,009,047
HSBC Germany	4,731,868	3,019,227
May Bank, Malaysia	349,728	349,728
UBS, Basel	2,436,230	2,043,695
HSBC, Australia	528,548	3,706,578
HSBC, Singapore	4,007,453	264,604
HSBC, Netherlands	9,951,823	984,148
Sumitomo Mitsui Banking Corporation	-	2,201,425
National Westminster Bank, London	777,643	-
Bank of America, California, U.S.A	4,900,163	-
Silicon Valley Bank, California, U.S.A	3,692,445	-
Wells Fargo, Seattle, U.S.A	72,121,610	-
Bank of America, California, U.S.A	2,292,472	-
Balances with non-scheduled banks - in deposit accounts		
Silicon Valley Bank, California, U.S.A	1,401,125	-
	<u>487,580,966</u>	<u>552,984,659</u>
Maximum amount outstanding at any time during the year with non-scheduled banks is as under:		
in current accounts		
Wachovia Bank, N.A., USA	78,057,331	133,516,732
HSBC Bank, Swindon, UK	26,982,412	16,044,777
Deutsche Bank, Singapore	22,191,608	16,120,663
Bank of Tokyo, Mitsubishi	25,019,067	6,820,740
Silicon Valley Bank, USA	624,338,211	619,257,013
HSBC Dubai	9,002,648	10,640,394
HSBC Germany	19,977,436	8,878,510
May Bank, Malaysia	349,728	361,698
UBS, Basel	5,803,246	3,233,340
HSBC, Australia	49,999,984	7,260,708
HSBC, Singapore	46,370,803	268,673
HSBC, Netherlands	10,168,704	1,990,612
Sumitomo Banking Corporation	-	2,201,425
Bank of America, California, U.S.A	31,829,010	-
Silicon Valley Bank, California, U.S.A	123,863,769	-
Wells Fargo, Seattle, U.S.A	119,042,323	-
National Westminster Bank, London	2,916,356	-
Bank of America, California, U.S.A	34,441,573	-
in deposit accounts		
Silicon Valley Bank, California, U.S.A	1,401,125	-

Schedules to the balance sheet (continued)

	As at March 31, 2009	(Rs.) As at March 31, 2007
9. Loans and advances (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received *	780,357,817	686,193,876
Unbilled revenue	294,870,090	138,027,687
Advance tax and tax deducted at source, net of provision for taxes	332,613,605	124,495,982
MAT credit entitlement	3,264,717	-
Less: Provision for doubtful advances	-	33,708
	<u>1,411,106,229</u>	<u>948,683,837</u>
* includes amounts due from Directors	-	782,221
Maximum amount due from directors at anytime during the year	782,221	2,150,535
10. Current liabilities		
Advances from customers	44,089,722	16,741,998
Interest accrued but not due	3,635,808	212,741
Unearned revenue	47,547,930	20,822,859
Sundry creditors		
- dues to other than micro and small enterprises		
Expenses	169,710,668	111,597,680
Capital goods	46,467,642	89,441,460
Other liabilities	2,470,081,193	886,341,452
Unclaimed dividend	1,988,236	762,049
Book overdraft	76,390,887	36,151,378
	<u>2,859,912,086</u>	<u>1,162,071,617</u>
11. Provisions		
Proposed dividend	-	37,920,558
Provision for gratuity	7,369,572	19,110,277
Leave encashment	142,827,714	40,878,492
Post contract support services	10,000,000	10,480,060
Provision for discount	51,354,403	44,983,541
Provision for		
tax on dividend	-	6,444,599
foreign taxes	10,741,315	10,312,561
	<u>222,293,004</u>	<u>170,130,088</u>

Schedules to the consolidated profit and loss account

	(Rs.)	
		(Rs.)
	For the year ended March 31, 2009	For the year ended March 31, 2008
12. Other income		
Interest on deposits (tax deducted at source - Rs. 3,616,066, previous year Rs. 14,231,891)	15,957,930	61,158,691
Profit on sale of investments	5,750,038	25,277,357
Profit from sale of fixed assets, net	18,920,283	567,053
Dividend from investments	71,071,077	113,116,319
Exchange gain, net	-	41,742,152
Miscellaneous income	3,490,170	37,580,316
	<u>115,189,498</u>	<u>279,441,888</u>
13. Software development expenses		
Salary and allowances	4,855,453,214	3,349,795,642
Contribution to provident and other funds	453,700,996	305,273,282
Staff welfare	76,722,319	47,655,090
Travel and conveyance	728,840,068	566,068,996
Communication expenses	70,201,947	37,062,460
Sub-contractor charges	260,631,934	87,176,117
Software purchases	19,644,784	32,598,897
Computer consumables	251,099,130	164,806,331
Rent	252,025,662	144,672,289
Post contract support services	(480,060)	(10,429,494)
	<u>6,967,839,994</u>	<u>4,724,679,610</u>
14. Administrative and other expenses		
Salary and allowances	939,409,431	615,681,834
Contribution to provident and other funds	37,981,579	38,150,791
Travel and conveyance	136,216,843	101,176,331
Power and fuel	151,694,894	106,536,873
Rent	38,756,502	23,447,069
Lease rentals/charges	22,093,258	7,002,242
Telephone charges	93,288,567	63,277,796
Printing and stationery	22,208,210	21,842,587
Office maintenance	82,540,338	49,227,394
Exchange loss, net	2,089,235,562	-
Staff training expenses	41,521,786	39,645,897
Advertisement	4,554,960	3,932,160
Bank charges	18,748,005	4,233,432
Insurance	15,610,612	12,344,103
Rates and taxes	28,502,099	12,396,150
Auditor's remuneration	9,392,755	5,557,900
Recruitment expenses	65,362,284	51,166,671
Repairs and maintenance		
- Plant and machinery	19,529,325	12,311,416
- Others	3,147,667	1,258,689
Marketing expenses	61,115,854	49,961,188
Donations	5,286,180	199,200
Legal and professional expenses	135,786,080	123,123,552
Provision for bad and doubtful debts and advances	80,624,135	15,213,669
Miscellaneous expenses	84,015,020	61,595,627
	<u>4,186,621,946</u>	<u>1,419,282,571</u>
15. Interest		
Interest on term loans	108,611,090	48,166,225
Interest on short term credit / finance charges	53,380,470	10,866,636
	<u>161,991,560</u>	<u>59,032,861</u>

Consolidated Financial Statements

Schedule 16 - Significant accounting policies and notes to the accounts for the year ended March 31, 2009

1. Background

MindTree Limited ('MindTree' or 'the Company') together with its subsidiaries Aztecsoft Limited ('Aztec'), Aztecsoft Disha Inc, and Aztec Software Inc collectively referred to as 'the Group' is an international Information Technology ("IT") consulting and implementation Group that delivers business solutions through global software development. The Group is structured into three business units that focus on software development R&D Services, IT Services and Outsourced product development and testing. R&D Services enables faster product realization by leveraging the expertise in the areas of hardware design, embedded software, middleware and testing and through MindTree's own IP building blocks in the areas of Bluetooth, VOIP, IVP6, iSCSI and others in datacom, telecom, wireless, storage, industrial automation, avionics, consumer products and computing. IT Services offer consulting and implementation and post production support for customers in manufacturing, financial services, travel and leisure and other industries, in the areas of e-business, data warehousing and business intelligence, supply chain management, ERP and maintenance and re-engineering of legacy mainframe applications. Outsourced product development and testing provides full life cycle product engineering, independent testing, professional services and sustained engineering services. The Group is head quartered in Bangalore and has offices in India, United States of America, United Kingdom, Japan, Singapore, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada and France.

The name of the Company was changed from 'MindTree Consulting Limited' to 'MindTree Limited' and an approval from shareholders was obtained through a postal ballot pursuant to section 192A of the Companies Act, 1956 on March 17, 2008. Consequent to the change of name, a fresh certificate of incorporation was granted to the Company on March 28, 2008 by the Registrar of Companies, Karnataka.

2. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except for certain financial instruments which are measured at fair values and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, as amended, other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 1956, (the 'Act') to the extent applicable and the guidelines issued by Securities and Exchange Board of India ('SEBI').

2.2 Principles of consolidation

The consolidated financial statements include the financial statements of MindTree and its subsidiaries. The financial statements of MindTree and its majority owned/controlled subsidiaries have been combined on a line-by-line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/transactions and resulting unrealized gain/loss from the date the parent company acquired control of those subsidiaries. The names of the subsidiaries have been disclosed in Note 16(12).

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

2.3 Use of estimates

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles ('GAAP') in India requires management to make estimates and

assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the consolidated financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

2.4 Fixed assets

2.4.1 Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation. Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

2.4.2 Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired on or after April 1, 2001 are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.4.3 Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date and the cost of the fixed asset not ready for its intended use on such date, are disclosed under capital work-in-progress.

2.4.4 Depreciation is provided on the straight-line method. The rates specified under schedule XIV of the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, the management has estimated the useful life as under:

Asset classification	Useful life
Computer systems (including software)	1-3 years
Furniture and fixtures	5 years
Electrical installations	3-5 years
Office equipment	4-5 years
Motor vehicles	4-5 years
Buildings	25-30 years

2.4.5 Fixed assets individually costing Rs. 5,000 or less are fully depreciated in the period of purchase/installation. Depreciation on additions and disposals during the year is provided on a proportionate basis.

2.4.6 The cost of leasehold land is amortised over the period of the lease. Leasehold improvements and assets acquired on lease are amortised over the lease term or useful life, whichever is lower.

2.5 Investments

2.5.1 Long-term investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.

2.5.2 Current investments are carried at the lower of cost (determined on the specific identification basis) and fair value. The comparison of cost and fair value is carried out separately in respect of each investment.

2.5.3 Profit or loss on sale of investments is determined on the specific identification basis.

2.6 Employee benefits

2.6.1 Gratuity is a defined benefit scheme and is accrued

based on actuarial valuations at the balance sheet date, carried out by an independent actuary. MindTree has an employees' gratuity fund managed by ICICI Prudential Life Insurance Company and SBI Life Insurance Company. The gratuity liability of Aztec is managed by Life Insurance Corporation of India. Actuarial gains and losses are charged to the profit and loss account.

- 2.6.2 Leave encashment is a long-term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Group accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.
- 2.6.3 Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the profit and loss account.

2.7 Revenue recognition

- 2.7.1 The Group derives its revenues primarily from software services. Revenue from software development on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts is recognised using the proportionate completion method, which is determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract. Unbilled revenue represents cost and earnings in excess of billings while unearned revenue represents the billing in excess of cost and earnings. Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. Revenues are stated net of discounts and include expenses billed to the customers.

Maintenance revenue is recognized ratably over the period of the contract.

- 2.7.2 Provision for discounts is recognised on an accrual basis in accordance with contractual terms of agreements with customers.
- 2.7.3 Dividend income is recognised when the right to receive payment is established.
- 2.7.4 Interest income is recognized using the time proportion method, based on the transactional interest rates.

2.8 Foreign exchange transactions

- 2.8.1 The Group is exposed to foreign currency transactions including foreign currency revenues and receivables. With a view to minimize the volatility arising from fluctuations in currency rates, the Group enters into foreign exchange forward contracts and other derivative instruments. Additionally, the Group enters into interest rate and currency derivatives to minimize its interest costs.
- 2.8.2 Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account for the year.
- 2.8.3 Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- 2.8.4 Forward exchange contracts and other similar instruments that are not hedges of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in

foreign exchange rates'. For such forward exchange contracts covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/fair value at the reporting date, or based on the spot exchange rate on the reporting date. For contracts recorded at the spot exchange rates, the premium or discount at the inception is amortized as income or expense over the life of the contract.

- 2.8.5 For forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecast transactions, the Group has adopted the principles of Accounting Standard ('AS') 30, 'Financial Instruments: Recognition and Measurement' with effect from April 1, 2008. In accordance with the principles of AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where Group has met all the conditions of cash flow hedge accounting, are fair valued at balance sheet date and the resultant exchange loss/(gain) is debited/credited to the hedge reserve. This loss/ (gain) would be recorded in profit and loss account when the underlying transactions affect earnings. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting have been recorded at fair value at the reporting date and the resultant exchange loss/ (gain) has been debited/ credited to profit and loss account for the year.

2.9 Warranties

Warranty costs (i.e. post contract support services) are estimated by the management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of recognition of revenue.

2.10 Provision and contingent liabilities

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

2.11 Taxation

The current income tax charge is determined in accordance with the relevant tax regulations applicable to respective entities within the Group. Deferred tax charge or credit are recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing difference originate. For this purpose the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by

the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

The entities within the Group offset, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

2.12 Fringe benefit tax

Consequent to the introduction of Fringe Benefit Tax (FBT) effective April 1, 2005, in accordance with the guidance note on accounting for fringe benefits tax issued by the ICAI, the Group has made provision for FBT under income taxes.

The Finance Act, 2007 has introduced Fringe Benefit Tax (FBT) on employee stock options. The Group recovers such FBT from the employees, upon the exercise of the stock options. The FBT liability and related recovery is recorded at the time of exercise of options in the profit and loss account.

2.13 Earnings per share

In determining earnings per share, the Group considers the net profit after tax and includes the post-tax effect of any extra-ordinary item. The number of equity shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of equity shares used in computing diluted earnings per share comprises weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.14 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset (including goodwill) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized. In respect of goodwill, impairment loss will be reversed only when it is caused by specific external events and their effects have been reversed by subsequent external events.

2.15 Employee stock options

The Group measures the compensation cost relating to employee stock options using the intrinsic value method. The compensation cost is amortized over the vesting period of the option.

2.16 Goodwill

Goodwill arising on consolidation/acquisition of assets is not amortised. It is tested for impairment on a periodic basis and written off, if found impaired.

3. Acquisition and amalgamation of TES PV Electronic Solutions Private Limited.

On December 17, 2007, MindTree had acquired 100% equity in TES PV Electronic Solutions Private Limited ('TES PV'), a company that delivered a range of services that included hardware product design cycle, system design cycle (board design/development), embedded software services, turnkey silicon design, coverage, IP-ReD, EDA Solutions, embedded system solutions, system/ board design and intellectual properties. TES PV was subsequently renamed as MindTree Technologies Private Limited ('MTPL').

In the previous year, assets, liabilities, income and expenses of MTPL were consolidated with MindTree on a line-by-line basis from the date MindTree acquired control of MTPL.

In the current year, subsequent to the acquisition, the Company vide a scheme of amalgamation ('the scheme') approved by the shareholders of the Company in June 2008 proposed to merge MTPL with itself. Approval of Hon'ble High Court of Karnataka was received in January 2009 and the scheme was effective April 1, 2008.

In terms of the scheme, MTPL was amalgamated with the Company with effect from April 1, 2008. The Company has accounted for the amalgamation as amalgamation in the nature of purchase under AS 14, Accounting for Amalgamations. Following are the salient features of the scheme:

- a) 6,000 equity shares of Rs. 100/- each held by the Company in MTPL were cancelled and extinguished, from the effective date of the scheme.
- b) All the assets and liabilities of MTPL are recorded in the books of the Company at their carrying amounts as on April 1, 2008.
- c) Pursuant to the scheme of amalgamation approved by the Hon'ble High Court of Karnataka, the goodwill of Rs. 214,309,508 resulting from the amalgamation was adjusted against the securities premium account of the Company. If the treatment specified by AS-14 had been followed, the goodwill balance of Rs. 214,309,508 would have been required to be amortized as per the Company's accounting policy.

4. Purchase of business

During the year, the Company acquired 36,441,595 equity shares of Aztecsoft Limited ('Aztec'), a Company listed on recognized stock exchanges in India for a consideration of Rs. 2,919,519,314. Consequent to the acquisition of these shares, Aztec has become a subsidiary of the Company. As at March 31, 2009, the Company holds 79.9% of equity shares based on outstanding issued equity of Aztec.

The Company has filed an application with the Hon'ble High Court of Karnataka for the merger of Aztec with the Company effective April 1, 2009.

The Company has accounted for its investment in Aztec using equity method from the date of acquiring significant influence i.e May 31, 2008 till the date of acquiring control i.e July 31, 2008. From the date of acquiring control, assets, liabilities, income and expenses are consolidated on a line-by-line basis. The consolidation has resulted in goodwill of Rs. 1,460,494,507. In the previous year, goodwill of Rs. 214,102,422 resulted in the consolidation of MindTree Technologies Private Limited.

5. Employee stock options

MindTree instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors (Board). Under the ESOP, the Company currently administers five stock option programs.

Program 1 [ESOP 1999]

Options under this program have been granted to employees at an exercise price of Rs. 2 per option. In conjunction with the consolidation and subsequent issue of bonus shares, the Company increased the exercise price of the options outstanding as at December 31, 2006 (to the revised par value of the underlying equity shares), to comply with the regulatory

requirements. The modifications did not increase the value of the options for the employee, and accordingly did not result in an accounting consequence. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. This program extends to employees who have joined on or before September 30, 2001 or have been issued employment offer letters on or before August 7, 2001. This plan was terminated on September 30, 2001. The contractual life of each option is 11 years after the date of grant.

Outstanding options as at April 1, 2008	39,539
Granted during the year	-
Exercised during the year	7,250
Lapsed during the year	-
Forfeited during the year	-
Outstanding options as at March 31, 2009	32,289

Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of Rs. 50 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. This program extends to employees who have joined on or after October 1, 2001 or have been issued employment offer letters on or after August 8, 2001 or options granted to existing employees with grant date on or after October 1, 2001. This plan was terminated on April 30, 2006. The contractual life of each option is 11 years after the date of grant.

Outstanding options as at April 1, 2008	362,626
Granted during the year	-
Exercised during the year	57,419
Lapsed during the year	5,720
Forfeited during the year	15,576
Outstanding options as at March 31, 2009	283,911

Program 3 [ESOP 2006 (a)]

Options under this program have been granted to employees at an exercise price of Rs. 250 per option. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. This program extends to employees to whom the options are granted on or after May 1, 2006. This plan was terminated on October 25, 2006. The contractual life of each option is 5 years after the date of grant.

Outstanding options as at April 1, 2008	302,563
Granted during the year	-
Exercised during the year	5,030
Lapsed during the year	6,450
Forfeited during the year	21,280
Outstanding options as at March 31, 2009	269,803

Program 4 [ESOP 2006 (b)]

Options under this program are granted to employees at an exercise price periodically determined by the Compensation Committee. All stock options have a four-year vesting term and vest at the rate of 15%, 20%, 30% and 35% at the end of 1, 2, 3 and 4 years respectively from the date of grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. This program extends to employees to whom the options are granted on or after October 25, 2006. The contractual life of each option is 5 years after the date of grant.

Outstanding options as at April 1, 2008	2,810,770
Granted during the year	173,000
Exercised during the year	6,429
Lapsed during the year	21,154
Forfeited during the year	219,020
Outstanding options as at March 31, 2009	2,737,167

Directors' Stock Option Plan, 2006 ('DSOP 2006')

Options under this program have been granted to independent directors at an exercise price ranging from Rs. 238 to Rs. 355 per option. All stock options vest equally over three year vesting term at the end of 1, 2 and 3 years respectively from the date of the grant and become fully exercisable. Each option is entitled to 1 equity share of Rs. 10 each. The contractual life of each option is 4 years after the date of the grant.

Outstanding options as at April 1, 2008	66,670
Granted during the year	50,000
Exercised during the year	-
Lapsed during the year	-
Forfeited during the year	-
Outstanding options as at March 31, 2009	116,670

The weighted average exercise price is Rs. 10 under program 1, Rs. 50 under program 2, Rs. 250 under program 3, Rs. 329.20 under program 4 and Rs. 293.49 under DSOP 2006. The weighted average exercise price for stock options exercised during the year ended March 31, 2009 was Rs. 80.60. The options outstanding at March 31, 2009 had a weighted average exercise price of Rs. 295.74 and a weighted average remaining contractual life of 3.50 years.

Aztecsoft Limited has two stock option plans:

- 1998 Stock Option Plan (India) The plan provides for issue and transfer of equity shares to employees to whom stock options are granted from time to time. The issue of equity shares is either from equity shares held in the trust or through issue of equity shares directly by Aztec.
- 1998 Stock Option Plan (US) The plan provides for issue of equity shares to be held in the Trust and transferred to employees of the Aztec's subsidiaries in USA to whom the stock options are granted from time to time.

Options under these plans have been granted to employees at an exercise price ranging from Rs. Nil to Rs. 220 per option.

Outstanding options as at August 1, 2008	3,320,117
Granted during the period	-
Exercised during the period	27,011
Forfeited and lapsed during the period	782,380
Outstanding options as at March 31, 2009	2,510,726

The weighted average exercise price of stock options exercised during this period was Rs. 25.22. The options outstanding at March 31, 2009 had a weighted average exercise price of Rs. 70.86 and a weighted average remaining contractual life of 6.21 years.

The Group has recorded compensation cost for all grants using the intrinsic value-based method of accounting, in line with prescribed SEBI guidelines.

Had compensation been determined under the fair value approach described in the guidance note on, "Accounting for employee share based payments", the Company's net profit and basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

Amounts in Rs.

	Year ended March 31, 2009	Year ended March 31, 2008
Net profit as reported	523,011,713	1,032,865,201
Add: Stock-based employee compensation expense (intrinsic value method)	9,982,125	19,193,756
Less: Stock-based employee compensation expense (fair value method)	133,845,678	79,179,869
Pro forma net profit	399,148,160	972,879,088
Basic earnings per share as reported	13.84	27.45
Pro forma basic earnings per share	10.56	25.86
Diluted earnings per share as reported	13.70	26.52
Pro forma diluted earnings per share	10.47	25.13

The weighted average fair value of each option of MindTree, granted during the year ended March 31, 2009, estimated on the date of grant was Rs. 154.87 using the Black-Scholes model with the following assumptions:

Grant date share price	Rs. 238—Rs. 435
Exercise price	Rs. 238—Rs. 435
Dividend yield%	0.23 - 0.42%
Expected life	3—5 years
Risk free interest rate	5.14—9.54%
Volatility	40.09—61.64%

MindTree has established a Trust ('MindTree Benefit Trust'), for the benefit of employees. As at March 31, 2009 outstanding equity shares of the Company held by the trust were 189,110.

The stock option plan of Aztec Software and Technology Services Limited Employees' Welfare Trust. As at March 31, 2009 outstanding equity shares of Aztec held by the trust were 2,010,751.

6. Provision for taxation

The Group's profits from export of software and related activities are fully deductible from taxable income. The units of the Group at Bangalore are registered as a 100 percent Export Oriented Units and are entitled to a tax holiday under section 10B of the Income Tax Act, 1961 ('the Act'). The Group also has units at Bangalore and Chennai registered as Special Economic Zone (SEZ) units which are entitled to a tax holiday under section 10AA of the Income Tax Act, 1961.

Deferred tax assets included in the balance sheet comprises the following:

Amounts in Rs.

	Year ended March 31, 2009	Year ended March 31, 2008
Excess of depreciation as per books over depreciation allowed under Income Tax Act	72,165,910	42,638,472
Provision for doubtful debts	83,942,263	44,746,709
Provision for leave encashment	31,090,350	-
Provision for warranty	2,549,250	-
Unabsorbed depreciation	-	2,463,970
Total deferred tax assets	189,747,773	89,849,151

7. Contingent liabilities and commitments

a) Guarantees given by Group's bankers as at March 31, 2009 are Rs. 35,971,678 (previous year- Rs. 44,117,454).

b) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2009 is Rs. 102,192,299 (previous year-Rs. 160,583,022).

c) Claims against the Group not acknowledged as debts amounts to Rs. 691,000 (previous year- Rs. Nil).

d) On September 19, 2007, MindTree received a notice from the Honorable High court of Karnataka to appear before the Honorable court in respect of assessment of income for A.Y 2001-02. The Assessing Officer ('AO') has held that interest receipts are not eligible for deduction under section 10B of the Act even though they are business income and disallowed the same and raised a demand of Rs. 616,530. Further AO also mentioned that losses from export earnings cannot be set off against other income. The AO also rejected the claim of carry forward of business loss and unabsorbed depreciation. The order of the AO was not upheld by Income Tax Appellate Tribunal (ITAT) and the AO preferred an appeal with the Honorable High Court of Karnataka against the order of the ITAT. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements for year end March 31, 2009.

e) On January 2, 2008, MindTree has received an assessment order for A.Y 2005-06 from the AO with a demand amounting to Rs. 6,479,880 on account of certain disallowances / adjustments made by income tax department. A significant portion of this amount arises from manner of adjustment of brought forward losses in arriving at the taxable profits of MindTree. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements for the year ended March 31, 2009. MindTree has filed an appeal against the demand received. The Incometax department has adjusted the amount of demand against the refund due for A.Y 2006-07.

f) On January 5, 2009, MindTree has received an assessment order for A.Y 2006-07 from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs. 51,446,560 on account of certain disallowances / adjustments made by income tax department. A significant portion of this amount arises from manner of adjustment of brought forward losses in arriving at the taxable profits of MindTree. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements for the year ended March 31, 2009. MindTree has filed an appeal against the demand received.

g) Aztec has received orders under Section 143(3) of the Income-tax Act 1961 for the financial year 2001-02, 2002-03 and 2003-04 wherein demand of Rs. 91,481,000, Rs. 49,264,000 and Rs. 60,837,000 respectively has been raised against Aztec. These demands have arisen mainly on account of transfer pricing adjustments made in the order. Aztec has not accepted these orders and had been advised by its legal counsel/ advisors to prefer appeals before the Commissioner of Income Tax (Appeals). Aztec had received a favourable order from the Commissioner of Income Tax (Appeals) for the year 2001-02 where in the Commissioner of Income Tax (Appeals) has accepted the Aztec's contentions and quashed the demand raised. The Income tax department had appealed against the above mentioned order with Income Tax Appellate Tribunal. Income Tax Appellate Tribunal, during the current year have passed an order setting aside both the Order of the Commissioner of Income Tax (Appeals) as well as the Assessing Officer and has remanded the matter back to the assessment officer for re-assessment. Aztec has preferred an appeal with the High Court of Karnataka against the order of the Income Tax Appellate Tribunal. Further, during the year the High Court

of Karnataka has stayed the operation and all further proceedings pursuant to the order passed by the ITAT.

Aztec has appealed against the demands received for 2002-03 and 2003-04 to the Commissioner of Income-tax (Appeals) where the matter is pending conclusion. Based on favourable order received by Aztec 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 for the year ended March 31, 2009.

During the current year, Aztec has received orders under Section 143(3) of the Income-tax Act 1961 for the financial year 2004-05 wherein demand of Rs. 28,484,000 has been raised. These demands have arisen mainly on account of transfer pricing adjustments made in the order. Aztec has not accepted these orders and has preferred an appeal before the Commissioner of Income Tax (Appeals).

- h) Aztec has received show cause notices from the office of the Additional Director General of Central Excise, Intelligence, Bangalore Zonal Unit regarding a potential service tax levy on import of services and software development services for domestic customers aggregating to Rs. 35,552,000. Aztec has not accepted the show cause notice allegations and is in the process of finalising its response to the notices after consulting its legal counsel/advisors. Based on the advice of the legal counsel, the management believes that Aztec has a good case. Accordingly, no provision has been recorded in the financial statements for the year ended March 31, 2009.

8. Segmental reporting

The Group's operations predominantly relate to providing IT Services, R&D Services and outsourced product development and testing (i.e. Aztecsoft Business). The Group considers the business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised 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 Group therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income. The assets of the Group 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.

Business segments

Amounts in Rs.

Consolidated Profit and Loss statement for the year ended March 31, 2009	R&D Services	IT Services	Aztecsoft business	Total
Revenues	2,193,420,204	7,924,678,720	2,256,573,695	12,374,672,619
Operating expenses, net	1,708,571,830	5,734,698,847	2,012,945,442	9,456,216,119
Segmental operating income	484,848,374	2,189,979,873	243,628,253	2,918,456,500
Unallocable expenses				2,267,800,043
Profit for the period before interest				650,656,457
Interest expense				161,991,560
Other income				115,189,498
Net profit before taxes				603,854,395
Income taxes				67,244,599
Net profit after taxes				536,609,796
Share of profits of associates				27,388,626
Net profit before minority interest				563,998,422
Minority interest				40,986,709
Net profit for the year after minority interest				523,011,713

Amounts in Rs.

Consolidated Profit and Loss statement for the year ended March 31, 2008	R&D Services	IT Services	Total
Revenues	1,668,200,490	5,729,657,397	7,397,857,887
Operating expenses, net	1,495,140,910	4,651,292,533	6,146,433,443
Segmental operating income	173,059,580	1,078,364,864	1,251,424,444
Unallocable expenses			353,567,060
Profit for the year before interest			897,857,384
Interest expense			59,032,861
Other income			279,441,888
Net profit before taxes			1,118,266,411
Income taxes			85,401,210
Net profit after taxes			1,032,865,201

Geographical segments

Amounts in Rs.

Revenues	Year ended March 31, 2009	Year ended March 31, 2008
America	8,079,437,519	4,864,814,909
Europe	2,438,721,233	1,365,856,006
India	780,314,577	420,941,397
Rest of World	1,076,199,290	746,245,575
Total	12,374,672,619	7,397,857,887

9. Related party transactions

Name of Related Party	Nature of Relationship
MindTree Benefit Trust	The Trust is effectively controlled by MindTree
Aztec Software and Technology Services Limited Employees' Welfare Trust	Trust formed by Aztec to implement and administer the Employees' Stock Option Plans

Key managerial personnel:

Ashok Soota	Chairman and Managing Director of MindTree (Executive Chairman effective April 1, 2009)
Subroto Bagchi	Gardener of MindTree
N Krishnakumar	Chief Executive Officer (CEO & Managing Director effective April 1, 2009) of MindTree and Managing Director of Aztec
S Janakiraman	President and CEO, R&D services (President & Group-CEO effective April 1, 2009) of MindTree
Dr. Albert Hieranimous	Non executive Director of MindTree
George M. Scalise	Non executive Director of MindTree
Mark A. Runacres	Non executive Director of MindTree
N. Vittal	Non executive Director of MindTree
R. Srinivasan	Non executive Director of MindTree
Samir Bodas	Executive Director of Aztec
Satish Menon	Non executive Director of Aztec
Sunil Gulati	Non executive Director of Aztec
A V Sridhar	Non executive Director of Aztec

Remuneration paid to key managerial personnel amounts to Rs. 46,513,603 (Rs. 30,484,619 for previous year). Amounts payable to directors in the nature of travel and business expenses as at March 31, 2009 amounted to Rs. 582,711 (amounts due from directors Rs. 782,221 as at March 31, 2008).

11. Earnings per share

The computation of earnings per share is set out below:

Amounts in Rs.

Particulars	Year ended March 31, 2009		Year ended March 31, 2008	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after tax	523,011,713		1,032,865,201	
Shares				
Weighted average number of equity shares outstanding during the year	37,784,844	37,784,844	37,625,112	37,625,112
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	390,054	-	1,323,603
Weighted average number of equity shares for calculation of earnings per share	37,784,844	38,174,898	37,625,112	38,948,715

Stock compensation cost amounting to Rs. 525,000 has not been considered in the managerial remuneration computation.

The above excludes gratuity and leave encashment payable which cannot be separately identified from the composite amount advised by the actuary.

10. Lease transactions

All assets leased on a 'finance lease' basis on or after April 1, 2001 are capitalized in the books of the Group with a corresponding liability recognising future liability on these leases. The Group has acquired certain vehicles on finance lease. The legal title to these vehicles under finance lease vests in the lessors.

The total minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of minimum lease payments are as follows:

Amounts in Rs.

	Year ended March 31, 2009	Year ended March 31, 2008
(a) Total minimum lease payments	-	37,240,501
(b) Future interest included in (a) above	-	4,840,046
(c) Present value of minimum lease payments [(a)- (b)]	-	32,400,455

Finance charges during the year on such finance leases as mentioned above are Rs. 1,111,954 (previous year-Rs. 4,033,871) which is included under 'Interest on short term credit / finance charges'.

Lease rental expense under non-cancelable operating lease during the year amounted to Rs. 73,477,226 (previous year-Rs. 29,428,480). Future minimum lease payments under non-cancelable operating lease as at March 31, 2009 is as below:

Minimum lease payments	Amounts in Rs.
Payable—not later than one year	133,858,027
Payable—Later than one year and not later than five years	13,782,338

Additionally, the Group leases office facilities and residential facilities under cancelable operating leases. The rental expense under cancelable operating lease during the period was Rs. 217,304,938 (previous year-Rs. 138,690,878).

Rental income from sub-lease of office facilities during the year was Rs. Nil (previous year- Rs. 573,865) which is included in miscellaneous income.

As per the Guidance note (issued in January 2005) on Accounting for Employee Share Based Payments by the ICAI, 189,110 (previous year- 189,110), weighted average number of shares held by MindTree Benefit Trust have been reduced from the equity shares outstanding for computing basic and diluted earnings per share for the year ended March 31, 2009.

12. The 3 details of the subsidiaries as at March 31, 2009 are as follows:

Name of the Subsidiaries	Country of incorporation	Proportion of interest
Aztecsoft Limited	India	79.9%
Aztec Software Inc,	United States of America	100% of Aztecsoft Limited
Aztecsoft Disha Inc,	United States of America	100% of Aztecsoft Limited

Also refer Note 3 and 4 of Schedule 16

13. The disclosure of provisions movement as required under the provisions of Accounting Standard 29 'Provisions, Contingent Liabilities and Contingent Assets' is as follows:-

Provision for warranty

Amounts in Rs.

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Balance as at beginning of the year	10,480,060	20,909,554
Provisions made during the year	-	-
Utilisations during the year	-	-
Released during the year	(480,060)	(10,429,494)
Provision as at the end of the year	10,000,000	10,480,060

Provision for discount

Amounts in Rs.

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Balance as at beginning of the year	44,983,541	53,992,168
Provisions made during the year	17,060,691	8,166,890
Utilisations during the year	(10,689,829)	(17,175,517)
Released during the year	-	-
Provision as at the end of the year	51,354,403	44,983,541

Management expects to utilize these provisions over a period of six months to one year.

14. Statement of utilisation of IPO funds as of March 31, 2009

Particulars	Amounts in Rs.
Amount raised through IPO	2,377,152,500
Share issue expenses paid	188,717,404
Net proceeds	2,188,435,096
Deployment	
Repayment of debts	113,750,000
Development centre at Chennai	812,542,615
Investment in fixed deposits with banks	108,500,000
Short term investments in mutual funds pending utilization (excluding income received from mutual fund amounting to Rs. 1,420,385 re-invested)	90,491,990
General corporate purposes	1,063,150,491
Total	2,188,435,096

15. Gratuity plan

Effective April 1, 2006 the Group adopted the revised accounting standard on employee benefits.

The following table set out the status of the gratuity plan as required under AS 15 (revised).

Amounts in Rs.

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Obligations at the beginning of the year	109,698,263	69,954,568
Obligations acquired as part of the business purchase	34,277,000	1,946,113
Service cost	25,123,432	35,395,132
Interest cost	8,527,196	5,596,365
Benefits settled	(5,846,616)	(2,872,232)
Actuarial (gain)/loss	3,319,246	(321,683)
Obligations at end of the year	175,098,521	109,698,263
Change in plan assets		
Plans assets at the beginning of the year, at fair value	90,587,986	65,908,422
Plans assets acquired as part of the business purchase	31,455,428	-
Expected return on plan assets	7,574,699	5,321,237
Actuarial gain/(loss)	(4,970,022)	2,623,518
Contributions	48,927,474	19,607,041
Benefits settled	(5,846,616)	(2,872,232)
Plans assets at the end of the year, at fair value	167,728,949	90,587,986
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	167,728,949	90,587,986
Present value of defined obligations as at the end of the year	175,098,521	109,698,263
Asset/(liability) recognized in the balance sheet	(7,369,572)	(19,110,277)
Gratuity cost for the year		
Service cost	25,123,432	35,395,132
Interest cost	8,527,196	5,596,365
Expected return on plan assets	(7,574,699)	(5,321,237)
Actuarial (gain)/loss	8,289,268	(2,945,201)
Net gratuity cost	34,365,197	32,725,059
Assumptions		
Interest rate	7.01%	8.00%
Expected rate of return on plan assets	7.01%	8.00%
Expected rate of salary increase	5-10%	8.50%
Attrition rate	6-12.30%	12.50%
Retirement age	58-60	60

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

16. Derivatives

As at March 31, 2009, the Group has outstanding forward contracts amounting to USD 38.0 million (previous year USD 44.4 million) and CHF 0.05 million (previous year CHF 22 million), option contracts amounting to USD 5 million (previous year USD 1.5 million), forward strips and leverage option contracts amounting to USD 142 million (previous year USD 139 million). These derivative instruments have been entered to hedge highly probable forecast sales.

In accordance with the principles of AS 30, those derivative instruments which qualify for cash flow hedge accounting have been fair valued at balance sheet date and the resultant exchange loss of Rs. 98,442,323 (previous year Rs. Nil) has been debited to hedge reserve. Other derivative instruments that do not qualify for hedge accounting have been fair valued at balance sheet date and resultant exchange loss of Rs. 1,522,924,878 (previous year Rs. Nil) has been recognized in the profit and loss account for the year.

17. Change in accounting policy

Effective April 1, 2008, the Group has adopted the principles of AS 30 for forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or a highly probable forecast transaction. In the previous year,

the Group has accounted for such contracts in accordance with the guidance in the Announcement of ICAI dated March 29, 2008. Had the Group accounted for these contracts in accordance with the aforesaid ICAI Announcement, exchange loss would have increased by Rs. 98,442,323 and profit for the year would have been lower by the same amount.

18. Prior period comparatives

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to the current year's classification.

As examined in note 4, MindTree has consolidated the results of Aztec on a line-by-line basis from the date of acquiring control. i.e. July 31, 2008. Accordingly, figures of current year are to that extent not comparable with those of previous year.

For MindTree Limited

Ashok Soota
Executive Chairman

N Krishnakumar
CEO & Managing Director

Rostow Ravanam
Chief Financial Officer

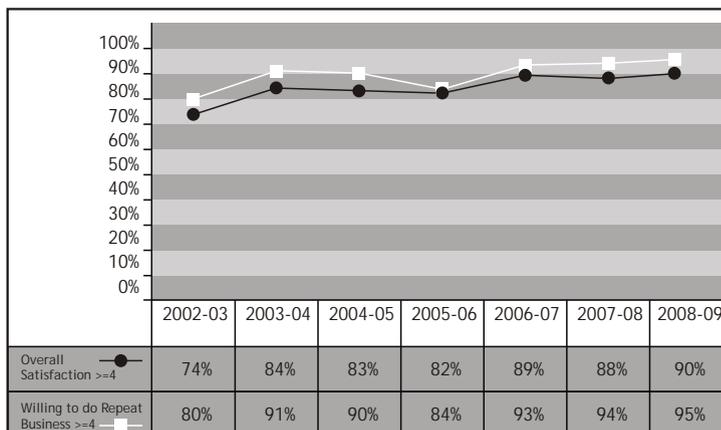
Usha T N
Company Secretary

Report on Customer and People Satisfaction

Customer Satisfaction

MindTree's annual Customer Experience Survey, conducted by the Quality Function, helps us know the overall satisfaction levels of our Customers, their willingness to do repeat business with us and to recommend MindTree to others. We also collect valuable feedback from our Customers that helps us enhance the quality of our services and deliverables.

Customer Experience Survey conducted in December 2008 was responded to by 67% of our Customers. More than 90% of our Customers rated us 4 and above on a scale of 5 on "Overall Satisfaction" and more than 95% of our Customers rated us 4 and above on a scale of 5 on their "Willingness to do Repeat Business". The chart below shows the overall feedback of our Customers over the last seven years. We are pleased to note that even in a challenging year, MindTree's customer ratings have touched all time highs.

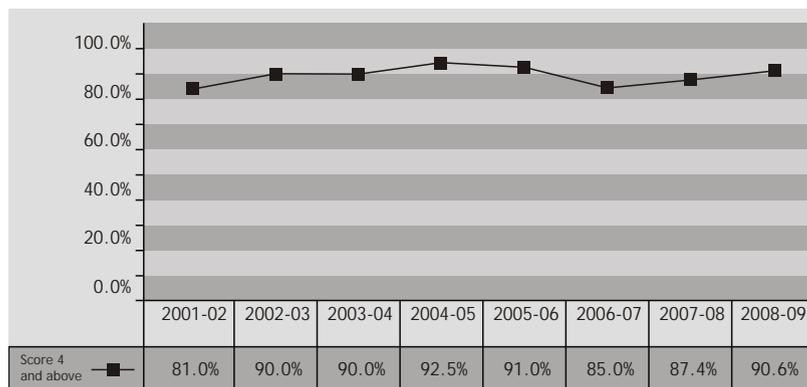


In our past Customer Experience Surveys, our Customers had frequently mentioned that it was a unique experience to partner with MindTree, especially, when it came to interacting with MindTree Minds. In 2008-09, we took it upon ourselves to take this experience of our Customers to the next level of maturity by further strengthening our Delivery. Our year-long efforts made significant impact on our services, deliverables, governance and compliance. This is evident in the customer ratings of Performance Improvement, which has increased from 91% in 2007 to 93% in 2008. This also had a positive impact on Customer Loyalty as seen in Customer ratings of "Willingness to Recommend", which has increased from 89% in 2007 to 91% in 2008.

In line with our new Mission of "Successful Customers, Happy People and Innovative Solutions", we will continue our thrust on Delivery Excellence during 2009-10 and further strengthen our customer facing processes, systems and quality.

People Satisfaction

The annual MindTree People Perception Survey (MPPS) provides insights on the satisfaction levels of MindTree Minds and their alignment to MindTree's values, culture and mission. MPPS is also a strong tool for the organization to collect valuable inputs from MindTree Minds to continuously enhance our people policies, practices and systems.



This year the survey was significant because we rolled it out to MindTree Minds from Aztecsoft too. This year's survey conducted in May 2009, has been taken by more than 69% of MindTree Minds and 90.6% of them have given a satisfaction rating of 4 or higher, on a scale of 5. This is indeed very gratifying for us because of the following reasons:

Firstly, in a year when the overall sentiments and market scenario have turned negative, we have been able to improve the overall satisfaction score over last year. Secondly, the score indicates that the MindTree Minds from Aztecsoft have also given a strong endorsement and are happy with their new home. They see the integration in a positive light and are excited to be a part of a larger

organization with more opportunities for growth and development. It also underlines the fact that our overall integration philosophy and approach has been implemented well.

A higher satisfaction score this year can also be seen as an endorsement for many of the action items that were initiated by us based on last year's survey inputs. In our endeavor to continue to strengthen our Performance Management practices, we have significantly enhanced our system to drive timely objective setting, ensure ongoing feedback and give line managers better visibility into real-time status through dashboards. Additionally, significant investment has also been made in the area of Learning & Development through launch of a formal learning credits system, increase in the number of internal certification and learning programs and increased focus on learning programs for MindTree Minds located outside India.

Based on the qualitative feedback in the MPPS, we are initiating several programs to ensure that MindTree continues to be an Employer of Choice and a workplace admired for our people practices.

Notice

Annual General Meeting Notice

Notice is hereby given that the Tenth Annual General Meeting of the members of MindTree Limited (formerly MindTree Consulting Limited) will be held on Friday, July 3, 2009 at 10.00 A.M. at Woodlands Hotel, No.5, Rajaram Mohan Roy Road, Bangalore- 560 025, Karnataka, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at March 31, 2009 and the Profit and Loss Account of the Company for the year ended March 31, 2009 together with the Report of the Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend for the year 2008-09 on equity shares.
3. To appoint a director in place of Mr. Vittal N, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. Mark Runacres, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a director in place of Mr. George Scalise who retires at by rotation, and being eligible, offers himself for reappointment.
6. To re-appoint M/s. BSR & Associates as auditors to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to pass the following resolution thereof:

RESOLVED that M/s B S R & Associates, Chartered Accountants be and are hereby appointed as auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company. Resolved further that the Board of Directors or Committee thereof be and are hereby authorized to determine the remuneration of the auditors and the manner of its payment.

Special Business

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution.

"RESOLVED that pursuant to the provisions of Section 198, 269, 309 and 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Mr. Krishnakumar Natarajan, who was appointed as Additional Director & Managing Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 102 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as, CEO & Managing Director of the Company for a period of five years with effect from April 1, 2009.

RESOLVED FURTHER that pursuant to the provisions of Section 198, 269, 309 and 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the company hereby approves the payment of the following revised remuneration to Mr. Krishnakumar Natarajan, CEO & Managing Director with effect from April 1, 2009.

Salary: Rs. 3.8 Million per annum

Company performance linked bonus: In addition to the Salary, Mr. Krishnakumar Natarajan shall be entitled to company performance linked bonus, payable quarterly or at other intervals as may be decided by the Board which is currently at 30% of the salary. The above mentioned Performance Bonus is subject to meeting the performance parameters as per the scheme applicable for senior management members fixed by the Board / Compensation Committee from time to time. The scheme provides for over and under achievement payments based on results

Other benefits: Mr. Krishnakumar Natarajan will be entitled to the benefits such as Medical Insurance, Personal Accident Insurance, Provident Fund, Gratuity, Encashment of leave and Telephone & Company's car for official purposes as per the rules of the Company and subject to applicable provisions.

RESOLVED FURTHER that the Board of Directors or Committee thereof is hereby authorized to modify or alter the different component of the above said remuneration as may be agreed between Board of Directors and Mr. Krishnakumar Natarajan.

The aggregate remuneration inclusive of salaries and other benefits to Mr. Krishnakumar Natarajan shall always be within the overall ceiling laid down in the Section 198, 309 and other applicable provisions of the Companies Act 1956.

Minimum Remuneration: In the event of loss or inadequacy of profits, in any financial year during the tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by part II of schedule XIII to the Companies Act, 1956, including all statutory modifications or re-enactment thereof, as may, for the time being, in force.

RESOLVED FURTHER that the Board of Directors or a Committee thereof is hereby authorized to revise the remuneration and its components of Mr. Krishnakumar Natarajan during the year within limits prescribed for the financial year and further the Board of Directors are authorized to revise the total remuneration and the components, on completion of each financial year such that the increase in the remuneration per annum is not more than 25% of the total remuneration prevalent in the financial year immediately preceding the year."

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution.

"RESOLVED that Mr. Janakiraman S, who was appointed as Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Article 102 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER that pursuant to the provisions of Section 198, 269, 309 and 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the company hereby approves the payment of the following revised remuneration to Mr. Janakiraman S, Director with effect from April 1, 2009.

Salary: Rs. 3.37 Million per annum

Company performance linked bonus: In addition to the Salary, Mr. Janakiraman S shall be entitled to company performance linked bonus, payable quarterly or at other intervals as may be decided by the Board which would be at 30% of the salary. The above mentioned Performance Bonus is subject to meeting the performance parameters as per the scheme applicable for senior management members fixed by the Board / Compensation Committee from time to time. The scheme provides for over and under achievement payments based on results.

Other benefits: Mr. Janakiraman S will be entitled to the benefits such as Medical Insurance, Personal Accident Insurance, Provident Fund, Gratuity, Encashment of leave and Telephone & Company's car for official purposes as per the rules of the Company and subject to applicable provisions.

RESOLVED FURTHER that the Board of Directors or a Committee thereof is hereby authorized to modify or alter the different component of the above said remuneration as may be agreed between Board of Directors and Mr. Janakiraman S.

The aggregate remuneration inclusive of salaries and other benefits to Mr. Janakiraman S shall always be within the overall ceiling laid down in the Section 198, 309 and other applicable provisions of the Companies Act 1956.

Minimum Remuneration: In the event of loss or inadequacy of profits, in any financial year during the tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by part II of schedule XIII to the Companies Act, 1956, including all statutory modifications or re-enactment thereof, as may, for the time being, in force.

RESOLVED FURTHER that the Board of Directors or a Committee thereof is hereby authorized to revise the remuneration and its components of Mr. Janakiraman S during the year within limits prescribed for the financial year and further the Board of Directors or a Committee thereof is authorized to revise the total remuneration and the components, on completion of each financial year such that the increase in the remuneration per annum is not more than 25% of the total remuneration prevalent in the financial year immediately preceding the year."

9. To consider and if thought fit to pass with or without modifications the following Resolution proposed as an Ordinary Resolution:

"RESOLVED that Mr. David B Yoffie, who was appointed as Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Article 102 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956, proposing his candidature, be and is here by appointed as a Director of the Company liable to retire by rotation."

10. To consider and if thought fit to pass with or without modifications the following Resolution proposed as a Ordinary Resolution:

"RESOLVED that Mr. Rajesh Subramaniam, who was appointed as Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Article 102 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under section 257

of the Companies Act, 1956, proposing his candidature, be and is here by appointed as a Director of the Company liable to retire by rotation."

11. To consider and if thought fit to pass with or without modifications the following Resolution proposed as an Ordinary Resolution:

"RESOLVED that subject to the provisions of Section 309 and other applicable regulations of the Companies Act 1956 and subject to such other approvals as may be required, the consent of the Company be and is hereby given for payment of remuneration to non-executive and Independent Directors of the Company the following remunerations during the tenure.

A. Fees

- A sitting fee of Rs. 10,000 per person for every Board meeting which the non-executive and Independent Director attends in person or over any form of telecommunication link.
- A sitting fee of Rs. 125,000 for every meeting attended by the Chairman of the Audit Committee, Investors Grievances Committee and Compensation Committee either in person or over any form of telecommunication link.

Board of Directors or a Committee thereof is authorized to revise the sitting fees from time to time within the limits prescribed under the Companies Act.

B. Remuneration

Commission based on the net profits of the Company, as the Board may determine from time to time, within the limits prescribed in the Companies Act, 1956 as amended from time to time and subject to the applicable provisions.

C. Actual remuneration to be fixed by the Board

The Board may in its absolute discretion pay to a non-executive and Independent Director, lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution. In case the amount so fixed by the Board during the year exceeds the limits prescribed under the Act, such payments shall be made only on taking necessary approvals from the Central Government.

D. Stock Options to the Directors of the Company

Stock Options as per the Director Stock Option Plan (DSOP) approved by the shareholders of the Company and the Board of Directors be and is hereby authorized to determine the options may be granted to the directors, including non-executive and independent Directors from time to time with in the limits prescribed under DSOP 2006 and amendments thereon, if any.

By order of The Board of Directors
For MindTree Limited,

Usha TN
Company Secretary

Place: Bangalore
Date: April 27, 2009

Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, AN INSTRUMENT OF APPOINTMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME SCHEDULED FOR COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement required under Section 173(2) of the Companies Act, 1956 in respect of the business mentioned above is being annexed herewith.
3. The proxy form and Attendance slip are given at the end of this Notice. Members/Proxies are requested to bring their copy of Annual Report and duly-filled Attendance slips sent herewith to attend the meeting.
4. The Register of members and the share transfer books of the Company will remain closed from June 20, 2008 to July 3, 2009 (both days inclusive) for the purpose of AGM.
5. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
6. Members desiring any information as regards to accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
7. The Register of companies, maintained under section 301 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the company
8. The certificate from the auditors of the company certifying that the company's stock option plans are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, and in accordance with the resolution of the members passed at the general meeting will be available for inspection by the members at the AGM.
9. Members are requested to communicate relating to shares, including dividend matters to Company's Registrar and Share Transfer Agent at Link Intime India Pvt. Limited (Unit: MindTree Limited), C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup(W), Mumbai 400 078 Phone No. +91 022 25963838 Ext 2313 Fax: +91 022 25946969 Email : manohar.shirwadkar@linkintime.co.in

Explanatory Statement

(Pursuant to the Section 173(2) of the Companies Act, 1956)

Item No. 7

Krishnakumar Natarajan as Chief Executive Officer (CEO) of MindTree has taken MindTree has the overall responsibility of the Company's business. Krishnakumar Natarajan, one of the co-founders, has taken MindTree's IT services business to a global leadership position.

The Board at their meeting held on April 1, 2009 has approved the appointment of Mr. Krishnakumar Natarajan as CEO & Managing Director of the Company and remuneration with effect from April 1, 2009. Members' approval is sought for the appointment and Managerial remuneration payable to Mr. Krishnakumar Natarajan.

The terms of payment of remuneration to Mr. Krishnakumar Natarajan as stated in the notice may be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors other than Mr. Krishnakumar Natarajan of the Company is interested or concerned in the resolution. The Board recommends the resolution set forth in the Item No. 7 for the approval for the members.

Item No. 8

Mr. Janakiraman S, is the Co-founder of MindTree Limited and presently the President and Group CEO of MindTree's product Engineering Services, which offers Product Realization Services to its customers.

The Board at their meeting held on July 16, 2008 has appointed Mr. Janakiraman S as additional director and approved the remuneration payable to him. The Company had intimated all shareholders the abstract of terms of appointment of Mr. Janakiraman in July, 08 pursuant to Section 302 of the Companies Act, 1956. Members' approval is sought for the appointment and Managerial remuneration payable to Mr. Janakiraman S.

The terms of payment of remuneration to Mr. Janakiraman S as stated in the notice may be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors other than Mr. Janakiraman S of the Company is interested or concerned in the above resolution.

The Board recommends the resolution set forth in the Item No. 8 for the approval for the members.

Item No. 9

Mr. David B Yoffie was co-opted as an Additional Director of the Company with effect from December 1, 2008, pursuant to Section 260 of the Companies Act, 1956, read with Article 102 of the Articles of Association of the Company. Mr. David B Yoffie holds office of director upto the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. David Yoffie for the office of the Director under the provisions of section 257 of the Companies Act, 1956.

None of the Directors other than Mr. David B Yoffie of the Company is interested or concerned in the above resolution.

The Board recommends the resolution set forth in the Item No. 9 for the approval for the members.

Item No. 10

Mr. Rajesh Subramaniam was co-opted as an Additional Director of the Company with effect from February 1, 2009, pursuant to Section 260 of the Companies Act, 1956, read with Article 102 of the Articles of Association of the Company. Mr. Rajesh Subramaniam holds office of director upto the ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. David Yoffie for the office of the Director under the provisions of section 257 of the Companies Act, 1956.

None of the Directors other than Mr. Rajesh Subramaniam of the Company is interested or concerned in the above resolution.

The Board recommends the resolution set forth in the Item No. 10 for the approval for the members.

Item No. 11

The Company proposes to remunerate the non-executive and independent directors by way of sitting fees and commission payable annually as applicable under the provisions of Companies Act, 1956 from time to time. Also Directors of the Company are entitled for the stock options in terms of DSOP scheme approved by the shareholders.

None of the Directors of the company, other than director to the extent of his remuneration is deemed to be interested or concerned in the above resolution.

The Board recommends the resolution set forth in the Item No. 11 for the approval for the members.

By order of the Board of Directors
For MindTree Limited,

Place: Bangalore
Date: April 27, 2009

Usha T N
Company Secretary

Additional information on Directors seeking re-appointment at this AGM:



Krishnakumar Natarajan
CEO and Managing Director

Krishnakumar Natarajan (KK), as Chief Executive Officer (CEO) and Managing Director of MindTree has the overall responsibility of both the IT Services and the R&D services businesses of the organization. As one of co-founders, KK has taken MindTree's IT Services business to a global leadership position.

KK also holds the position of Chairman and Managing Director of Aztecsoft Ltd (Aztec), a public listed software product engineering Company. Aztecsoft is a subsidiary Company of MindTree Ltd. MindTree and Aztec has applied to the Hon'ble High Court of Karnataka to merge Aztec into MindTree and we expect the merger to get completed shortly. Upon merger Aztec cease to exist as a separate company.

In the early years of MindTree, KK moved to the U.S. to launch its operations in the region and was instrumental in acquiring some of early customers. He then drove MindTree's expansion into Europe, Asia Pacific, the Middle East and Australia. As a result of his leadership, MindTree has added several Fortune 500 companies to its client list and has now grown significantly over the last few years.

Prior to co-founding MindTree, KK was Chief Executive of the Electronic Commerce & Financial Solutions Division at Wipro, and held several other key positions in the same organization from 1982 until 1999.

KK has been elected to the Executive Council of NASSCOM for three consecutive terms and works towards strengthening India's position in IT through key strategic global initiatives. At NASSCOM, he also chairs the 'Emerging Companies' Forum, helping the Indian IT Industry build a globally competitive ecosystem comprising of both large and emerging companies. KK has also an active member of professional industry organizations such as the Manufacturer's Association for Information Technology and the Confederation of Indian Industry. He is a regular speaker/faculty at reputed conferences and management schools worldwide.

KK earned a bachelor's degree in mechanical engineering from the College of Engineering, Madras, India, and a Master's in Business Administration majoring in marketing and systems from the Xavier Institute, Jamshedpur, India. Golf and travel rank high among his interests.

Companies in which Mr. Krishnakumar Natarajan holds Directorship and Committee Memberships

Name of Company/Trust	Nature of Interest	Audit Committee	Investor Grievance
Aztecsoft Limited	Chairman & Managing Director	-	-
MindTree Benefit Trust	Trustee	-	-

Shareholding in the Company

Mr. Krishnakumar Natarajan holds 2,009,542 (5.29%) equity shares of the Company.



S. Janakiraman
President and Group CEO,
Product Engineering Services

Mr. Janakiraman S is the President and CEO of MindTree Ltd's R&D Services business, which offers Product Realization Services to its customers.

Mr. Janakiraman S has built the R&D Services business of MindTree to a team of over 1500 technology professionals executing projects in leading technology areas for major customers of the Company. R&D Services provides product design services through its Engineering Practice and licensable technology building blocks through its Research Practice. Product Realization is achieved through integration of Hardware Engineering, Systems and Applications software adhering to industry compliant protocol standards and SEI CMMi Level 5 processes.

Mr. Janakiraman S holds a Bachelor's degree in Electronics and Communications from the Regional Engineering College, Trichy, India, and a Master's degree in Electronics from the Indian Institute of Technology, Chennai, India. He is the President of Indo Japan Chamber of Commerce & Industries (IJCCI), Karnataka and a member of the India Semiconductor Association (ISA) Executive Council.

Companies in which Mr. Janakiraman S holds Directorship and Committee Memberships

Name of Company/Trust	Nature of Interest	Audit Committee	Investor Grievance
India Semiconductor Association	Director	-	-
MindTree Benefit Trust	Trustee	-	-

Shareholding in the Company

Mr. Janakiraman S holds 1,050,099 (2.76%) equity shares of the Company.



David B. Yoffie
Independent Director

Professor David B. Yoffie is the Max and Doris Starr Professor of International Business Administration and Senior Associate Dean, Chair, Executive Education at Harvard Business School. Professor Yoffie's research and consulting have focused on competitive strategy, technology, and international competition. Outside of HBS, Professor Yoffie's activities include being on the Board of Directors of Intel Corporation, the National Bureau of Economic Research, Enterprise Mobile Inc., and RingTales L.L.C. Professor Yoffie's writings on business strategy and technology have been widely published.

Professor Yoffie is the author or editor of eight books, including *Judo Strategy* (Harvard Business School Press, 2001), which has been translated into eight languages and explores strategic techniques for turning your competitors' strengths to your advantage. Professor Yoffie has written extensively for the New York Times, the Wall Street

Journal, and the Harvard Business Review, as well as numerous scholarly and managerial articles on international trade, firm strategy, and global competition in high technology industries. Professor Yoffie has published more than 100 case studies on business strategy and international management issues, which have sold more than 1,500,000 copies.

Companies in which Prof. David B Yoffie holds Directorship and Committee Memberships

Name of Company	Nature of Interest	Audit Committee	Investor Grievance Committee
Intel Corporation	Director	-	-
Enterprise Mobile	Director	-	-

Shareholding in the Company

Professor David B Yoffie does not hold any share of the Company. He holds 30,000 stock options granted under the Directors Stock Option Plan.



Rajesh Subramaniam
Non-Executive Director

Rajesh joined Walden International to spearhead the investment in India. In addition to previous employment in the venture industry, Rajesh was most recently the CFO and EVP for First Source Solutions, a publicly listed BPO company in India. After joining the start up in 2002, Rajesh was instrumental in building the company to its IPO and oversaw several strategic acquisitions on their behalf.

Prior to Firstsource, he was the Vice President of Investments at GIV, a US\$140 million venture capital fund based out of Northern Virginia. He was based out of Bangalore and then Santa Clara. Prior to GIV, he was with Ernst & Young and KPMG where he was in the Lead Advisory Division, handling mergers and acquisitions and corporate finance. Rajesh started his career as an investment analyst with the Pioneer ITI Mutual Fund (subsequently acquired by Franklin Templeton).

Rajesh Subramaniam has an MBA from the Richmond College, London and a Graduate degree in Commerce in Accounting and Economics from Madras University.

Companies in which Mr. Rajesh Subramaniam holds Directorship and Committee Memberships.

Name of Company	Nature of Interest	Audit Committee	Investor Grievance Committee
Walden India Advisors Ltd	Managing Director	-	-

Shareholding in the Company

Rajesh Subramaniam does not hold any share of the Company.



N. Vittal
Independent Director
Chairman - Audit Committee

N. Vittal holds a Bachelor of Science (Honours) degree in chemistry from University of Madras. He was Secretary to Government of India in the Department of Electronics (renamed as Ministry of Information Technology) from 1990 to 1996 and was Chairman of the Telecom Commission and Secretary to the Department of Telecommunications from 1993 to 1994. In 1996, he was appointed by the Government of India as Chairman of the Public Enterprises Selection Board where he was involved in improving the public sector undertakings.

He was appointed as the Central Vigilance Commissioner in 1998. He has been a columnist for the Economic Times and has authored several books. He was awarded Dataquest IT Man of the Year in 1993 and was the winner of the Lifetime Achievement Award of Dataquest in 2004.

Companies in which Mr. N Vittal holds Directorship and Committee Memberships

Name of Company	Nature of Interest	Audit Committee	Investor Grievance Committee
Texas Instruments (India) Pvt. Ltd	Director	-	-
Aster Teleservices Private Limited	Director & Chairman	Chairman	-

Shareholding in the Company

Mr. N Vittal does not hold any share of the Company. He holds 10,000 stock options granted under the Directors Stock Option Plan.



George M. Scalise
Independent Director

George M. Scalise holds a mechanical engineering degree from Purdue University. He is currently the president of Semiconductor Industry Association, San Jose, CA. Prior to that, he worked with Apple Computer, Inc., CA. from 1996 to 1997 as the Executive Vice President and with National Semiconductor Corporation from 1991 to 1996 as the Executive Vice President and chief administrative officer.

He served the US army as a project engineer from 1956 to 1958. He was a member of Council of Advisors to President of USA on science and technology. He also served on the Board of Directors and was Chairman of the Federal Reserve Bank of San Francisco. He has over 30 years of experience in the technology industry.

Companies in which Mr. George Scalise holds Directorship and Committee Memberships

Name of Company	Nature of Interest	Audit Committee	Investors Grievance
Cadence Design Systems	Director	-	-
Intermolecular Inc.	Director	-	-
Scalise Family Trust	Trustee	-	-

Shareholding in the Company

Mr. George Scalise does not hold any share of the Company. He holds 30,000 stock options granted under the Directors Stock Option Plan.



Mark A. Runacres
Independent Director
Chairman - Compensation Committee

Mark A. Runacres is a Cambridge graduate. He is currently on sabbatical from the British Diplomatic Service after 25 years of service. This took him to India, France and the U.S and gave him experience in international trade and investment, international security, development, political analysis, strategy and policy formulation, and over a decade working on Indian affairs, most recently as Minister and Deputy High Commissioner until 2006.

He works across a wide range of business both as a consultant to leading international firms and also as an independent Director of Indian firms. He is India Adviser for the Confederation of British Industry and the Coordinator of the British Business Group in the National Capital Region. He is also active in civil society, as an Honorary Senior Fellow at The Energy and Resources Institute (TERI), a Director of the Business and Community Foundation, and India rep for Action for a Global Climate Community."

Companies in which Mr. Mark Runacres holds Directorship and Committee Memberships:

Name of Company	Nature of Interest	Audit Committee	Investors Grievance
G4S Corporate Services (India) Private Limited	Director	-	-
Elara Capital (India) Private Ltd	Non-Executive Director	-	-
VERpool plc	Director	-	-
Sheffield and Vermark Consultants Pvt Ltd	Promoter and Director	-	-
Avian Chase Pvt Ltd.	Promoter and Chairman	-	-
Xyanni Pvt Ltd.	Advisory Board member	-	-
Avian Media Pvt. Ltd	Advisory Board member	-	-
SQN Partners Pvt. Ltd	Promoter	-	-
Domesteq Pvt. Ltd	Promoter	-	-
Creative EcoWorks	Promoter	-	-

Shareholding in the Company

Mr. Mark Runacres does not hold any share of the Company. He holds 10,000 stock options granted under the Directors Stock Option Plan.



MindTree Limited

Registered Office: MindTree House No. 3, Block A, No. 42, 27th Cross, Banashankari 2nd Stage, Bangalore 560 070, India

FORM OF PROXY

Regd. Folio No./DP ID and Client ID:

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I/We..... of in the district of being a member/members of the above-named Company hereby appoint of in the district of or failing him/her of in the district of as my/our proxy to vote for me/us on my/our behalf at the Tenth Annual General Meeting of the Company to be held on Friday, July 3, 2009 at 10.00 A.M at Woodlands Hotel, No.5, Rajaram Mohan Roy Road, Bangalore- 560 025, Karnataka and at any adjournment thereof.

Signed this day of 2009.

Signature:

Affix
15 Paise
revenue
stamp

Notes: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

----- Please Tear Here -----



MindTree Limited

Registered Office: MindTree House No. 3, Block A, No. 42, 27th Cross, Banashankari 2nd Stage, Bangalore 560 070, India

ATTENDANCE SLIP

Regd. Folio No./DP ID and Client ID:

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Number of shares held:

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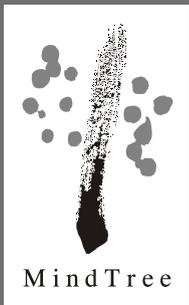
I hereby certify that I am a Member/Proxy of the Company.

I hereby record my presence at the Tenth Annual General Meeting of the Company on Friday, July 3, 2009 at 10.00 A.M. at Woodlands Hotel, No.5, Rajaram Mohan Roy Road, Bangalore- 560 025, Karnataka.

Signature : _____

Name of the Member/Proxy : _____
(in BLOCK letters)

Note:
Please handover the attendance slip at the entrance of the Meeting hall.
Members are requested to carry their Annual Report to the meeting.



MindTree House #3, 42, Block A

27th Cross, Banashankari 2nd Stage

Bangalore 560 070, Karnataka, India

Ph: (91) 80-67061000

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