MindTree Limited
Schedule 15 – Significant accounting policies and notes to the accounts
For the year ended March 31, 2011

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. The Company is structured into three business units – Information Technology ('IT') Services, Product Engineering ('PE') Services and Wireless Services. IT Services offer consulting and implementation and post production support for customers in manufacturing, financial services, travel and leisure and other industries, in the areas of e-business, data warehousing and business intelligence, supply chain management, ERP and maintenance and re-engineering of legacy mainframe applications. PE Services comprises R&D Services and Software Product Engineering 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. Software Product Engineering provides full life cycle product engineering, professional services and sustained engineering services. Consequent to the acquisition and subsequent merger of MindTree Wireless Private Limited, the Company has added a business segment in its operating structure which is referred to as Wireless Services.

The Company 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.

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 ('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 financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

2.3 Fixed assets and depreciation

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 Acquired intangible assets are capitalised at the acquisition price. Internally generated intangible assets are stated at cost that can be measured reliably during the development phase and when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

2.3.3 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.

2.3.4 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.

2.3.5 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 that 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
Buildings	25-30 years
Computer systems (including software)	1-3 years
Test Equipment	3 years
Furniture and fixtures	5 years
Electrical installations	3-5 years
Office equipment	4-5 years
Motor vehicles	4-5 years
Plant and machinery	4 years
Intellectual property	5 years

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

2.3.7 The cost of leasehold land is amortised over the period of the lease. Leasehold improvements and assets acquired on finance lease are amortised 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 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises cash in hand and balance in bank in current accounts, deposit accounts and in margin money deposits.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2.7 Employee benefits

2.7.1 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, SBI Life Insurance Company and Life Insurance Corporation of India. Actuarial gains and losses are charged to the profit and loss account.

2.7.2 Compensated absences are 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.

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

2.8 Revenue recognition

2.8.1 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 at a mark-up.

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

2.8.2 Provision for discounts is recognised on an accrual basis in accordance with contractual terms of agreements with customers and is shown as reduction of revenues.

2.8.3 Dividend income is recognised when the right to receive payment is established.

2.8.4 Interest income is recognized using the time proportion method, based on the transactional interest rates.

2.9 Foreign exchange transactions

2.9.1 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.

2.9.2 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.

2.9.3 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.

2.9.4 Forward exchange contracts and other similar instruments that are not in respect 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 and other similar instruments 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.

2.9.5 For forward exchange contracts and other derivatives that are not covered by AS 11 and that relate to a firm commitment or highly probable forecasted transactions, the Company has adopted Accounting Standard ('AS') 30, 'Financial Instruments: Recognition and Measurement' which is recommendatory with effect from April 1, 2009. In accordance with 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 until the transaction is completed. Other derivative instruments are recorded at fair value at the reporting date and the resultant exchange loss/ (gain) is debited/ credited to profit and loss account.

2.10 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.

2.11 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.

2.12 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.

Minimum alternate tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an asset in the balance sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant assets can be measured reliably. MAT credit entitlement can be carried forward and utilized for a period of ten years from the period in which such credit is availed.

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.

2.13 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.

2.14 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. 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 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 Aztecsoft Limited

The Company had acquired 36,441,595 equity shares of Aztecsoft Limited ('Aztec'), a Company listed on recognized stock exchanges in India in the financial year 2008-09 for a consideration of Rs 2,920 million. Consequent to the acquisition of these shares, Aztec became a subsidiary of the Company. As at March 31, 2009, the Company held 79.9% of outstanding equity shares of Aztec.

The Company had filed an application with the Hon'ble High Court of Karnataka for the merger of Aztec with the Company effective April 1, 2009. During the previous year approval of the merger was received from the Hon'ble High Court of Karnataka on June 3, 2009.

In terms of the scheme, Aztec was amalgamated with the Company with effect from April 1, 2009. The Company has accounted for the amalgamation as amalgamation in the nature of purchase under AS 14, Accounting for Amalgamations.

Following were the salient features of the scheme:

a) 36,441,595 equity shares held by the Company in Aztec and 2,010,751 equity shares held by Aztec Software and Technology Services Limited Employees Welfare Trust were cancelled and extinguished, from the effective date of the scheme. Further 1,300,965 equity shares of the Company were issued to the erstwhile minority shareholders of Aztec holding 7,155,306 equity shares in Aztec based on the swap ratio of 2 equity shares in the Company for every 11 equity shares held in Aztec considering the market value of Rs. 211.05 per share of the Company as at April 1, 2009. The additional consideration thus paid to the minority shareholders of erstwhile Aztec amounted to Rs 275 million. Accordingly, the total consideration for the transaction amounted to Rs 3,195 million.

b) All the assets and liabilities of Aztec were recorded in the books of the Company at their carrying amounts as on April 1, 2009. The net worth of Aztec as at the date of acquisition on initial control amounted to Rs 1,835 million.

c) Pursuant to the scheme of amalgamation approved by the Hon'ble High Court of Karnataka, the goodwill of Rs 1,360 million resulting from the aforesaid 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.1,360 million would have been required to be amortized as per the Company's accounting policy.

4. Acquisition and amalgamation of MindTree Wireless Private Limited

a) During the previous year, the Company acquired 412,500 equity shares of MindTree Wireless Private Limited (MWPL) [formerly Kyocera Wireless (India) Private Limited] representing 100% of equity share capital of MWPL at a consideration of Rs. 437 million (including a contingent consideration of Rs 144 million). Consequently, MWPL became a 100% subsidiary of the Company with effect from October 1, 2009. The Company has subsequently reassessed contingent consideration payable based on forecast of estimated future revenue and during the year, reduced it by Rs 100 million. Consequently, the cost of investment was reduced to Rs 337 million.

b) The Company filed a scheme of Amalgamation ("the Scheme") with the Hon'ble High Court of Karnataka for the merger of MWPL with the Company effective April 1, 2010 (the Appointed Date). In January 2011, the Hon'ble High Court of Karnataka approved the aforesaid Scheme vide its Order dated December 10, 2010.

As per the terms of the Scheme, MWPL was amalgamated with the Company with effect from April 1, 2010. 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) 412,500 equity shares held by the Company in MWPL were cancelled and extinguished, from the effective date of the Scheme.

b) All the assets and liabilities of MWPL are recorded in the books of the Company at their respective book value as on April 1, 2010.

c) All the profits, income, expenditure, losses accruing to MWPL with effect from the Appointed Date were treated as the profits or income or expenditure or losses, as the case may be, of the Company.

Consequent to the Order, the Company has effected the Scheme in its financial statements for the year ended March 31, 2011. The cost of investment in excess of net book value of MWPL as on April 1, 2010 amounted to Rs 21 million and was recorded as goodwill in the financial statements.

5. Impairment of goodwill

The management has assessed whether there is an indication that the goodwill may be impaired. Considering the restructuring of business model i.e. conversion of wireless products business into a design service business and expected decline in the future revenues of MWPL, the entire goodwill arising on amalgamation amounting to Rs 21 million is considered to be impaired and an impairment loss to that extent has been recognized which is presented under depreciation and amortisation.

6. Purchase of Assets

During the year, the Company acquired certain fixed assets, RAPID software platform, customer contracts and employment contracts for a cash consideration of Rs 72 million from Sevenstrata IT Services Private Limited. The acquisition was carried out by entering into an Agreement to Sell Assets ('Agreement') with Sevenstrata IT Services Private Limited. The RAPID software acquired pursuant to the Agreement has been accounted for as an intangible as per AS-26 'Intangible Assets' ('AS 26') and valued at Rs 67 million as determined by an independent external expert. The customer contracts and employment contracts have not been assigned any value as they do not meet the criteria of an intangible asset as per AS 26. The remaining consideration represents the net book value of the assets taken over.

The Management believes the useful life of the aforesaid intangible to be 5 years as it represents the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Company.

7. 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 six stock option programs.

Program 1 [ESOP 1999]

Options under this program are exercisable at an exercise price of Rs 10 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 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, 2010	14,888
Granted during the year	-
Exercised during the year	10,800
Lapsed during the year	-
Forfeited during the year	-
Outstanding options as at March 31, 2011	4,088
Options vested and exercisable as at March 31, 2011	4,088

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, 2010	183,877
Granted during the year	-
Exercised during the year	54,473
Lapsed during the year	2,641
Forfeited during the year	-
Outstanding options as at March 31, 2011	126,763
Options vested and exercisable as at March 31, 2011	126,763

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, 2010	195,916
Granted during the year	-
Exercised during the year	94,893
Lapsed during the year	7,295
Forfeited during the year	10,180
Outstanding options as at March 31, 2011	83,548
Options vested and exercisable as at March 31, 2011	83,408

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, 2010	2,658,934
Granted during the year	183,500
Exercised during the year	296,095
Lapsed during the year	39,393
Forfeited during the year	198,000
Outstanding options as at March 31, 2011	2,308,946
Options vested and exercisable as at March 31, 2011	1,459,494

Program 5 [ESOP 2008A]

Options under this program are granted to employees of erstwhile Aztecsoft Limited as per swap ratio of 2:11 as specified in the merger scheme. 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. The contractual life of each option is 5 years after the date of grant.

Outstanding options as at April 1, 2010	233,472
Granted during the year	-
Exercised during the year	16,411
Lapsed during the year	49,797
Forfeited during the year	17,046
Outstanding options as at March 31, 2011	150,218
Options vested and exercisable as at March 31, 2011	135,868

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

Options under this program have been granted to independent directors at an exercise price periodically determined by the compensation committee. 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, 2010	97,521
Granted during the year	115,000
Exercised during the year	47,521
Lapsed during the year	-
Forfeited during the year	-
Outstanding options as at March 31, 2011	165,000
Options vested and exercisable as at March 31, 2011	33,333

The weighted average exercise price of options exercised during the year ended March 31, 2011 is Rs 10 under program 1, Rs 50 under program 2, Rs 250 under program 3, Rs 357.18 under program 4, Rs 394.65 under program 5 and Rs 483.80 under DSOP 2006.

The weighted average exercise price for stock options exercised during the year ended March 31, 2011 was Rs 267.84. The options outstanding at March 31, 2011 had a weighted average exercise price of Rs 349.15 and a weighted average remaining contractual life of 2.12 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" issued by ICAI, the Company's net profit and basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

Rs in million except EPS data

Particulars	**Year ended March 31, 2011**	**Year ended March 31, 2010**
Net profit as reported	1,231	2,081
Add: Stock-based employee compensation expense (intrinsic value method)	-	5
Less: Stock-based employee compensation expense (fair value method)	67	96
Pro forma net profit	1,164	1,990
Basic earnings per share as reported	30.93	53.04
Pro forma basic earnings per share	29.25	50.73
Diluted earnings per share as reported	30.10	51.13
Pro forma diluted earnings per share	28.46	48.90

The weighted average fair value of each option of MindTree, granted during the year ended March 31, 2011, estimated on the date of grant was Rs 373.73. using the Black-Scholes model with the following assumptions:

Grant date share price	Rs. 511 – Rs. 560
Exercise price	Rs. 511 – Rs. 560
Dividend yield%	0.18% – 0.20%
Expected life	3-5 years
Risk free interest rate	7.23% - 7.81%
Volatility	91.66% - 92.98%

8. Provision for taxation

The Company has STPI units at Bangalore, Hyderabad and Pune which are registered as a 100 percent Export Oriented Unit, which is entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961. However, certain units have completed the 10 year tax holiday period and are not eligible for deduction of profits under Section 10A/10B of the Income Tax Act, 1961. 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 assets included in the balance sheet comprises the following:

Rs in million

Particulars	**As at March 31, 2011**	**As at March 31, 2010***
Excess of depreciation as per books over depreciation allowed under Income Tax Act, 1961	176	120
Provision for doubtful debts	5	12
Compensated absence	33	24
Provision for post contract support services	2	2
Total deferred tax assets	**216**	**158**

*Deferred tax assets include Rs 55 million (previous year: Rs 45 million) acquired as a part of business purchase and amalgamation. Refer Note 3 and 4 of Schedule 15.

9. Capital commitments and contingent liabilities

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2011 is Rs 122 million (previous year: Rs 244 million).

b) Guarantees given by Company's bankers as at March 31, 2011 are Rs 80 million (previous year: Rs 122 million).

c) As of the balance sheet date, the Company's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is Rs 2,454 million (previous year: Rs 1,909 million).

d) The Company has received orders for the financial years 2000-01, 2004-05, 2005-06 and 2006-07 wherein demand of Rs 1 million, Rs 6 million, Rs 51 million and Rs 32 million respectively has been raised against the Company on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from the manner of adjustment of brought forward losses in arriving at the taxable profits of the Company except for financial year 2000-01 wherein the AO has held that interest receipts are not eligible for deduction under section 10B and that losses from export earnings cannot be set off against other income. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

During the current year, the Company has received an assessment order for financial year 2007-08 from the DCIT with a demand amounting to Rs 42 million on account of certain disallowances / adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has not accepted these orders and had been advised by its legal counsel/ advisors to prefer appeals before the Commissioner of Income Tax (Appeals). The Company has not deposited the amount of demand with the department.

e) On January 2, 2010, the Company has received an assessment order for financial year 2006-07 (A.Y 2007-08) for the erstwhile subsidiary i.e. MindTree Technologies Private Limited (MTPL) from the Assistant Commissioner of Income-tax ('ACIT') with a demand amounting to Rs.11 million on account of certain disallowances/ adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received. The Company has not deposited the amount of demand with the department.

During the current year, the Company has received an assessment order for financial year 2007-08 pertaining to MTPL from the Deputy Commissioner of Income-tax ('DCIT') with a demand amounting to Rs. 10 million on account of certain disallowances / adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has not accepted these orders and had been advised by its legal counsel/ advisors to prefer appeals before the Commissioner of Income Tax (Appeals). The Company has not deposited the amount of demand with the department.

f) The Company has received orders under Section 143(3) of the Income-tax Act 1961 which pertain to erstwhile Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04 and 2004-05 wherein demand of Rs 91 million, Rs 49 million, Rs 61 million and Rs 28 million respectively has been raised against the Company. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Company has not accepted these orders and had been advised by its legal counsel/ advisors to prefer appeals before the Commissioner of Income Tax (Appeals).

The Company 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 Company's contentions and quashed the demand raised. The Income tax department had appealed against the above mentioned order with ITAT. ITAT, in an earlier 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. The Company has preferred an appeal with the High Court of Karnataka against the order of the ITAT. Further, in the previous year the High Court of Karnataka has stayed the operation and all further proceedings pursuant to the order passed by the ITAT.

The Company has appealed against the demands received for financial year 2002-03, 2003-04 and 2004-05 to the Commissioner of Income-tax (Appeals) where the matter is pending conclusion. Based on favourable order received by the Company 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.

During the current year, the Company has received an assessment order and a draft assessment order pertaining to Aztecsoft Limited for the financial years 2005-06 and 2006-07 wherein demand of Rs 58 million and 112 million respectively has been raised against the Company. The demands have arisen mainly on account of transfer pricing adjustment and certain other disallowances/adjustments. The Company has appealed against the demands received. Based on favourable order received by the Company 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.

g) During the current year, the Company has received an assessment order for FY 2006-07 for the erstwhile subsidiary MindTree Wireless Private Limited from the Assistant Commissioner of Income-tax (‘ACIT’) with a demand amounting to Rs. 39 million on account of certain other disallowances/ Transfer Pricing adjustments made by income tax department. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements for the year ended March 31, 2011. The Company has filed an appeal with CIT Appeals against the demand received. The Company has deposited Rs. 5 Million with the department against this demand.

10. 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.

11. Value of imports on CIF basis

Rs in million

Particulars	**For the year ended March 31, 2011**	**For the year ended March 31, 2010**
Capital goods	91	80
Others	3	15
Total	**94**	**95**

12. Expenditure in foreign currency

Rs in million

Particulars	**For the year ended March 31, 2011**	**For the year ended March 31, 2010**
Branch office expenses	4,675	3,860
Travel expenses	292	262
Professional charges	16	15
Others	347	116
Total	**5,330**	**4,253**

13. During the year the Company has remitted in foreign currency dividend of Rs 10 million (previous year: Rs 7 million).

Particulars	**For the year ended March 31, 2011**
Number of shares held	3,208,829
Number of shareholders	92
Amount remitted (Rs)	10 million
Year to which dividend relates	Final dividend for 2009-10
	Interim dividend for 2010-11

Particulars	**For the year ended March 31, 2010**
Number of shares held	7,456,306
Number of shareholders	102
Amount remitted (Rs)	7 million
Year to which dividend relates	Interim dividend for the year 2009-10

14. Earnings in foreign currency

Rs in million

Particulars	**For the year ended March 31, 2011**	**For the year ended March 31, 2010**
Income from software development	14,100	11,558
Interest income	1	-
Other income	9	17
Total	**14,110**	**11,575**

15. Auditor's remuneration

Rs in million

Particulars	**For the year ended March 31, 2011**	**For the year ended March 31, 2010**
Audit fees	10	9
Tax audit fee	-	-
Other services	-	-
Reimbursement of expenses	-	-
Total	**10**	**9**

16. Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2011 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Rs in million

Particulars	**For the year ended March 31, 2011**	**For the year ended March 31, 2010**
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

17. Segmental reporting

The Company's operations predominantly relate to providing IT Services, PE Services and Wireless 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

Rs in million

Profit and loss statement for the year ended March 31, 2011	**IT Services**	**PE Services**	**Wireless Services**	**Total**
Revenues	8,783	5,653	654	15,090
Operating expenses, net	7,663	4,937	904	13,504
Segmental operating income	**1,120**	**716**	**(250)**	**1,586**
Unallocable expenses				517
Profit for the year before interest, other income and tax				**1,069**
Interest expense				4
Other income				461
Net profit before taxes				**1,526**
Income taxes				295
Net profit after taxes				**1,231**

Rs in million

Profit and loss statement for the year ended March 31, 2010	IT Services	PE Services	Total
Revenues	6,980	5,352	12,332
Operating expenses, net	5,845	4,302	10,147
Segmental operating income	**1,135**	**1,050**	**2,185**
Unallocable expenses			502
Profit for the year before interest, other income and tax			**1,683**
Interest expense			25
Other income			804
Net profit before taxes			**2,462**
Income taxes			381
Net profit after taxes			**2,081**

Geographical segments

Rs in million

Revenues	Year ended March 31, 2011	Year ended March 31, 2010
America	9,346	8,148
Europe	2,885	2,335
India	1,284	891
Rest of World	1,575	958
Total	**15,090**	**12,332**

18. Related party transactions

Name of related party	Nature of relationship
MindTree Software (Shenzhen) Co Ltd (‘MSSL’), Republic of China	Subsidiary
MindTree Wireless Pte Limited, Singapore	Subsidiary
MindTree Wireless Private Limited (‘MWPL’), India	Subsidiary merged with the Company effective April 1, 2010
Aztec Software Inc, USA	Subsidiary dissolved during the year*
Aztec Disha Inc, USA	Subsidiary dissolved during the year*
MindTree Benefit Trust	Dissolved during the year#
Aztec Software and Technology Services Ltd Employees Welfare Trust	Dissolved during the year#

* Refer note 26 of this schedule.
# Refer note 27 of this schedule.

Transactions with the above related parties during the period were:

Rs in million

Name of related party	**Nature of transaction**	**Year ended March 31, 2011**	**Year ended March 31, 2010**
MindTree Software (Shenzhen) Co Ltd	Expenses paid by MSSL	2	-
Aztec Software Inc, USA	Sub-contractor Charges	-	91
Aztec Disha Inc, USA	Income from Software development	-	113
MindTree Wireless Private Limited	Expenses incurred on behalf of MWPL	-	6
	Income from Software development	-	1
	Interest free unsecured loan	-	70

Balances receivable from related parties are as follows:

Rs in million

Name of related party	**As at March 31, 2011**	**As at March 31, 2010**
MindTree Wireless Private Limited	-	73
MindTree Software (Shenzhen) Co Ltd	-	-

Balances payable to related parties are as follows:

Rs in million

Name of related party	**As at March 31, 2011**	**As at March 31, 2010**
MindTree Software (Shenzhen) Co Ltd	2	-
Aztec Disha Inc, USA	-	171
Aztec Software Inc, USA	-	280

Key managerial personnel:

Ashok Soota	Executive Chairman (resigned with effect from April 1, 2011)
Subroto Bagchi	Gardener and Vice-Chairman
N Krishnakumar	CEO & Managing Director
S Janakiraman	President & Group-CEO-PES
Dr. Albert Hieranimous	Non-executive Director of MindTree (appointed as Non-Executive Chairman with effect from April 1, 2011)
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
V.G.Siddhartha	Non executive Director of MindTree
David B. Yoffie	Non executive Director of MindTree
Rajesh Subramaniam	Non executive Director of MindTree

Remuneration paid to key managerial personnel amounts to Rs 44 million (previous year: Rs 39 million). Amounts payable to directors in the nature of travel and business expenses as at March 31, 2011 amounted to Rs Nil million (previous year: Rs 1 million). Dividends paid to directors amounted to Rs 24 million (previous year: Rs 10 million).

Stock compensation cost has not been considered in the managerial remuneration computation.

The above excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

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

Rs in million

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit before taxation	1,526	2,462
Add: Depreciation and amortization as per accounts	712	611
Managerial remuneration	44	39
Provision for doubtful debts	3	23
Less: Depreciation as per Section 350*	691	611
Bad debts written off	-	292
Profit on sale of investments	-	11
Profit on sale of fixed assets	1	-
Gains on dissolution of subsidiaries	221	-
Net profit for Section 198 of the Companies Act, 1956	**1,372**	**2,221**
Managerial remuneration comprises of:**		
Salaries and allowances	24	19
Contribution to provident funds	1	1
Perquisites	4	-
Directors' sitting fees	1	-
Commission to non-executive Directors	14	19
Total	**44**	**39**

* 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 has not been considered in the managerial remuneration computation.

The above excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

20. Lease Transactions

Lease rental expense under non-cancellable operating lease during the year amounted to Rs. 80 million (previous year: Rs 92 million). Future minimum lease payments under non-cancelable operating lease as at March 31, 2011 is as below:

Rs in million

Minimum lease payments	**As at March 31, 2011**	**As at March 31, 2010**
Payable -- Not later than one year	29	16
Payable -- Later than one year and not later than five years	18	-

Additionally, the Company leases office facilities and residential facilities under cancelable operating leases. The rental expense under cancellable operating lease during the year was Rs. 283 million (previous year: Rs 211 million).

21. Earnings per share

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

Rs in million except shares data

	For the year ended March 31, 2011		**For the year ended March 31, 2010**	
Particulars	**Basic EPS**	**Diluted EPS**	**Basic EPS**	**Diluted EPS**
Weighted average number of equity shares outstanding during the year	39,766,786	39,766,786	39,232,474	39,232,474
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	1,098,482	-	1,465,181
Weighted average number of equity shares for calculation of earnings per share	39,766,786	40,865,268	39,232,474	40,697,655

22. 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 post contract support services

Rs in million

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Balance as at beginning of the year	5	10
Provisions made during the year	-	-
Utilisations during the year	-	-
Released during the year	-	(5)
Provision as at the end of the year	5	5

Provision for discount

Rs in million

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Balance as at beginning of the year	50	51
Provisions made during the year	25	43
Utilisations during the year	(11)	(30)
Released during the year	(15)	(14)
Provision as at the end of the year	49	50

Provision for foreseeable losses

Rs in million

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Balance as at beginning of the year	24	-
Provisions made during the year	19	24
Utilisations during the year	(11)	-
Released during the year	(30)	-
Provision as at the end of the year	2	24

These provisions are expected to be utilized over a period of 1 to 2 years.

23. Gratuity plan

The following table set out the status of the gratuity plan as required under AS 15 Employee Benefits.

Rs in million

Particulars	**As at March 31, 2011**	**As at March 31, 2010**
Obligations at the beginning of the year	208	132
Obligations acquired pursuant to business purchase and amalgamation (Refer Note 3 and 4 of this Schedule)	21	43
Service cost	54	28
Interest cost	13	13
Benefits settled	(30)	(8)
Actuarial (gain)/loss	(1)	-
Obligations at end of the year	**265**	**208**
Change in plan assets		
Plans assets at the beginning of the year, at fair value	212	132
Plans acquired pursuant to business purchase and amalgamation (Refer Note 3 and 4 of this Schedule)	15	36
Expected return on plan assets	17	13
Actuarial gain/(loss)	6	21
Contributions	37	18
Benefits settled	(30)	(8)
Plans assets at the end of the year, at fair value	**257**	**212**
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	257	212
Present value of defined obligations as at the end of the year	265	208
Asset/ (liability) recognized in the balance sheet	**(8)**	**4**

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Gratuity cost for the year		
Service cost	54	28
Interest cost	13	13
Expected return on plan assets	(17)	(13)
Actuarial (gain)/loss	(7)	(39)
Net gratuity cost	**43**	**(11)**
Actual Return on plan assets	23	34
Assumptions		
Interest rate	7.99%	7.82%
Expected rate of return on plan assets	7.99%	7.82%
Expected rate of salary increase	10-12%	10-8-5%
Attrition rate	25.10%	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.

24. Derivatives

As at March 31, 2011, the Company has outstanding forward contracts amounting to USD 62 million and Euro 4.6 million (previous year: USD 79 million), option contracts amounting to Euro 0.3 million (previous year: USD 7 million), forward strips and leverage option contracts amounting to USD 67.5 million (previous year: USD 100 million). These derivative instruments have been entered to hedge highly probable forecast sales.

In accordance with the provisions of AS 30, derivative instruments which qualify for cash flow hedge accounting have been fair valued at balance sheet date and the resultant exchange difference of Rs 81 million as at March 31, 2011 (previous year Rs. 115 million) has been credited to hedge reserve. Other derivative instruments that do not qualify for hedge accounting have been fair valued at balance sheet date and resultant exchange gain of Rs 136 million for the year ended March 31, 2011 (previous year: gain of Rs 981 million) has been recognized in the profit and loss account.

25. Details of investments

Details of liquid mutual fund units (scheme wise) as on March 31, 2011:

Name of the fund	Units	Amount
Birla Sunlife Short term FMP Series 8 – Dividend	3,604,824	36
Birla Sunlife Short term FMP Series 9 – Dividend	5,019,443	50
BSL Intravel Income Fund-Instl-Quarterly -series 1-Dividend	4,138,250	42
DSP BlackRock FMP 3M Series 30 –Dividend	6,500,000	65
DSP Blackrock FMP 13M Series-2-Growth	7,500,000	75
DSP BlackRock FMP 3M Series 28 Dividend	3,000,000	30
ICICI Prudential Liquid SIP – DDR	460,803	46
IDFC -Fixed Maturity 100 Days-Series-I	2,500,000	25
IDFC Fixed Maturity Yearly Series -32 Growth	3,562,025	36
IDFC Fixed Maturity Yearly series 33 Growth	4,000,000	40
L&T FMP-III(February 366DA)-Growth	4,003,460	40
Reliance Fixed Horizon Fund - XIX - Series 8 Growth	5,000,000	50
Reliance Money Manager Fund - IO-DDR	30,657	31
SBI - SHF - Ultra STF - Inst. Plan – DDR	4,524,214	45
SBI Mutual fund- 3 month Series	1,500,000	15
Tata Fixed Income Portfolio Fund Scheme C2 Reg Monthly	3,588,472	36
Tata Fixed Maturity Plan - Series 29 Scheme C – Growth	4,000,000	40
Tata Fixed Maturity Plan Series 26 Scheme C – Dividend	4,000,000	40
Tata Fixed Maturity Plan Series 28 Scheme A Dividend	4,132,052	41
Templeton India Income Opportunities Fund	5,127,565	52
Total		**835**

Investments purchased and sold during the year ended March 31, 2011.

Rs in million

Name of the fund	Units	Amount
Axis Fixed Term Plan- Series 3 (3 months) – Dividend	2,300,000	23
Birla Sun Life Cash Plus- Instl. Prem- DDR	39,373,222	394
Birla Sun Life Savings Fund- Inst.-DDR	50,919,895	510
Birla Sun Life Ultra Short Term Fund- Inst.-DDR	10,037,167	100
BSL Medium Term Plan -INSTL - Weekly Dividend –Reinvestment	3,490,557	35
DSP Black Rock Liquidity Fund -Inst. Plan-DDR	59,981	60
DSP Black Rock Money Manager Fund - Inst. Plan –DDR	212,339	213
DSP FMP 3M Series 24 Dividend	3,000,000	30
HSBC Cash Fund- Inst. Plus- DDR	92,947,977	930

Name of the fund	Units	Amount
HSBC Floating Rate -LTP -IO-Weekly Dividend	24,465,225	275
HSBC Ultra Short Term Bond Fund-Inst.Plus-DDR	72,125,993	730
ICICI Prudential Flexible Income Plan Premium-DDR	425,644	45
ICICI Prudential Floating Rate Plan D-DDR	5,404,179	541
ICICI Prudential Liquid Super Inst. Plan – DDR	3,409,230	341
IDFC Ultra Short Term Fund Monthly Dividend	2,986,471	30
IDFC Cash Fund-Super inst Plan C-Daily Dividend	29,442,639	294
IDFC Money Manager Fund - TP - Super Inst Planc C – DDR	27,789,174	278
IDFC Money Manager Fund-Investment Plan B-Daily Dividend	4,992,997	50
IDFC Savings Advantage Fund - Plan A – DDR	84,491	85
IDFC Ultra short Term Fund Daily Dividend	2,996,255	30
L&T FMP - I (August 125 D A) – Dividend	4,000,000	40
L&T FMP - II (December 91 D B) – Dividend	4,000,000	40
L&T Freedom Income STP Inst – DDR	2,462,160	25
L&T Liquid Inst. –DDR	10,379,289	105
Reliance Fixed Horizon Fund XV Series 3 - Dividend Plan	3,500,377	35
Reliance Liquid Fund- Treasury Plan- Inst. Option-DDR	6,214,268	95
Reliance Money Manager Fund - Institutional Option – DDR	96,213	96
Reliance Monthly Interval Fund - Series II - Inst. Div Plan	2,999,490	30
Reliance Monthly Interval Fund-Series I-Inst. Div Plan	5,999,115	60
SBNPP Money Fund Super Inst.-DDR	19,712,143	199
SBNPP Ultra ST fund Super Inst.-DDR	14,846,521	149
Sundaram Interval Fund Qly-Plan-E-Inst Div	5,000,560	50
Tata Fixed Income Portfolio Fund Scheme A2 Inst.	3,999,600	40
Tata Fixed Income Portfolio Fund Scheme A3 Inst.	3,500,458	35
Tata Floater Fund - Daily Dividend	3,558,890	36
Tata Liquid Super High Investment Fund	31,404	35
UTI- Fixed Income Interval Fund-Series II-QIP VI-Inst. Div Plan	19,327,743	193
UTI Floating Rate Fund-Short Term Plan-Inst.-DDR	80,284	80
UTI Liquid Cash Plan Institutional –DDR	194,836	199
Total		**6,536**

Details of liquid mutual fund units (scheme wise) as on March 31, 2010:

Rs in million

Name of the fund	Units	Amount
HDFC Cash Management Fund-TAP	18,758,957	188
ICICI Prudential Flexible Income Plan Premium – Dividend	1,914,603	203
IDFC Money Manager Fund Super Institutional Plan C -Daily Dividend	7,119,217	71
UTI Fixed Interval Fund-Monthly Interval Plan	8,000,000	80
UTI Floating Rate Fund-Short Term Plan – Daily Dividend Reinvestment	111,423	112
HSBC Ultra Short term Bond Fund Institutional Plus Daily Dividend	11,871,364	120
Templeton India Short Term Income Plan	71,165	72
Templeton Ultra Short Bond Fund	8,405,698	84
Templeton India Income Opportunities Fund	4,913,763	50
DSP Blackrock FMP 13M Series 2 Growth	7,500,000	75
Birla Sun Life Saving Fund-Institutional Daily Dividend	11,096,695	111
Birla Sun Life Floating Rate Fund LT Institutional-Weekly Dividend	10,000,272	100
Total		**1,266**

Investments purchased and sold during the year ended March 31, 2010.

Rs in million

Name of the fund	Face value Rs	Units	Amount
Birla Sun Life Savings Fund - Institutional - Daily Dividend Reinvestment	10	63,441,967	640
DSP Black Rock - Growth Maturity	1000	74,985	75
DWS Money Fund- Institutional - Daily Dividend Plan	10	4,394,430	44
DWS Money Plus Fund-Institutional- Plan Growth	10	3,287,279	33
Fortis Money Plus Institutional Growth	10	7,333,764	97
Fortis Money Plus Institutional Plan Daily Dividend	10	9,705,722	97
HDFC Cash Management Fund - Treasury Advantage Plan Wholesale -Daily Dividend	10	22,021,487	221
HDFC High Interest Fund- Quarterly Dividend	10	884,481	10
HDFC Liquid Fund- Dividend -Daily Reinvestment	10	36,771,195	375
HSBC Cash Fund -Institutional Plus- Daily Dividend	10	106,740,225	1,068
HSBC Floating Rate Fund-LTP-Institutional Option-Growth	10	2,244,061	31
HSBC Floating Rate Fund-LTP-	10	84,525,504	922

MindTree Limited
Schedule 15 – Significant accounting policies and notes to the accounts (continued)
For the year ended March 31, 2011

Name of the fund	Face value Rs	Units	Amount
Institutional Option-Weekly Dividend			
HSBC Ultra Short Term Fund-Institutional Plus-Daily Dividend	10	53,289,597	538
ICICI Prudential Flexible Income Plan Premium -Daily Dividend	10	27,878,204	295
ICICI Prudential Flexible Income Plan-Premium	100	291,720	31
ICICI Prudential Institutional Liquid Plan-SIP- Daily Dividend	100	299,934	30
ICICI Prudential Institutional Income Plan Quarterly Dividend	10	2,526,435	31
ICICI Prudential Institutional Liquid Plan-Super Institutional Daily Dividend	10	26,394,193	264
IDFC Cash Fund - Institutional Plan B - Daily Dividend	10	53,120,541	539
IDFC Money Manager Fund -TP- Super Institutional Plan C -Daily Dividend	10	78,830,446	789
IDFC Money Manager Fund -TP- Super Institutional Plan C-Growth	10	7,033,054	73
JM Money Manager Fund Super Plus Daily Dividend	10	8,124,414	81
JM High Liquidity Fund - Super Institutional Plan -Growth	10	2,777,805	38
JM Money Manager Fund Super Plus Plan-Growth	10	7,280,247	81
JP Morgan India Treasury Fund Daily Dividend Plan	10	2,268,398	23
JP Morgan India Treasury Fund-SI Growth Plan	10	1,981,097	23
Reliance Medium Term Fund- Retail Plan-GP	10	4,283,854	78
Reliance Medium Term Fund-Daily Dividend Plan	10	6,390,129	109
Religare Ultra Short Term Fund-Institutional Daily Dividend	10	3,524,496	35
Religare Ultra Short Term Fund-Institutional Growth	10	2,917,814	35
Religare Short Term Plan-Institutional Daily Dividend	10	4,878,031	49
Religare Short Term Plan-Institutional Growth	10	4,079,035	49
SBNPP Money Fund Institutional Daily Dividend Reinvestments	10	11,292,384	114
SBNPP Ultra ST Fund Institutional Dividend Reinvestments Daily	10	28,504,568	286
Tata Floater Fund-Daily Dividend	10	20,059,185	201
Tata Floater Fund-Growth	10	2,382,849	31
TATA Liquid Super High Investment	1000	192,908	215

Name of the fund	Face value Rs	Units	Amount
Fund-Daily Dividend			
TATA Treasury Manager Ship Daily Dividend	1000	133,641	135
Templeton India Ultra Short Bond Fund Super Institutional Plan-Daily Dividend Reinvestment	10	20,740,359	208
Templeton Floating Rate Dividend Reinvestment	10	8,220,436	85
Templeton India Treasury Management Account Super Institutional Plan-Daily Dividend Reinvestment	1000	312,290	313
Templeton India Ultra Short Bond Fund-Growth Plan	10	7,382,405	83
UTI Liquid Cash Plan Institutional -Daily Income Option -Reinvestment	1000	218,256	223
UTI Floating Rate Fund -Short Term Plan - Institutional Daily Dividend Plan - Reinvestment	1000	251,759	252
UTI Liquid Cash Plan Institutional -Daily Income Option -Reinvestment	1000	137,330	140
UTI Treasury Advantage Fund-IP Daily Dividend	1000	34,099	34
UTI Treasury Advantage Fund-IP Growth	1000	28,861	34
Total			**9,158**

26. During the year, the Company has dissolved its two subsidiaries viz., Aztecsoft Disha Inc and Aztec Software Inc. Pursuant to the dissolution, the surplus in excess of the book value of investment in the subsidiaries amounting to Rs 221 million has been recognised as other income in the profit and loss account.

27. During the year, MindTree Benefit Trust and Aztec Software and Technology Services Limited Employees' Welfare Trust were dissolved as per the resolution passed by the trustees. Consequently, the funds available with these trusts amounting to Rs 85 million were received by the Company. Since these funds were primarily in the nature of capital surplus, the Company has credited the above amount to capital reserve.

28. Pursuant to the merger of MWPL with the Company w.e.f, April 1, 2010, the current year figures are not comparable with the corresponding figures of the previous year.

29. Corresponding figures for previous year presented have been regrouped, where necessary, to conform to the current year's classification.

As per our report attached
For **B S R & Co.**
Chartered Accountants
Firm registration No. 101248W

For **MindTree Limited**

Supreet Sachdev
Partner
Membership No. 205385

Subroto Bagchi
Vice Chairman

N. Krishnakumar
CEO & Managing Director

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date: April 21, 2011

Place: Bangalore
Date: April 21, 2011