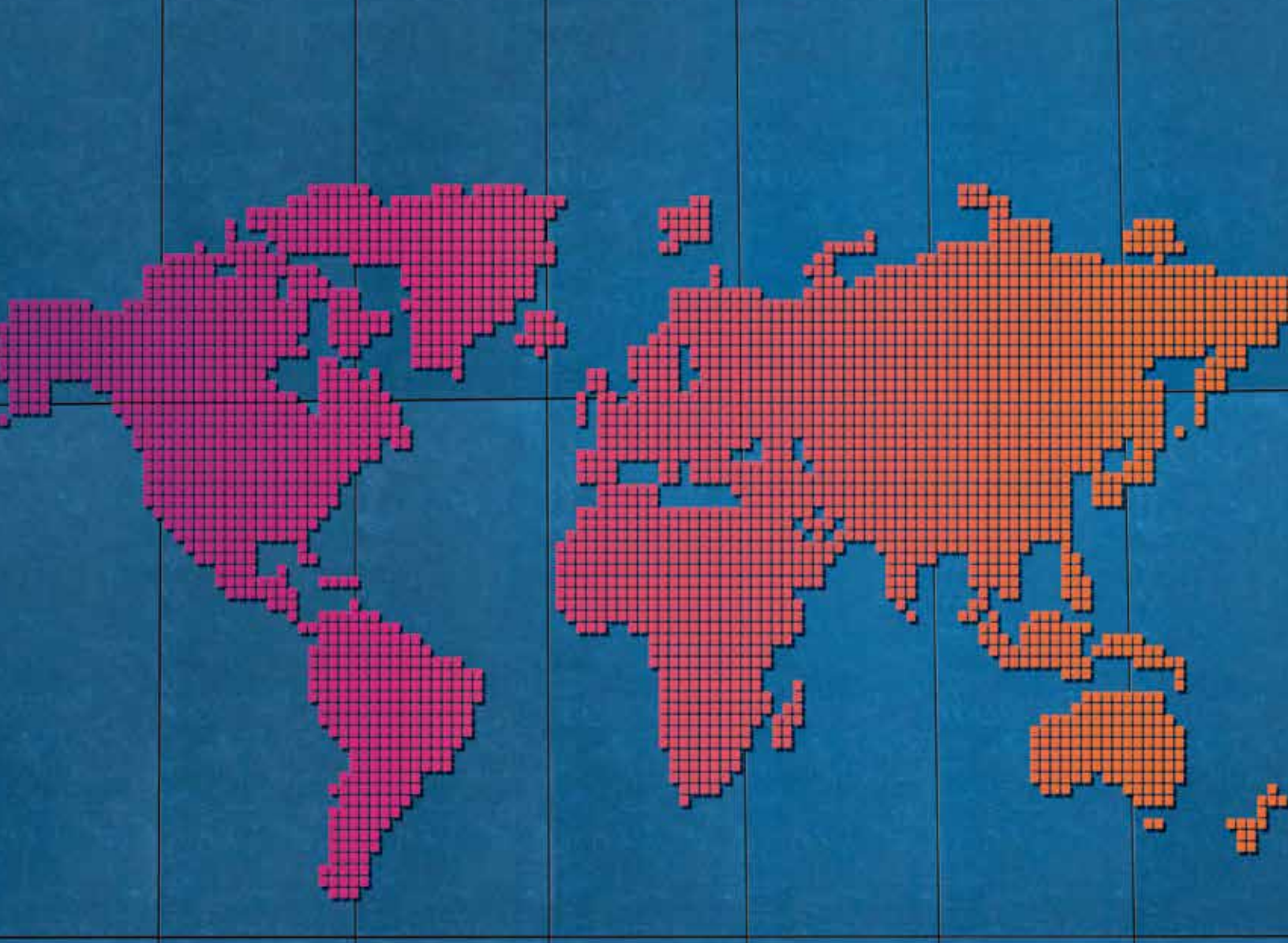
Mindtree

UNLEASHING POSSIBILITIES

Annual Report 2013-14



Domain expertise
+
Meaningful technology solutions

X

Power of Mindtree Minds
+
Spirit of partnership

=

Unleashing Possibilities

THE DIGITAL PUMPKIN

We live in a world that speaks digital in all walks of life. Businesses are adopting effective digital platforms to improve customer communication and relationships.

In fact, organizations are trying hard to figure out the perfect solution for digital initiatives. This is where Mindtree comes in with The Digital Pumpkin.

The Digital Pumpkin is an innovation hub that invites clients to a free, collaborative environment to create cutting edge digital solutions. At The Digital Pumpkin, we work with our clients to help ideate, experience and create a meaningful digital experience.

The DIGITAL PUMPKIN
Your Innovation Hub

Delivered superior consumer engagement

Developed digital business solutions for a Fortune 10 CPG enterprise. Nurtured more than 50 brands, 385 sites and a billion customers.

UNLEASHING POSSIBILITIES

Technology makes life more productive, rewarding and secure. It is a key driver and the bedrock of our solutions for our clients. At Mindtree, we push ourselves to unleash possibilities — discover new ways to make technology meaningful, deliver large engagements on time and on budget. We take ideas that look impossible on a whiteboard and transform them into workable solutions.

We thrive on innovation.
We thrive on creative collaboration.
We thrive on people taking risks, questioning perceptions and conventions and breaking fresh grounds.

Our culture of collaborative spirit, unrelenting dedication and expert thinking helps our clients succeed and turns them into our partners. Our domain expertise ensures a deep understanding of their challenges and opportunities and empowers us to solve them with meaningful technology. We deliver rewarding solutions that make the world a safer and better place to live in.

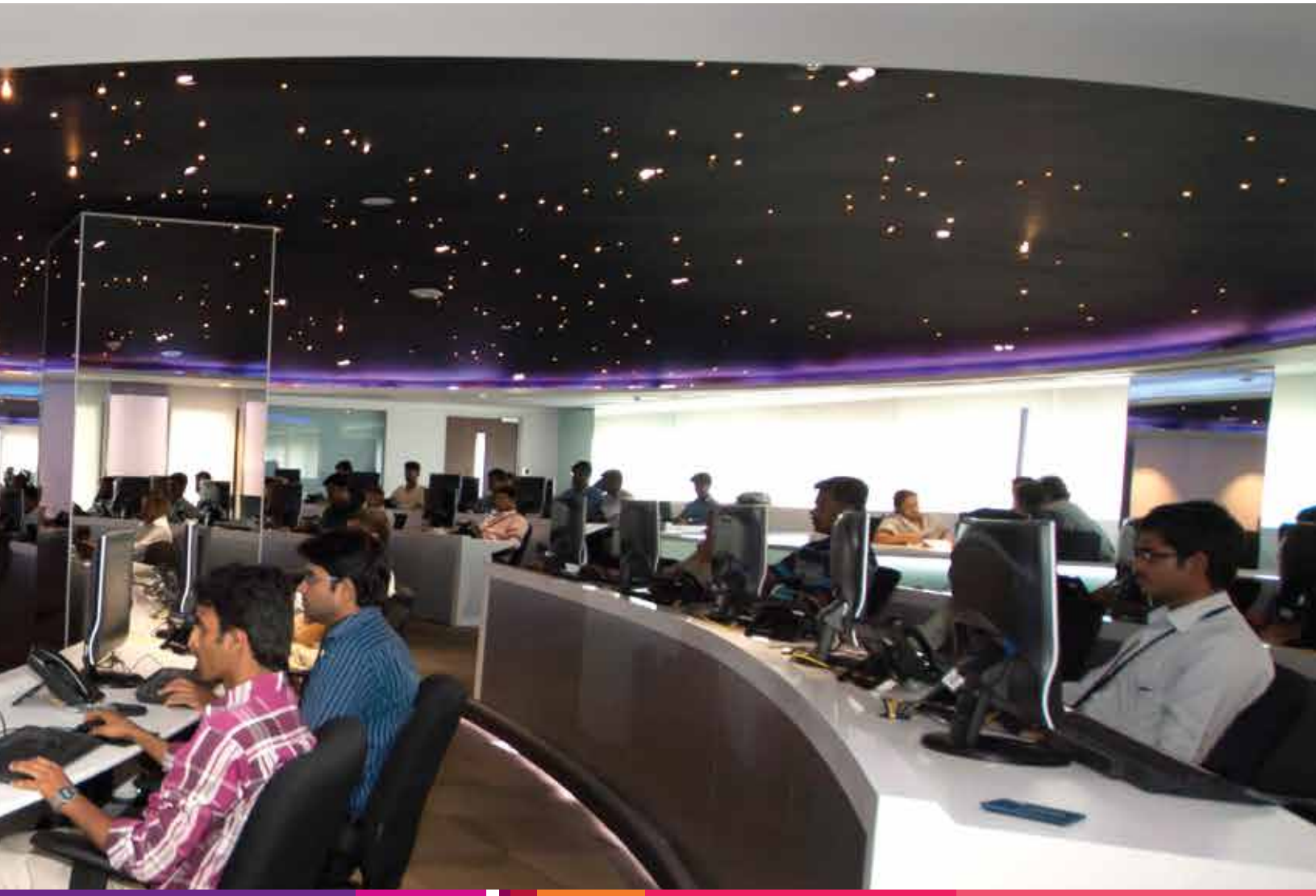
In the age of cloud, applications and infrastructure are completely interdependent and lack of integration can affect availability, performance and productivity.

WORLD-CLASS NETWORK OPERATING CENTER

We take an end-to-end approach for delivering infrastructure management services that includes technology, process and expertise to create unified management of applications and infrastructure. To accomplish this, we developed our service delivery platform to deliver a single point of reference, regardless of the underlying cause. We integrated service management with monitoring tools to provide a consolidated view of applications and infrastructure.

Ensured safe travel in two European countries

Managed the entire back-end infrastructure for railway and traffic control systems. Millions of passengers travel safely and efficiently in two European countries.



UNLEASHING POSSIBILITIES TO EMPOWER BUSINESSES AND SOCIETY

Saved $60 million in reinsurance costs

Improved underwriting practice efficiencies with our next-generation global exposure solution for a large client serving 40 million customers in 160 countries.

Helped generate over $1 million in daily revenue

Built a prepaid reservation system for a leading car rental agency.

Saved $55 million a year

Reduced piracy through our online activation solution for one of the world's leading software vendors.

I GOT GARBAGE

Mindtree built a technology platform 'I Got Garbage' to bring together businesses, government organizations and social entrepreneurs to transform the loosely organized Indian rag picking community into organized waste management service providers. Today, 21 NGOs work with 7,000 waste collectors to provide a more efficient and structured waste management system.

This unique, innovative waste management supply chain improves the working conditions of rag pickers, protecting them from exposure to hazardous chemicals and infectious diseases. Now, instead of scavenging for recyclables on garbage heaps, people can collect waste directly from residential and business sources. The approach increases the overall efficiency of recyclable recovery, creates a more stable, safer work environment for thousands of people and helps cities manage waste better.

'I Got Garbage' is a cloud based technology platform to disseminate information on waste segregation, offer assistance in system training, on-boarding and technical support and engage all stakeholders in upcoming programs.

CLIENTS SPEAK

Paul Kremer
E-commerce, Program Director, Avis

Mindtree has been an integral part of our e-commerce infrastructure over the past 13 years. They are very innovative and bring a lot to the table – quality delivery, excellent skills and technical analysis and top-notch quality assurance. Getting it right the first time is what differentiates Mindtree from other players in the global service provider market.

Mark Meyers
Senior Director, Microsoft

One of the greatest of Mindtree's qualities that I appreciate is their ability to take complete ownership of a project and execute the plan as if they are co-owners. The level of detail and support they devote to their customers is just fantastic. High quality interactions are the trademark of Mindtree Minds.

Jeroen van der Heijden,
CTO, Raet

Quality services and domain expertise are the hallmarks of Mindtree offerings. We really enjoy working with Mindtree; they are true partners, very focused on going the extra mile for us. We see a very bright future in our relationship with Mindtree.

Jeff Pisano
VP, Global operations, The Carlyle group

The best thing about Mindtree is their partnership and flexibility. I appreciate their willingness to learn our business and to work with us to come up with ideas that will create new levels of efficiency and drive cost effective growth.

INDEX

Message from Chairman and CEO

$501.5 million revenue

$101 million operating profits

15.1% Y on Y revenue growth in $

12,926 Mindtree Minds

207 Active clients

Dear Shareholder,

FY 2013-14 was a momentous year for Mindtree for several reasons: we crossed the half billion dollar mark in revenues, $100 million mark in operating profits and ₹ 100 in EPS. Our efforts to lead the services industry by building deep expertise and a collaborative culture is really striking a chord with our clients.

The demand for IT services has continued to improve over the last four quarters in the year gone by. We have taken full advantage of the accelerated demand environment.

Our $5 million client list grew by 4 to 24, $10 million clients grew by 4 to 13 and $20 million clients grew by 1 to 6.

Engaging with our global clients in our key markets is asking us to be locally present and visible. We are making investments towards this. We are happy to report that the first integrated development center we opened in the U.S. at Gainesville, Florida has completed a successful year. It is modelled to be a Centre of Excellence for Agile and Digital. In line with our strategy, we have now set up another large delivery center in Redmond, U.S. The state-of-the-art facility will focus on delivering cutting-edge solutions in the areas of cloud, mobility, infrastructure management and testing.

Our sharp focus on select verticals is winning us attention and accolades. Mindtree has been named 'Major Contender' in Everest Group's report from their worldwide research in outsourcing of IT services in Banking, Financial Services and Insurance. Two Mindtree solutions took top honors at the SAP® 2013 Industry Mobile Application Challenges at the SAP TechEd conference in Las Vegas. Our MInspect solution won the SAP 2013 Transport and Logistics Mobile App Challenge and MPromo solution won the SAP 2013 Retail Mobile Application Challenge. We launched Gladius, an advanced video management solution to meet surveillance needs in cities, industries and the retail sector.

Another major initiative has been our continued focus on capacity building for leadership. We have been always blessed to have some of the best people in the industry at the helm. We are adding to that by inducting several key executives from the world outside to create diversity. Last year, we welcomed Paul Gottsegen, Senior Vice President and Chief Marketing and Strategy Officer, Ramesh Pillai, Senior Vice President and Global Head of Hi-Tech services and Mark Wilsdon, Vice President and Head of Sales for UK and EU. In addition, we further enhanced the capabilities of the Mindtree Board with the addition of Apurva Purohit, CEO of Music Broadcast Pvt. Ltd. as Independent Director and N.S. Parthasarathy as Executive Director.

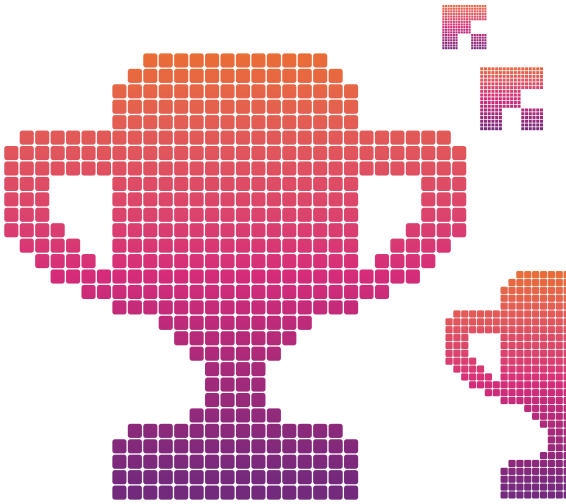
Looking ahead, we see the need to make continued investments in building deep domain knowledge. We need to increase scale in our global markets with investments in infrastructure and leadership. We also need greater adoption of OneMind, our next generation delivery platform to take up larger, transformative IT deals.

As we close, we assure you that we remain firmly committed to delivering enhanced value to all our stakeholders. All of us at Mindtree are very excited about the road ahead. We feel confident that we will achieve outstanding results through focus and efficient execution. Our passionate and committed team of 12,926 Mindtree Minds join us in thanking you and we look forward to an exciting year ahead with new milestones and greater achievements.

Sincerely,

Subroto Bagchi
Chairman

Krishnakumar Natarajan
CEO and Managing Director



CFO's message

Highlights for FY 2013-14

Achieved billion dollar market capitalization

Strong ROCE and significantly higher net margin growth

International recognition for corporate governance

Dear Shareholder,

FY 2013-14 offered tremendous opportunities for an emerging star like Mindtree though there have been periods of turbulence in our industry. Even in a volatile environment, we had several satisfying milestones to report as we partnered with our clients on their transformational IT initiatives. In the year gone by, we have further sharpened our strategic focus and since we saw strong medium term opportunities, we made the investments necessary to drive higher than industry growth over the next few years.

Highlights for FY 2013-14

We crossed half a billion dollar revenue mark. Our market capitalization touched a billion dollars. We delivered strong ROCE and for the second year, our net margin growth was much higher than our revenue growth. We received international recognition for corporate governance. Our strong financials and prudent financial management allow us to capitalize on the momentum we see in our business.

Our priorities for FY 2014-15

We will continue to focus on growth through disciplined investments and resource allocation and by efficiently managing the varied and complex risks that we face, running a global business in a highly dynamic environment.

Corporate governance

We believe long-term success is founded on strong governance. It is through good governance that we can deliver sustainable value to our various stakeholders. Such governance practices create trust between the Company and its stakeholders. The framework we have laid for ethical practices is a key part of our values and strategy for the future – they are indeed the very soul of your Company. We not only partner with our clients on their strategic IT programs, but also with the communities in which we operate to help societies flourish. The values we espouse are not only statements, but are embedded within the financial and operational controls and review mechanisms that we have put in place within the Company. All these efforts are, in a small way, validated by the recognitions we have received in India and internationally, for corporate governance practices.

Outlook for FY 2014-15

When we engage with our clients, we hear a mixed response – optimism about their own outlook for their business which drives them to work with us on strategic IT initiatives but also concern about the economic and geo-political uncertainties facing the world today. This makes us optimistic without being complacent about our growth for FY 2014-15.

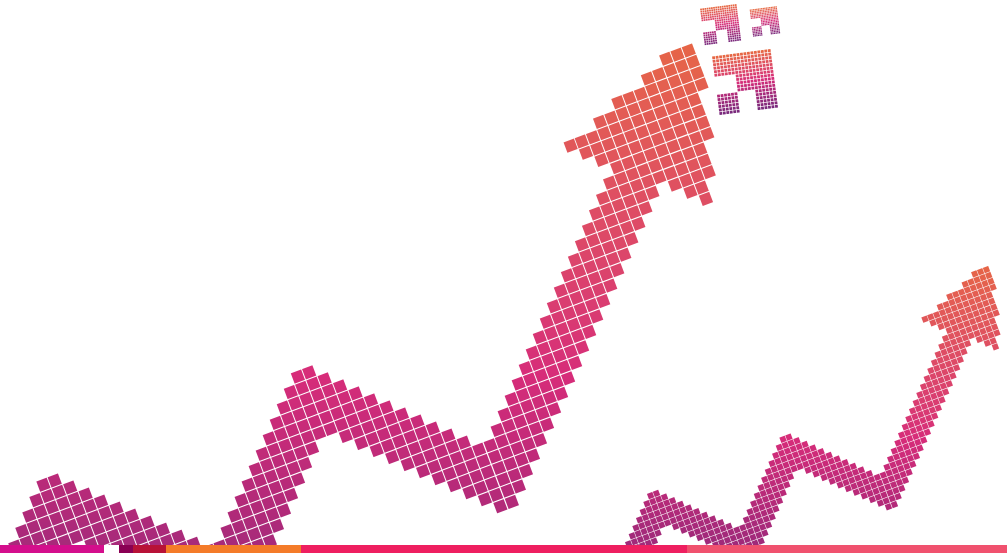
As the year unfolds, we are confident that FY 2014-15 will see us once again beating the industry average growth rates as well as the 15% growth we clocked in FY 2013-14. As mentioned before, we see some challenges in the external environment, but we have adapted ourselves to these realities. Our financial, operational, brand positioning and client service capabilities are stronger than ever before. This gives us confidence that we will start the new financial year on a good note and continue that trend through the year. Since we expect to deliver good financial performance, we expect to continue to maintain a good dividend payout ratio, as we have been doing till now.

I would like to end by thanking the outstanding team in your Finance, Risk Management, Information Systems, Procurement, Administration, Travel and Immigration teams that I am proud to lead, who take their stewardship responsibilities very seriously and are continuously pushing the envelope to deliver results through collaboration, dedication and expertise in their respective areas.

Finally, I am deeply grateful to all our investors for your goodwill and support. Your support motivates us to do our best every day. We assure you that we will do everything we can to deliver sustainable results for all our stakeholders.

Sincerely,

Rostow Ravanan
Chief Financial Officer



Financial performance

Statement of profit and loss

₹ in million, except per share data

Particulars	FY14	FY13	FY12	FY11	FY10
Revenue	30,316	23,618	19,152	15,090	12,960
EBITDA	6,100	4,864	2,930	1,778	2,456
Depreciation and amortization	809	624	695	712	652
Other income (net of foreign exchange loss)	496	10	385	242	770
Profit before interest and tax	5,787	4,250	2,620	1,308	2,574
Finance cost	4	10	5	4	27
Profit before tax	5,783	4,240	2,615	1,304	2,547
Tax	1,275	847	430	288	399
Profit after tax	4,508	3,393	2,185	1,016	2,148

Per share data

Particulars	FY14	FY13	FY12	FY11	FY10
Earnings per share - basic	108.40	82.79	54.23	25.53	54.77
Earnings per share - diluted	107.60	81.75	54.14	24.85	52.79
Dividend per share	25.00	12.00	4.00	2.50	3.00

Balance sheet

Particulars	FY14	FY13	FY12	FY11	FY10
Fixed assets (including goodwill)	3,932	3,160	2,676	3,034	3,013
Investments	5,335	4,257	3,082	1,112	1,442
Net deferred tax	402	360	320	216	214
Net assets (current and non-current)	6,768	5,614	3,942	3,446	2,068
	16,437	13,391	10,020	7,808	6,737
Share capital	417	415	405	400	395
Reserves and surplus	15,988	12,722	9,167	7,362	6,311
Loan funds	32	254	448	46	31
	16,437	13,391	10,020	7,808	6,737

Key ratios

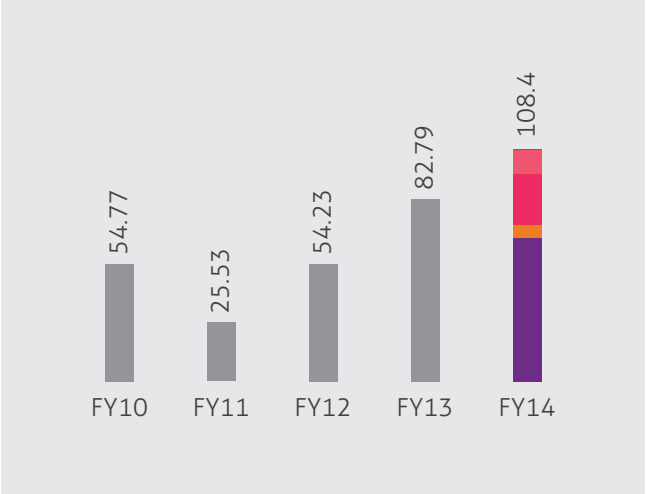
Particulars	FY14	FY13	FY12	FY11	FY10
Revenue growth (y-o-y) in $ terms	15.1%	8.2%	21.7%	21.5%	1.2%
EBITDA as a % of revenue	20.1%	20.6%	15.3%	11.8%	19.0%
PAT / revenue	14.9%	14.4%	11.4%	6.7%	16.6%
Return on capital employed	38.8%	36.3%	29.4%	18.0%	37.7%
Return on equity	30.5%	29.8%	25.2%	14.1%	35.2%

Financial trends and value creation

₹ in million, except per share data

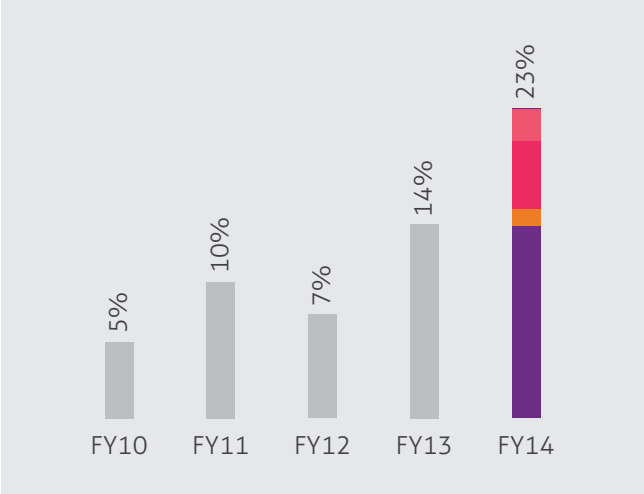
Mindtree has achieved $500 million in revenues and $100 million in EBITDA as it completes its landmark 15th year of operations. This highlights the growth the Company has made over the years to become a global Information Technology solutions organization. Given below is the data on the Company's performance for the last five years which brings out the value Mindtree has created for its shareholders:

Earnings per share



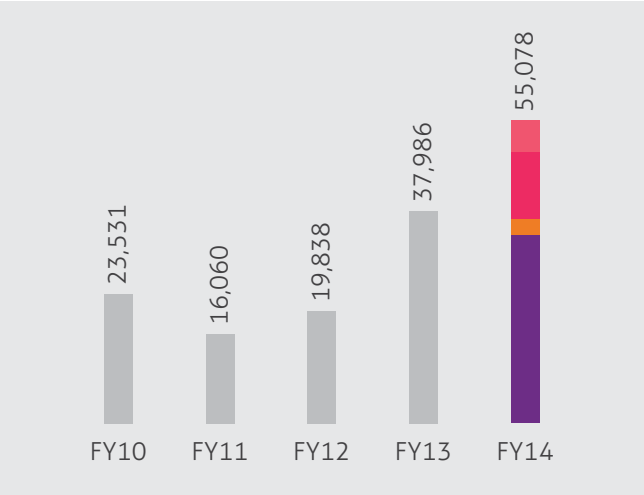
Earnings per share (EPS) has doubled in the last five years from ₹ 54.77 in FY10 to ₹ 108.40 in FY14.

Dividend payout ratio



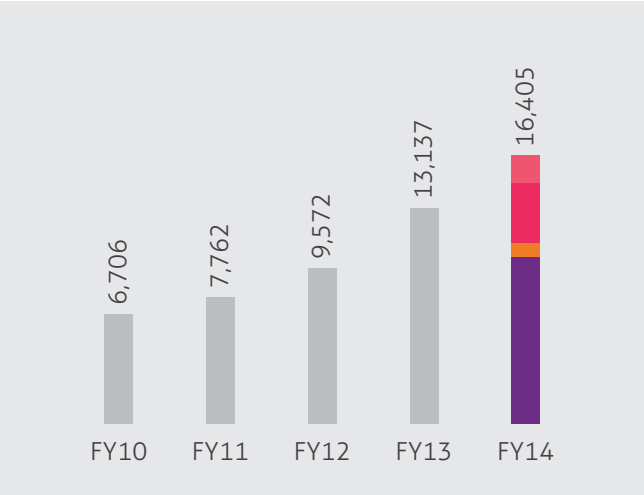
The dividend payout ratio has increased five fold in the last five years. The payout was 5% in FY10 and is at 23% in the current year.

Market capitalization



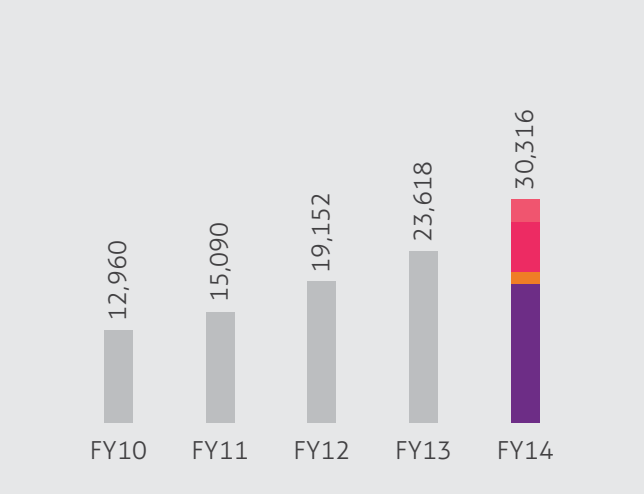
Market capitalization has increased from ₹ 23,531 million to ₹ 55,078 million i.e. more than doubled in the last five years. (based on NSE closing rate as on March 31)

Net worth



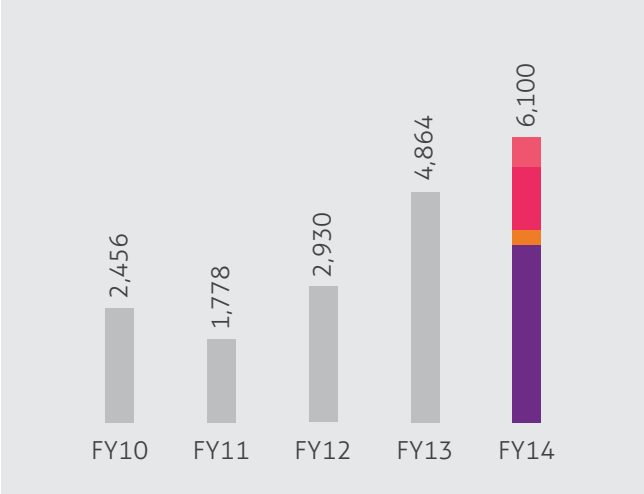
The net worth has shown a steady and constant ascent from ₹ 6,706 million to ₹ 16,405 million in the last five years.

Revenue



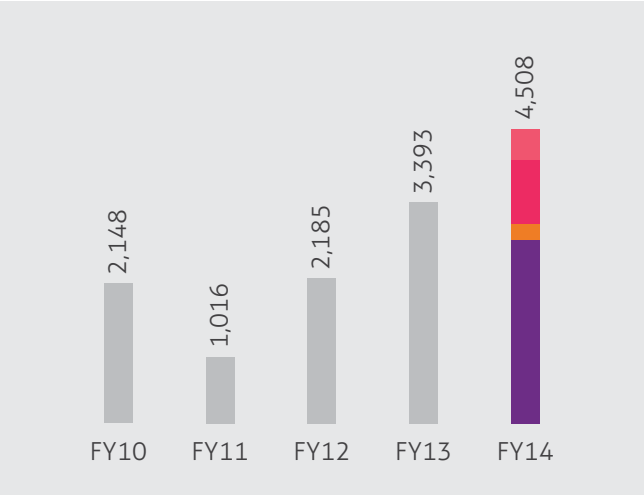
Revenue crossed ₹ 30,000 million this year and it now stands at ₹ 30,316 million. Revenue has been growing steadily at a CAGR of 23.7% for the last five years.

EBITDA



Earnings before interest, tax, depreciation and amortisation has increased from ₹ 2,456 million in FY10 to ₹ 6,100 million in FY14, a CAGR of 25.5% over the last 5 years.

Profit after tax



Profit after tax has more than doubled from ₹ 2,148 million in FY10 to ₹ 4,508 million in FY14.

Year 2013-14: a review

APRIL

Mindtree starts the year on a high note by winning the India's Most Admired Knowledge Enterprise (MAKE) award for the 7th time

Chosen as a partner to provide managed services by a large hotel chain for their application and infrastructure support

MAY

Signs a large multi-year engagement with an existing global financial services client to provide support to their global business and human resources technology portfolio

JUNE

Signs two multi-year engagements with an existing client, a world leader in the computer and software technology industry, to provide support services for their developer tools and cloud business

JULY

Selected as a strategic partner to build the next generation digital platform for a leading vehicle rental company

Mindtree ranked 40th among the 535 participating organizations, moving up 7 ranks as compared to last year. This survey was conducted by The Economic times and Great Place to Work® Institute.

AUGUST

Chosen as a strategic partner by a leading human capital management software and services company based in Europe to provide a range of application, testing, BI and infrastructure services

SEPTEMBER

Zinnov Consulting, ranks Mindtree as a leading global product engineering service provider in its 'Global Service Provider Ratings 2013'

Launches Gladius, a video management software

OCTOBER

Selected by Forbes Asia 2013 as one of the 'Best Under A Billion' companies

Wins a Gold rating at the 5th Annual Golden Bridge Awards in the 'Company Growth of the Year' category at Gainesville, Florida, U.S. in just one year, establishing Mindtree as one of the leading go-to-onshore sources for Agile and Digital business expertise

Microsoft selects Mindtree as Windows Azure circle partner

Appoints Paul Gottsegen to lead Marketing, Strategy and Alliances as Senior Vice-President and Chief Marketing and Strategy Officer

Celebrates the successful first year of its U.S. Delivery Center in Gainesville, Florida

NOVEMBER

Wins Gainesville, Florida Chamber of Commerce 'Business of the Year' award for innovative practices

Strengthens leadership team with the addition of Ramesh Pillai and Mark Wilsdon to spearhead Hi-Tech services and European sales, respectively

DECEMBER

Wins 'SAP® 2013 Industry Mobile Application Challenges' at SAP's TechEd event for mobility solutions for the retail and logistics industries

JANUARY

Receives the 'Most Promising Company of the Year' award from CNBC TV18

Krishnakumar Natarajan, CEO and MD, is voted as one of India's Top 100 CEOs by Business Today – Pricewaterhouse Coopers

Adds Apurva Purohit, CEO, Music Broadcast Pvt Ltd, and N.S. Parthasarathy to the Board of Directors

Broadens client portfolio: $5 million clients grow to 24; $10 million clients grow to 13; $20 million clients grow to 6

FEBRUARY

Named as a 'Major Contender' in Everest Group's report 'IT Outsourcing in Banking, Financial Services and Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2013'

MARCH

Recognized as 'Best Managed IT / Software / Technology Company in Asia' and the 'Best Managed Company in India' categories for 2013 by Euromoney's Annual Asia Company Ranking

Ranked among top 3 corporations in India, in all categories related to Governance and Investor relations by Asiamoney

Celebrates 10th year of Osmosis, Mindtree's technology festival that encourages innovation and expert thinking

Board of directors

Left to right (sitting)

S. Janakiraman
Executive Director, President and Chief Technology Officer

Prof. Pankaj Chandra
Independent Director

Krishnakumar Natarajan
CEO and Managing Director

Subroto Bagchi
Executive Chairman

Apurva Purohit
Independent Director

Prof. David B. Yoffie
Independent Director

Dr. Albert Hieronimus
Vice Chairman and Independent Director

N.S. Parthasarathy
Executive Director, President and Chief Operating Officer

Left to right (standing)

V.G. Siddhartha
Non-Executive Director

Rostow Ravanan
Chief Financial Officer
and Alternate Director
to N.S. Parthasarathy

Ramesh Ramanathan
Independent Director

Board of Directors

Subroto Bagchi
Executive Chairman

Krishnakumar Natarajan
CEO and Managing Director

S. Janakiraman
Executive Director

V.G. Siddhartha
Non-Executive Director

Dr. Albert Hieronimus
Independent Director

Prof. David B. Yoffie
Independent Director

Prof. Pankaj Chandra
Independent Director

Ramesh Ramanathan
Independent Director

N.S. Parthasarathy
Executive Director

Apurva Purohit
Independent Director

Rostow Ravanan
Alternate Director to N.S. Parthasarathy

Board Committees

Strategic Initiatives Committee

Krishnakumar Natarajan
Chairman
Dr. Albert Hieronimus
V.G. Siddhartha
Prof. David B Yoffie

Administrative Committee

Krishnakumar Natarajan
Chairman
Subroto Bagchi
S. Janakiraman
V.G. Siddhartha

Compensation Committee

Prof. David Yoffie
Chairman
Prof. Pankaj Chandra
V.G. Siddhartha

Audit Committee

Ramesh Ramanathan
Chairman
Dr. Albert Hieronimus
V.G. Siddhartha
Apurva Purohit

Investor Grievance Committee

Dr. Albert Hieronimus
Chairman
S. Janakiraman

Investor and Corporate Governance Committee

Dr. Albert Hieronimus
Chairman
V.G. Siddhartha
Subroto Bagchi

Corporate Social Responsibility Committee

Subroto Bagchi
Chairman
N.S. Parthasarathy
Prof. Pankaj Chandra

Business responsibility report

Introduction

Mindtree's sustainability approach is built on business practices across the nine principles stated in the National Voluntary Guidelines (NVG) on social environmental and economic responsibilities of business, released by the Indian Ministry of Corporate Affairs. This report describes how Mindtree practices sustainability through accountability and governance built on ethical practices. We believe in the values of environmental sustenance and resource conservation. We respect and protect human rights to ensure the well-being of Mindtree Minds and add value to our clients.

Scope

The scope of the FY 2013-14 report covers economic parameters across locations globally and social and environmental parameters across locations in India.

The sections covered in this report are mapped to the corresponding NVG principles below:

Sustainability dimension	NVG Principles
Stakeholder engagement	4 and 9
Corporate governance and advocacy	1 and 7
Workplace sustainability	3 and 5
Ecological sustainability	2 and 6
Inclusive growth	8

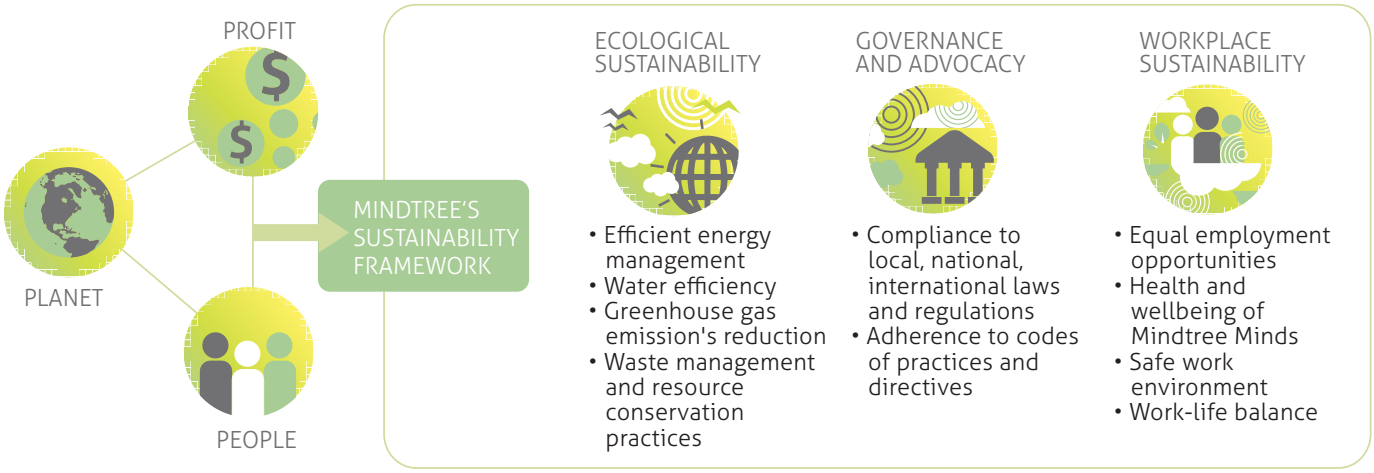
Sustainability framework

Our sustainability framework focuses on three themes: people, planet and profit. It is designed to promote transparency, accountability, sound environmental practices and social responsibility.

Stakeholder engagement

Our goal is to become a globally admired organization and earn the respect of all our stakeholders - Mindtree Minds and their families, customers, partners, suppliers, vendors, shareholders, communities, government and regulatory bodies.

Engaging with our stakeholders is an integral component of an expertise led organization. We determine material aspects through a rigorous brainstorming process involving key stakeholders within the organization. This, we believe, will provide us with valuable insights and will catalyze continuous improvement. The feedback received through the process of stakeholder engagement is a crucial input into our strategy setting process and defines our actions in the future.



Mindtree Sustainability framework

Corporate governance and advocacy

Sustainable governance

Mindtree's sustainability policy guides our stakeholder engagement and influences our day-to-day operations. We have a comprehensive code of conduct that sets broad directions for all business dealings. The policies include specific guidelines on information security, third-party relationships, equal opportunity, human rights and workplace behaviors. The code of conduct links to three other policies:

- **Anti-bribery and anti-corruption policy:** Mindtree is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt and unethical business practices.
- **Integrity policy:** Every Mindtree Mind is issued an Integrity policy booklet and all of them, irrespective of level, role and location, are bound by it.
- **Whistle blower policy:** This policy establishes mechanisms that allow secure disclosures of incidents related to corporate governance, related party transactions, siphoning of funds, non-compliance of the law of the land, concealing legal mandatory disclosures, breach of fiduciary responsibilities, financial irregularities, sexual harassment, misuse of intellectual property, breach of integrity and any suspicious activity / event which indicates a potential threat to the security of Mindtree's assets and people. Total 15 cases were reported during the year. All the cases were investigated and brought to closure by taking appropriate actions.

Advocacy

We participate actively in forums such as NASSCOM and CII to share our best practices of corporate governance standards. We comply with various codes such as the UN Global Compact (UNGC) program and the Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance. Our participation allows us to continuously benchmark our efforts to raise the bar in corporate governance.

Workplace sustainability

Engagement

Mindtree's values create a global foundation for engagement, learning and empowerment for every Mindtree Mind - from candidate selection to exit interview.

The Mindtree Mind's engagement practice encompasses communications, performance clarity and feedback, organizational culture, rewards and recognition, relationships with managers and peers, career development opportunities and knowledge of the organization's goals and vision.

Gender	Total	Permanent	Contractual
Male	10,066	9,340	726
Female	3,809	3,586	223

Recognition

Motivation

We strive to build a culture that rewards for performance because we feel it is important for both successful Mindtree Minds' engagement and retention. We have several programs to recognize great efforts as well as a range of awards to reward exceptional work performance.

Performance management

Our 'People Function' strategy creates and drives a high-performance culture that fits our expert-led organization. We believe that PACE, our new performance management system, will bring critical shifts in sustaining the High Performance Culture appraisals system from a monitor mode to a development mode.

Learning and development

Our capability development framework focusses on five key disciplines : Professional , Behavioral, Technical, Domain and Leadership. A variety of learning channels are available:

- Expert-led learning (classroom, workshops, tests, certification, etc.)
- Mentored learning (can be standalone or used in conjunction with other forms of learning)
- Technology-aided learning (e-learning, either online self-study or with a remote tutor)
- Learn by sharing (communities, forums and conferences, learn by teaching, team learning)

Soft-skills certifications: These focuses on honing presentation skills, business communication skills, etc.

Technical certifications: These focuses on professional expertise such as Mindtree Certified Project Manager, Business Analyst, Technical Leader, Module Lead, Test Specialist, Test Lead, Senior Software Engineer, Software Engineer.

% of Mindtree Minds that received skills training	
Permanent	73
Contractual	12
Permanent women Mindtree Minds	73
PWD Mindtree Minds	56

Diversity and inclusion

Mindtree celebrates diversity and sustainability with high level of compliance. Our diversity and inclusivity charter focuses on four pillars that we term EDGES – Ethnicity, Disability, Gender and Sexual Orientation.

Mindful of the dual roles played by women and the additional responsibilities that they undertake in life, Mindtree follows a multi-disciplinary approach to gender inclusion:

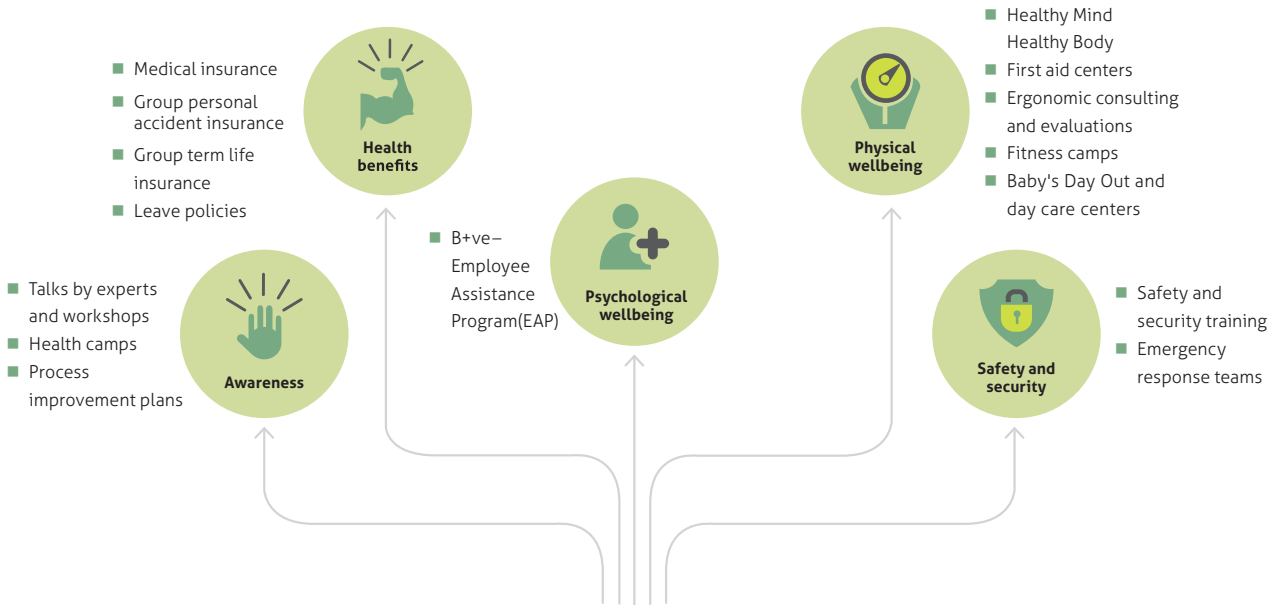
- **Policies:** We offer special needs leave, maternity leave, sabbaticals, work from home and flexible working hours. We also have stringent equal opportunity, reasonable accommodation and prevention of harassment policies in place.
- **Infrastructure support:** Arrangements such as Baby's Day Out and daycare centers at our Bangalore offices promote work-life balance.
- **Mindtree Minds network group:** Mindtree's women's network, called Dhriti, serves as a platform for women to voice their concerns and learn from one another's experience. The network spearheads awareness programs on gender sensitivity and inclusivity.
- **Training and mentoring:** This program caters to the internal learning needs of Mindtree Minds and aims for the holistic development of every Mindtree Mind, at both the professional and personal level.
- **Women's safety:** Special efforts are taken for women's safety, while traveling to and from the workplace, with initiatives such as escort services, doorstep pickup/drop off, unique auto-routing software and driver training sessions.

Mindtree also promotes inclusion through our reasonable accommodation policies and through disability-accessible infrastructure, technology and information systems. Currently, we have 41 Mindtree Minds associated with us with disabilities. We plan to increase our percentage of Mindtree Minds with varied forms of disabilities by identifying jobs facilitating career stability and growth.

Wellness and wellbeing

Mindtree strives to achieve a positive balance in all aspects governing the life of Mindtree Minds and promote an approach that encompasses physical, mental and emotional wellbeing. The flagship corporate wellness program at Mindtree is Healthy Mind Healthy Body (HMHB). It focuses on offering educationand opportunities to improve the physical and mental health of Mindtree Minds.

- We have introduced a one-stop health portal for all health-related queries.
- We introduced laughter therapy as a tool to manage stress and practice happiness.
- With OHSAS 18001:2007 certification, we offer a comprehensive health and safety policy with workplace hazard identification, risk assessment programs and security measures.



Mindtree Wellness and Safety practices

Human rights

We adhere to all the human rights laws and guidelines laid down by national and international laws. We do not condone any human rights violations or abuses. We respect our Mindtree Minds' right to freedom of association and at present, none of our Mindtree Minds are part of registered trade unions.

Human rights across our value chain

Mindtree follows stringent procedures within the supply chain to ensure a safe work environment for all, in compliance with labor and human rights laws. We review our contractor and vendor management practices on a regular basis. We sign Master Service Agreements (MSA) that mandates all our vendors to follow the labor and human rights laws of the countries in which we operate.

Mindtree's suppliers undergo human rights practices screening and sign a contract that covers the principles of Mindtree's supplier code of conduct. Our supplier code of conduct, as well as the Leadership in Energy & Environment Design (LEED) principles to which we adhere, extend the responsibilities of transparency and integrity to our suppliers and facilitates sustainable sourcing.

To promote our culture of integrity across the value chain, we conduct integrity sessions for vendors and contract staff. Grievances are addressed through appropriate channels available to all our Mindtree Minds, including contract staff.

Ecological sustainability

Ecological sustainability is one of the key pillars of Mindtree's sustainability framework. With the increasing centrality of issues such as climate change, energy, security and water stress, we recognize environmental risks and the importance of managing our impact on the environment. We aim to minimize the environmental impact of our business operations through resource conservation practices, Green house gases (GHG) emissions reduction, efficient energy management, water efficiency, sustainable waste management and by engaging Mindtree Minds as evangelists.

The Environmental Management System (EMS) framework is the backbone of our environmental charter. It helps us identify key aspects and impacts on the environment, based on which goals are set. It also ensures regulatory compliance and enables effective management review. All our India offices are ISO 14001: 2004 certified.

Mindtree's approach to environmental stewardship

The four aspects of ecological sustainability are

- Energy efficiency
- Water efficiency
- GHG emissions
- Waste management

Energy efficiency

We consume energy primarily through the use of grid power and high-speed diesel used for generators. We have taken up various energy saving initiatives and our energy consumption per capita per month is 200 kWh.

Key initiatives include smart building management solutions and LEED green building designs for our infrastructure. We have also reduced our IT infrastructure energy consumption by implementing measures such as desktop power management, virtualization and consolidation. We also encourage the use of video and audio conferencing to reduce the need for business travel.

Water efficiency

Our aim is to make our campuses water sustainable. Our strategy includes reducing fresh water consumption, harvesting rainwater and recycling and reusing waste water. Fresh water consumption has been reduced through the installation of waterless urinals, sensor based taps, and flow restrictors. Water consumption per capita per month is 1.18kl.

GHG emissions

Our GHG mitigation strategy works on a three pronged approach – energy conservation practices resource efficiency and sustainable waste management. The bulk of GHG emissions at Mindtree are due to resource consumption – both direct and indirect. In addition to our energy efficiency practices, we made a concerted effort to reduce the GHG emissions of our scope three emissions. Implementation of transportation initiatives such as common bus systems, carpooling and cab route optimization have contributed significantly in the reduction of GHG emissions. Our GHG emissions per capita per annum is 3.39 tons of CO_2e.

Waste management
At Mindtree, we are diligent about tracking and managing our waste levels. We continually assess the operational risks to the environment and take care to recycle our waste wherever possible. Waste is segregated at source and is disposed of by government-authorized recyclers. We increased the percentage of waste recycling to 90%.

Biodiversity
None of our campuses fall within or are adjacent to protected areas or high-biodiversity areas, as notified in the guidelines issued by the Indian Ministry of Environment and Forests. Our business operations pose no risk to any endangered species, plants or animals.

Green community
We continuously advocate, sponsor and support water, waste and energy related sustainability initiatives through volunteer programs across our India campuses. We also partner with NGOs in local communities on projects that address carbon emission reduction and waste management, among others.

The following are some highlights of our green community activities for FY 2013-14:
- Sponsored water conservation awareness campaigns and initiatives at the Bangalore campus and local community.
- Conducted a door-to door campaign at RR Nagar, Bangalore under the RISE Foundation's initiative. As a result, 5,000 homes now segregate their waste and send the dry waste to collection centers staffed by rag pickers who now earn their livelihood as waste management service providers.
- Enhanced the Commute Easy portal to encourage carpooling and actively campaigned for it.

Supplier sustainability
Our adherence to a supplier code of conduct and LEED principles extends the responsibility of transparency and integrity to our suppliers.

Client engagement
Mindtree ensures high quality delivery to its customers through its certifications in globally recognized standards and models such as CMMI, ISO 14001, ISO 20000 and ISO 27001. Our Customer Experience Surveys (CES) are designed to elicit useful feedback that we use to further healthy customer relationships and become a trusted advisor to our clients.

Inclusive growth and equitable development
Corporate social responsibility
Social responsibility is an integral part of our corporate citizenship. We foster a socially responsible corporate culture and balanced approach to business. This is done by addressing social and environmental challenges through required investments, necessary resource allocation and engaging with the stakeholders. Mindtree Foundation plays the role of a catalyst in bringing this change, step by step.

Our social transformation initiatives are being led by Mindtree Foundation lays the platform for Mindtree's value system. Our people, assistive technologies and associations with NGOs help us to:
- Promote education to underprivileged children with a special emphasis on people with disability
- Provide relief from poverty by way of assistance to food, shelter and clothing
- Provide relief of distress caused by calamities of nature

The following table summarizes Mindtree Foundation's donation in FY 2013-14:

CSR contribution	Amount ₹
Donation - charitable institutions	10,613,469
Donation - school fees	1,535,037
Donation - food expenses	30,152
Indirect expenses towards donation	16,206
Miscellaneous	222,649
Total	12,417,513

Individual social responsibility
Through our flagship program, 'One Good Deed' (OGD), Mindtree encourages Mindtree Minds to contribute, engage and get actively involved at least in one social cause per year. We also collaborate with government bodies, UN agencies, NGOs and volunteer organizations to address social development issues.

Directors' Report

Dear Shareholders,

The Board of Directors (Board) of Mindtree Limited (Company) with immense pleasure, present their fifteenth report on the business and operations of your Company for the financial year 2013-14. This Report is being presented along with the audited financial statements for the year.

Financial Performance

₹ in million

Financial Particulars	As on March 31, 2014	As on March 31, 2013
Revenue from operations	30,316	23,618
Other income	494	350
Total revenues	**30,810**	**23,968**
Employee benefit expense	17,820	14,274
Finance costs	4	10
Depreciation and amortisation expense	809	624
Other expenses	6,390	4,824
Total expenses	**25,023**	**19,732**
Profit before tax	**5,787**	**4,236**
Tax expense	1,275	847
Profit for the year	**4,512**	**3,389**

Global Economic & Business Environment

The details about Global Economic & Business Environment are provided under the section, Management Discussion & Analysis of this Annual Report.

Financial perspective of the year gone by

Revenue for the year is ₹ 30,316 million signifying a growth of 28.36% in Rupee terms. Your Company had 207 active customers as on March 31, 2014 of which 73 accounts had revenues in excess of US$ 1 million and 24 accounts had revenues in excess of US$ 5 million.

EBITDA margins are broadly stable, 20.58 % in the previous year vs. 20.14% in the current year. Our effective tax rate is about 22.03% as compared to about 20% in the previous year. PAT has increased by 33.16 % to ₹ 4,512 million as compared to ₹ 3,389 in the previous year.

Key business developments during the year

The particulars of some of the key business developments which took place during the financial year 2013-14 have been detailed out under the sections, Management Discussion & Analysis and Highlights 2013-2014 of this Annual Report.

Dividend

Based on the Company's strong and consistent financial performance and considering the profitability and the cash flow of the Company, the Board had declared interim dividends during the financial year 2013-14. The details of interim dividends declared are as below:

Particulars	Par Value (in ₹) of Dividend	Percentage	Dividend amount per Equity Share (in ₹)	Date of Declaration	Record Date
First Interim Dividend	10.00	50%	5.00	October 16, 2013	October 22, 2013
Second Interim Dividend	10.00	50%	5.00	January 16, 2014	January 22, 2014
Third Interim Dividend	10.00	50%	5.00	April 16, 2014	April 22, 2014

Your Directors have also recommended the following final dividend and special dividend for the financial year ended March 31, 2014, which are payable on obtaining the Shareholders' approval in the fifteenth Annual General Meeting:

Particulars	Par Value (in ₹)	Percentage	Dividend amount per Equity Share (in ₹)	Date of Recommendation	Book Closure Date
Final Dividend	10.00	50%*	5.00	April 16, 2014	July 11, 2014
Special Dividend	10.00	50%*	5.00	April 16, 2014	to July 18, 2014 (both days inclusive)

*The Board has recommended a final dividend of 50% (₹ 5 per equity share of par value ₹ 10/- each) for the year ended March 31, 2014 and a special dividend of 50% (₹ 5 per equity share of par value ₹ 10/- each) for completion of 15 years in business. If the proposed 1:1 bonus equity share issue is approved by Shareholders prior to the date of the AGM, the final & special dividend amount would be accordingly reduced to 25% (₹ 2.5 per equity share of ₹ 10/- each).

The dividend will be paid in compliance with all the applicable regulations. The dividend pay-out amount for the current year inclusive of additional tax on dividend will be ₹ 1,221 million as compared to ₹ 578 million in the previous year.

In view of the improved predictability and stability of the Company's operations, the Board intends to maintain similar or better levels of dividend payout over the next few years. However, the actual dividend payout in each year will be subject to the investment requirements of the annual operating plan for the year and any other strategic priorities identified by the Company.

Transfer to Reserves

Your Company proposes to transfer ₹ 451 million to the general reserve in accordance with the Companies (Transfer of Profit to Reserves) Rules, 1975. Your Company also proposes to retain ₹ 12,038 million in the statement of profit and loss on standalone basis.

Changes to Equity Share Capital

Your Company issued 154,676 equity shares of ₹ 10/- each, to various Mindtree Minds and to Directors on exercise of stock options and stock purchase schemes during financial year 2013-14. Consequently, the paid-up equity share capital has increased from ₹ 415,350,550 as on March 31, 2013 to ₹ 416,897,310 as on March 31, 2014.

Board Committees

The details of various Committees of the Board are provided in the Corporate Governance Report.

Infrastructure

In the beginning of the year, your Company had 1,721,369 sq. ft. of space with 12,684 seats spread across various locations in India. The following are the key changes made during the year under review:

Chennai - In 2013-14 your Company added additional space at Chennai in Ramanujan IT City comprising 165,000 sq. ft. area spread over three floors. This has enhanced your Company's seating capacity by 1,500 seats. This facility boasts of physical ODCs of different sizes ranging between 20 and 150 seats, to cater to a variety of customer requirements. There is also a proposed addition of 55,000 sq. ft. to add 500 more seats at this facility.

Bangalore - The new facility at Mindtree East Campus, Bangalore, became operational by adding around 550 seats to handle growth. These seats have been designed as an open work environment to cater to team working in an agile environment. Your Company would also be adding 1,100 more seats in the following year to facilitate growth and is under the process of obtaining LEED-Platinum certification for this new facility.

Your Company also added 250,000 sq. ft. of area at Global Village, with a seating capacity of about 2,500 of which, 90,000 sq. ft. became operational during this year, thereby adding around 850 seats. This has been built with 24x7 redundancy to house part of the IMS teams. This facility also boasts two state of the art Network Control Centres.

Similarly, the Company has expanded capacity in its buildings in Pune and Hyderabad.

Orissa - With necessary statutory approvals in place, your Company has commenced construction of Mindtree Kalinga at Orissa consisting of training and transit accommodation facility measuring about 250,000 sq. ft. and is working towards making this operational during 2014 and is under the process of obtaining LEED-Platinum certification for this new facility as well.

In all, the Company has sufficient capacity to meet its growth needs over the short and medium term.

Your Company has adopted the LEED green building design for our infrastructure and three of our India offices are certified to LEED gold standards.

The infrastructure arrangements we have in our facilities assist greatly in promoting work-life balance.

Subsidiaries

Your Company has one Subsidiary Company for the financial year ended on March 31, 2014, namely, Mindtree Software (Shanghai) Co. Ltd., in Shanghai, China.

Pursuant to Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated February 8, 2011 has provided an exemption to companies from attaching the directors' report, balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company, provided, such companies publish the audited consolidated financial statements in the annual report. A statement containing brief financial details of the Company's Subsidiary for the financial year ended March 31, 2014 is included in the Annual Report. The annual accounts of the Subsidiary Company and the related information will be made available to any Member of the Company seeking such information and are available for inspection by any Member of the Company at the Registered Office of the Company.

People

Our mission to engineer meaningful technology solutions to help businesses and societies flourish is intrinsically tied to the power of our people's intellect, commitment, creativity and fulfilment. Thus, innovative next generation people practices are a constant area of focus at Mindtree and viewed as critical components for our long-term success.

We firmly believe that the links between our financial performance and our ability to attract and retain top talent are strong and it is not possible to isolate these two spheres of our business. This belief guides and influences a wide range of People Function programs and initiatives across Mindtree. During 2013-2014, we continued to make progress with our people strategy, which we have set in motion to enhance our performance and set us apart in critical areas.

Building an Expertise Driven Organization

At Mindtree, our expertise building model is constructed on five pillars that focus on learning initiatives. The five pillars are: Technology, Domain, Behavioral, Leadership and Professional. We work towards providing all our people and managers with a culture of continuous learning and

development. In addition, we invest in and actively encourage talent development via best-in-class certifications, coaching programs and e-learning.

During 2013-2014, we continued to provide a comprehensive suite of leadership programs to all levels of career transitions including executive coaching, 360 degree feedback, as well as specialized classroom instruction tailored to new or experienced leaders. Talent and leadership development also supports our ambitious people engagement goals and fosters our culture of innovation.

Engaging Employees with Next Generation People Practices

We firmly believe that engaged employees are more inspired to develop new ideas, demonstrate expertise in their chosen area of work and deliver value to clients. In addition, they feel a deeper connection to Mindtree's purpose and take greater ownership of meeting our strategic objectives. To enable, empower and engage with our people and help them reach their goals and potential, we have introduced many new practices over the last year.

We launched our next generation performance management system PACE, to reflect our high-performance work culture by giving more power and control to Mindtree Minds and managers. PACE offers new features such as social goal setting, anytime feedback and individual ownership to reflect our focus on collaboration as well as Gen Y aspirations. The Pillars Program at Mindtree has been designed to reward high performers and recognize the contributions of their family. The program aims to nurture and retain star performers, build a robust leadership pipeline and engage with the extended Mindtree family through R&R programs and other activities.

Headcount

The total number of Mindtree Minds as on March 31, 2014 was 12,926 as against 11,591 as on March 31, 2013. During the year, your Company saw a decrease in attrition levels and the annual attrition for the year was at 12.70% as against 13.39% in the year before.

Employee Stock Option Plans and Employee Stock Purchase Scheme

Your Company believes in the policy of enabling Mindtree Minds to participate in the ownership of your Company and share its wealth creation, as they are responsible for the management, growth and financial success of your Company.

Your Company currently administers seven stock option programs, viz., ESOP 1999, ESOP 2001, ESOP 2006 (a), ESOP 2006 (b), ESOP 2008 A, DSOP 2006, ESOP 2010 A and a stock purchase scheme namely, Mindtree Employee Restricted Stock Purchase Plan 2012 and a Phantom Stock Options Plan (Stock Appreciation Rights Plan).

A Reconciliation Statement of the Equity Shares approved in-principle and later allotted and listed till March 31, 2014 is given below:

Particulars	ESOP 1999 Program I	ESOP 2001 Program II	ESOP 2006(a) Program III	ESOP 2006(b) Program IV	ESOP 2008 A Program V	DSOP 2006 Program VI	ESOP 2010 A Program VII	Mindtree Employee Restricted Stock Purchase Plan 2012 Program VIII
In-principle approval received from BSE & NSE	196,381	853,675	366,500	7,349,900	300,000	500,000	1,135,000	1,000,000
Less: No. of equity shares allotted and listed	188,004	737,029	239,557	1,822,076	111,138	Allotted Shares: 1,65,000 Listed Shares 1,30,000*	-	Allotted Shares 26,425 Listed Shares 17,171**
Balance number of equity shares	**8,377**	**116,646**	**126,943**	**5,527,824**	**188,862**	**335,000**	**1,135,000**	**973,575**

* The listing and trading approvals by the Stock Exchanges (NSE & BSE) for the allotment of 35,000 shares were awaited as on March 31, 2014
** The listing and trading approvals by the Stock Exchanges (NSE & BSE) for the allotment of 9,254 shares were awaited as on March 31, 2014

Details of the shares issued under Employee Stock Option Plan (ESOP) and Employee Stock Purchase Scheme (ESPS), as also the disclosures in compliance with Clauses 12 and 19.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are set out in the Annexure to the Directors' Report and under Notes to Accounts under both Standalone Financial Statements and Consolidated Financial Statements in this Annual Report. There has been no variation in the terms of ESOP/ESPS programs and no employee:

(I) was granted options, during the year, equal to or exceeding 1% of the issued capital; and

(ii) received a grant, during the year, amounting to 5% or more of the options granted during the year.

Details of options granted to Senior Managerial Personnel and Directors during the financial year 2013-14 are as under:

Name of the Senior Managerial Personnel	Designation	RSUs Granted
Mr. Ravi Shankar B	Executive Vice President & Chief People Officer	5,874
Mr. Arun Rangaraju	Senior Vice President	2,517
Mr. Pankaj Khanna	Vice President	949
Mr. Paul Gottsegen	Senior Vice President & Chief Marketing Officer	1,754
Mr. Ramesh Pillai	Senior Vice President	7,500
Total		**18,594**

*RSU-Restricted Stock Unit

No Stock Options were granted to any Senior Managerial Personnel during the financial year 2013-14.

No Stock Options or RSUs were granted to any Directors during the financial year 2013-14.

Board of Directors

Appointment

With effect from January 1, 2014, Mr. N.S. Parthasarathy has been appointed as Additional Director and Executive Director and Ms. Apurva Purohit has been appointed as an Additional Independent Director. Mr. Krishnakumar Natarajan has been re-appointed as the CEO & Managing Director with effect from April 1, 2014, subject to the Members' approval in the ensuing Annual General Meeting of the Members of the Company. Mr. Rostow Ravanan has been appointed as an Alternate Director to Mr. N.S.Parthasarathy, effective from January 17, 2014.

Re-Appointment

As per Article 109 of the Articles of Association of the Company, one third of the Directors are liable to retire by rotation at the Annual General Meeting of the Company. The following Directors retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting:

1. Mr. V.G. Siddhartha; and
2. Mr. S. Janakiraman.

Your Board has also proposed for continuation of Dr. Albert Hieronimus as an Independent Director till March 31, 2017 by altering the term of his office as an Independent Director.

Your Directors recommend the above resolutions be approved. As required by the applicable provisions of the Companies Act, 2013 and Listing Agreements, the term of appointment of these Directors and other details are furnished in the notice to the fifteenth AGM.

Retirement

Mr. Anjan Lahiri, who was appointed as an Executive Director of the Company with effect from October 24, 2012, resigned with effect from May 6, 2013 and Mr. R. Srinivasan, an Independent Director of the Company, retired from the closing hours of July 19, 2013. The Board of Directors of your Company place on record, their deep appreciation to both Mr. Anjan Lahiri and Mr. R. Srinivasan and wish them the very best in their future endeavours.

Liquidity

Your Company maintains sufficient cash to meet its operations and strategic objectives. Our cash generation during the year has been healthy. Our cash and investments (net of short term borrowings) have increased from ₹ 5,062 million as on March 31, 2013 to ₹ 6,262 million as on March 31, 2014. These funds have been invested in deposits with banks, highly rated financial institutions, certificates of deposits and in money market mutual funds.

Awards and Recognitions

As in the preceding years, your Company has received various prominent awards and recognitions from various distinguished organisations and media houses during the year 2013-14. Some of the key accolades received during the year amongst others include:

1. Mindtree was ranked #1 under the categories 'Best Managed IT/Software/Technology Company in Asia' and the 'Best Managed Company in India' for 2013 by Euromoney's Annual Asia Company Ranking.
2. Mindtree won the 'Most Promising Company of the Year' Award from CNBC TV18.
3. Mindtree has been selected by Microsoft Corporation (NASDAQ - MSFT) as a Windows Azure Circle Partner. This elite program is reserved for Microsoft's partners who have achieved success in delivering Windows Azure based solutions.

Litigation

No material litigation was outstanding as on March 31, 2014. Details of litigation on tax matters are disclosed in the financial statements.

Deposits

In terms of the provisions of Sections 58A and 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits Rules) 1975, the Company had no opening or closing balances and also has not accepted any fixed deposits during the year under review and as such, no amount of principal or interest was outstanding as on March 31, 2014.

Sustainability and Green Initiatives

The report on Sustainability and Green Initiatives taken by your Company is disclosed separately in this Annual Report as a part of Business Responsibility Report.

Corporate Governance

Your Company has been practicing the principles of good corporate governance. A detailed report on corporate governance is available as a separate section in this Annual Report. Certificate of the Statutory Auditors regarding compliance with the conditions stipulated in Clause 49 of the Listing Agreement is provided separately as an Annexure to the Corporate Governance Report.

The Company engaged an external firm to conduct a review of the effectiveness of Board processes at Mindtree. The feedback from the review was that, many of the processes followed by Mindtree meet global best practice benchmarks as well as some areas where we need to further strengthen our processes. We are working on implementing these recommendations.

In addition, the review also covered performance evaluation of all Board Members on a self-assessment model based on a questionnaire and data gathered by the external firm. The external firm then analyses the data and makes recommendation to individual Directors on their performance, as well as a summary to the Chairman of the Board.

Transfer to Investor Education and Protection Fund

Pursuant to Section 205A and 205C and other applicable provisions of Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and once unpaid/unclaimed dividend/application money for allotment of any securities and due for refund, is transferred to IEPF, no claim shall lie in respect thereof against the Company. To ensure maximum disbursement of unpaid/unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF.

The Company had transferred the said unpaid/unclaimed dividend amounts within the statutory period to IEPF. During the financial year 2013-14, unpaid/unclaimed dividend including unpaid application money which was due for refund amounting to ₹ 854,776/- was transferred to IEPF.

Attention is being drawn that the unclaimed/unpaid dividend for the financial years 2006-07 & 2007-08 is due for transfer to IEPF during August/September and November/December 2014. In view of this, the Members of the Company, who have not yet encashed their dividend warrant(s) or those who have not claimed their dividend amounts, may write to the Company/Company's Registrar and Share Transfer Agent, Link Intime India Private Limited.

The details of the consolidated unclaimed/unpaid dividend details as required by the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, for all the unclaimed/unpaid dividend accounts outstanding drawn upto the date of fourteenth Annual General Meeting on July 19, 2013 in terms of the Ministry of Corporate Affairs Notification No. G.S.R 352 (E) dated May 10, 2012 has been uploaded under the Company's website at www.mindtree.com/unpaid-dividend-information.

Statutory Auditors

The retiring Statutory Auditors, BSR & Co., LLP (earlier, BSR & Co.,) Chartered Accountants, (Firm Registration No. 101248W), hold office as Statutory Auditors until the conclusion of the fifteenth Annual General Meeting and they have confirmed their eligibility and willingness to accept office and be re-appointed as the Statutory Auditors to hold office until the conclusion of the sixteenth Annual General Meeting.

The Audit Committee and the Board of Directors recommend the re-appointment of BSR & Co., LLP, Chartered Accountants, as the Statutory Auditors to hold office until the conclusion of the sixteenth Annual General Meeting.

The Company has received a certificate from BSR & Co., LLP, to the effect that, their re-appointment, if made, would be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956 and that, they meet the criteria of independence. The proposal for their re-appointment is included in the Notice of the ensuing Annual General Meeting.

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 the Directors' Report. The Ministry of Corporate 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 ₹ 6 million per financial year or ₹ 500,000 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.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow

The particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure to this Director's Report. The Company has also taken several constructive steps to conserve energy through its sustainability initiatives as elaborately disclosed separately as a part of the Business Responsibility Report annexed to the current Annual Report.

Directors' Responsibility Statement

Your Company's Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

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, (the Act) to the extent applicable to us; on the historical cost convention; as a going concern and on the accrual basis. There are no material departures in the adoption of the applicable 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 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 the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The financial statements have been audited by BSR & Co., LLP, Chartered Accountants, the Company's Statutory Auditors.

V. 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 audit, internal control and financial reporting issues.

VI. 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.

Management Discussion and Analysis Report

Management Discussion and Analysis Report as required under Clause 49 (IV) (F) of the Listing Agreement is disclosed separately in the current Annual Report.

Corporate Social Responsibility (CSR) Efforts & Assistive Technology

Your Company's CSR activities are carried out by Mindtree Foundation as well as the Company. Mindtree Foundation's CSR Charter has the following objects:

- To promote education for underprivileged children with a special emphasis on special or differently abled children;
- To provide relief from poverty by way of assistance to food, shelter and clothing;
- To provide relief from distress caused by calamities of nature; and
- To provide medical support to deserving people.

Mindtree Foundation strives to achieve these charters through its grant programs, voluntary programs, organizational development programs and technical consultancy programs.

1. **Grant Programs:** Mindtree Foundation supports the under privileged children and children with disabilities, with resources in the form of money, infrastructure and education:
   - In collaboration with Sparsh Hospitals, Foundation benefitting Mindtree Foundation sponsored complex corrective surgeries for 129 underprivileged children in and around Bangalore. Donated ₹ 30 Lakhs to Sparsh "VACHANA" program for the above.
   - Mindtree Foundation donated ₹ 11.26 Lakhs to Karnataka State Council for Child Welfare (KSCCW) for their Bal Roshni programme, to support educational fee and medical care for 30 children from poor families and Balsevika programme to 35 underprivileged women to become pre-school teachers / organizers.
   - Donated ₹ 5 Lakhs to Sikshana Foundation and through Sikshana Foundation, Mindtree Foundation supports 19 schools in Kanakapura District in Karnataka, to improve their standards by benefitting 1,615 children.
   - In collaboration with Nalandaway Foundation, Mindtree Foundation sponsored "KanavuPattarai" (Dream Workshops) program to improve the life skills in slum girls in and around Chennai by donating ₹ 5 Lakhs for this program.
   - To procure a school van to transport the children of construction labourers to Shree Ananthnagar Vidhyanikethan School in Electronic City, Bangalore, Mindtree Foundation donated ₹ 5 Lakhs for the same.
   - To resolve power crisis for leprosy inmates of Missionaries of Charity in Janla, Odisha, Mindtree Foundation donated ₹ 6.5 Lakhs to install a 63 KVA Electrical Transformer that helped the livelihood of 400 in-house leprosy patients.
   - Donated ₹ 10.75 Lakhs to install Passenger Lift for Samarthanam Trust new building at HSR Layout, ₹ 1.5 Lakhs to MOC for installing Solar water heater for Yelahanka home and sponsored ₹ 1 Lakh to conduct a play by Bangalore Little Theatre (BLT) to raise funds for "The Association for the Mentally Challenged".
   - Donated 200+ computers to 25 Schools across all locations and totally 1500+ children have benefitted from the same.
2. **Voluntary Programs:**
   - Your Company creates a platform for Mindtree Minds to do voluntary work and learn to collaborate and dedicate themselves to make a difference in the society.
   - Through Mindtree Foundation, your Company helped 15 rural children for their higher education, to study engineering and nursing through our Dream-to-Reality (D2R) program. D2R was a program initiated in the year of 2007 in Somanahalli Government Primary School (a remote village located in Dharmapuri District of Tamilnadu). Your Company started this program to ensure the potential high capability children do not drop out from their education due to poverty. Mindtree Foundation identifies such children and places them in the residential schools and colleges according to their dreams. This program was started with 8 children and now expanded to 15 children studying in Engineering Colleges, Polytechnics and in Nursing Colleges. This program also connects each child as a Blessed Child to a Mindtree Leader as a Blessed Parent who provides not only financial support but also emotional bonding with their families and children.
   - On every second Saturday and in all location of Mindtree India, your Company conducts one day social work program for our employees. This is called Technologists for Social Actions (TSA) programs. TSA was started 22 years back. The purpose of this program is to show young people the other side of the life by visiting old age home and orphanage home. During the visit, your Company creates a positive impact on the inmates of such homes. For instance, Mindtree Minds feed them with meals, clean their homes and perform some cultural activities and finally bring smile to their faces. This visit happens at all locations of Mindtree in India on the same day.

- Collected and donated 1,313 number of blood bottles through TTK and Narayana Hrudayalaya blood banks across all Mindtree locations in India. This is the single highest donation by the IT industry in India.
- Collected and donated three trucks of old clothes to Goonj, an NGO for distribution to rural villages and making sanitary napkins to women at rural villages.
- Through Mindtree volunteer programs, conducted life skills training programs for rural Government Schools in Bangalore and Chennai.
- Mindtree Minds also engaged in Joy of Giving Week for Sikshana Foundation sponsored Government Schools, Belaku Trust and support staff of Mindtree East Campus and the total number of beneficiaries were 1,120 and the total number of Mindtree Minds who actively participated in this event was 969.
- Delivered five Assistive Technology (AT) solutions to special schools:
  - Paint Lighting – to improve handwriting;
  - KINECT based Posture Analyzer named as X1 – Microsoft Windows application software that is used to train movements of the children with Cerebral Palsy (CP) in the age group of 4 to 12 years at SPASTN;
  - Eviacam and Gcompris to improve visual attention and tracking of children with Attention Deficit Hyper Active Disorder (ADHD) and Autism in the age group of 2 to 12 years at SPASTN;
  - KAVI-PTS – An Android application software helps children with autism to speak using pictures in the age group of 2 to 5 years at special schools such as SPASTN, Sneha Kiran at Mysore, FAME India, Bangalore; and
  - Labyrinth – An Android application software that helps to promote use of both hands together for children with Cerebral Palsy, Learning Disability at SPASTN.

3. Employee Engagement Programs:

- As a part of the C2 Learning Curriculum, for all our Campus Minds, your Company conducted one-day outdoor learning programs (Plastics cleaning drive) called "Mi-Impact". Totally 950 Campus Minds participated and collected six tons of Garbage.
- Support-staff is the backbone of our organization. To motivate them, Mindtree organized a one-day picnic to Mysore for all our 850 support-staff (house-keeping, electrical, maintenance and gardening) and their family members.

Quality Initiatives and Certifications

Your Company continues its journey of delivering value to its clients through investments in quality programs. Your Company has adopted several external benchmarks and certifications. Your Company is certified under various standards to meet clients' requirements and enhancing valuable delivery and following is the summary of certifications held by your Company:

Certificate Name	Issuing Authority	Certification Date	Remarks
CMMIDevL5Ver 1.3	QAI	21-Dec-2012	Scope: Full lifecycle software development projects meeting SOU criteria.
CMMi - DevL3Ver1.2(Enterprise)	QAI	4-March-2011	Scope: Software Development, Maintenance, and Testing projects – Managed in ITS and PES Business Units Bangalore, Chennai, Hyderabad, and Pune Center's.
ISO 14001:2004	Bureau Veritas Certification (India) Pvt Ltd	25-Sep-2013	Certifying compliance of the environment Management systems to ISO 14001:2004
BS OHSAS 18001:2007	Bureau Veritas Certification (India) Pvt Ltd	25-Sep-2013	Certifying compliance of the Occupational health and safety management systems to BS OHSAS 18001:2007
Information Security Management System - ISO/IEC 27001:2005	BSI	9-June-2013	Compliance of Information security management systems to ISO/IEC 27001:2005
ISO/IEC 20000-1:2011	BSI	26-Nov-2013	Compliance for design, transition, delivery and improvement of services system to ISO / IEC 20000-1:2011

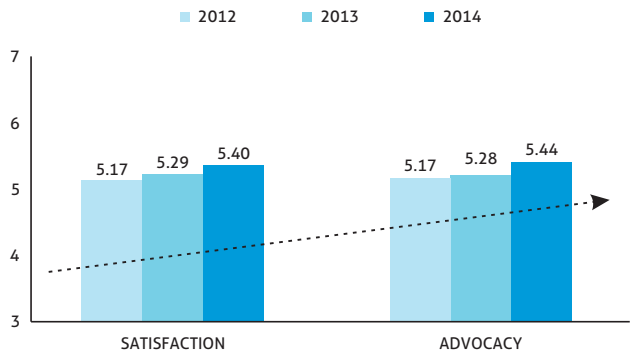
Customer Satisfaction

For the last two years, your Company has partnered with an independent firm to do its annual relationship survey with customers. Your Company continues to leverage this relationship to bring best practices into the engagement process as well as bring in industry insights.

This year's customer experience survey was conducted over five weeks in January and February and a record number of 86% of our customers participated in this survey. Your Company is happy to report that for the second year in succession, it has increased its scores on the two major parameters of Satisfaction and Advocacy to 5.40 and 5.44 respectively on a 7 point scale.

The customers are delighted on the Value adds that your Company brings in to the engagements and see us differentiated in not just delivering projects but bringing in innovation and thought leadership. The increased rigor in delivery has contributed to increased satisfaction all around.

Your Company also brought in a new element of project level feedback that will provide a real time feedback on the engagements. As part of the plan for the financial year 2014-15, your Company will be implementing it across the organization.



Business Responsibility Report

Your Company has always been at the forefront of voluntary disclosures to ensure transparent reporting on all matters related to the Company's governance and business operations and has voluntarily undertaken to publish the required data to the extent applicable and accordingly, the Business Responsibility Report is annexed in the Annual Report. The said report comprehensively covers your Company's philosophy on corporate social responsibility, its sustainability activities pertaining to efforts on conservation of environment, conducting green awareness events, its commitment towards society, enhancing primary education, initiatives and activities taken up as part of this philosophy for the year 2013-14.

The Business Responsibility Report also describes initiatives taken by the Company in line with the key principles enunciated in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011' issued by the Ministry of Corporate Affairs (MCA).

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures, as approved by the Board from time to time, are enforced by the Company. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees/employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, Designated Employees and other employees from trading in the securities of Mindtree Limited at the time when there is unpublished price sensitive information. The Board has appointed the Chief Financial Officer as the Compliance Officer under the Code.

Material Changes and Commitments

The Board, in its meeting held on April 16, 2014 has, subject to the approval of the Members by way of Postal Ballot (including e-Voting), has recommended for the following:

(i) To increase the Authorised Share Capital of the Company to ₹ 8,000,000,000 (Rupees Eight Hundred Crores only) comprising of 800,000,000 (Eighty Crores only) Equity Shares of ₹ 10/- each (Rupees Ten only) from ₹ 796,200,000 (Rupees Seventy Nine Crores Sixty Two Lakhs only) divided into 79,620,000 (Seven Crores Ninety Six Lakhs Twenty Thousand only) Equity Shares of ₹ 10/- each (Rupees Ten only) and consequent alteration of the Memorandum of Association of the Company;

(ii) To issue Bonus Equity Shares by capitalization of a sum not exceeding ₹ 430,000,000 (Rupees Forty Three Crores Only) from the Securities Premium Account, Free Reserves or any other permitted reserves/ surplus of the Company for the purpose of issue of Bonus Shares of ₹ 10/- (Rupees Ten only) each, credited as fully paid-up to the holders of the Equity Shares of the Company, whose names appear on the Register of Members on the 'Record Date' determined by the Board, in the proportion of 1 (One) Bonus Equity Share of ₹ 10/- (Rupees Ten only) each, for every 1 (One) fully paid-up Equity Share of ₹ 10/- (Rupees Ten only) each held by Member.

No other material changes and commitments affecting the financial position of the Company has occurred between April 1, 2014 and the date of signing of this Report.

Internal Control Systems

The Company has a proper and adequate system of internal controls. This ensures that all the transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

An extensive programme of internal audits and management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The Company also has an Audit Committee, comprising 4 (four) professionally qualified Directors, who interact with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. This Committee mainly deals with accounting matters, financial reporting and internal controls.

Audit Committee Recommendation

During the financial year 2013-14, all the recommendations of the Audit Committee were accepted by the Board.

Acknowledgments

The Board places on record, their deep sense of appreciation to all the Mindtree Minds, support staff, for adopting to the values of the Company, viz., collaborative spirit, unrelenting dedication and expert thinking, to be an expertise led organization and the Company's customers for letting us deliver the Company's Mission statement, to engineer meaningful technology solutions to help the businesses and societies flourish. The Board also immensely thanks all the shareholders, investors, vendors, service providers, bankers and academic institutions and all other stakeholders for their continued and consistent 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 Government of India, the State Governments, particularly, the Software Technology Parks-Bangalore, Bhubaneswar, Chennai, Hyderabad, Pune and other Government and State Government agencies, the Tax Authorities, the Ministry of Commerce, Reserve Bank of India, Ministry of Corporate Affairs, Ministry of Communication and Information Technology, Ministry of Finance, the Customs and Excise Departments, Securities and Exchange Board of India, NSE & BSE and others and look forward to their continued support in all future endeavors.

For and on behalf of
the Board of Directors

Bangalore
April 16, 2014

Subroto Bagchi
Chairman

Annexures to the Directors' Report

A. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow

The provisions of conservation of energy and technology absorption and adaptation do not apply to the Company. However, various measures voluntarily taken by the Company in this regard are detailed under the Business Responsibility Report.

B. Technology Absorption

Efforts made in Technology as per Form B

As per Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988

Form B-Form for Disclosure of Particulars with respect to Absorption of your Company's R&D Activities: 2013–14

1. Specific areas in which R & D was carried out by the Company

a) Technology and Innovation

Your Company has been known for its consistent belief in investing in technology and innovation for securing its future. In this financial year, your Company has strengthened this further by carving out a centralized CTO organization, tasked with all round concerted thrust in technology and innovation.

CTO

The CTO office leads the technology thrust through three levers viz., Platforms and Products for Non-Linear Revenue Growth, Strategic Technology Group for assimilating critical capabilities in strategic technology areas and Innovation Evangelism and Intellectual Property Creation. In addition, all investments into technology centric activities in the lines of business and service offerings have been given focus through Centers of Excellence approved and governed by the CTO and run by the respective functional units.

CTO Council

The CTO council, created as the apex technology think tank as well as governing body for all technology related activities in Mindtree, is well represented by all lines of business and service offerings. The council met regularly on a monthly basis and crafted priorities as well as policies. The council helped create a technology specialization career path, which is being rolled out by the People Function.

The monthly CTO council meetings also served well as a cross functional knowledge sharing platform for tracking emerging technologies and their adoption in diverse vertical market segments, helping us to set priorities based on immediacy of opportunities as well as long-term potential.

Strategic Technologies

This group was setup to create critical capabilities in the emerging pillars of modern IT, viz., Social, Mobile, Analytics and Cloud (SMAC) computing.

Your Company's Digital Business service line has been investing in creating the right blend of social media and user experience. The Digital Pumpkin is a unique endeavor and a state of the art interactive and immersive ideation lab where our engineers and customers can ideate and co-create advanced user experience implementations along with advanced visualization for social analytics. Further, investments are being made in adopting advanced Graph Model based Social Network Analytics techniques, to help our customers in assessing and shaping their brand awareness in social media.

Your Company's Mobility Apps for Retail/CPG and Transport & Logistics were adjudged the best in their category at the SAP Mobile App Challenge at Techd Las Vegas, Oct 2013. These apps run on the tablets and have been built using the SAP Mobility Platform (SMP) 2.3. Having achieved commonly sought capabilities in Hadoop, NoSQL and allied Big Data technologies, your Company has also been focusing on in-memory data bases. In particular, building comprehensive solution capabilities centered around SAP such as HANA, Mobility, Fiori (the new UI for all SAP applications based on UI5) and certain industry-specific solutions like Trade Promotion Management.

Our focused HANA services offering now will include consulting services to identify HANA use-cases, migrations of BW/CRM/Business Suite to HANA, operational reporting and Analytics. Your Company was a sponsor at SAPPHIRE Orlando and for the first time, in June 2014 which will showcase our HANA and Mobility capabilities there.

Your Company has built significant deep expertise on all leading cloud platforms like SalesForce.com, Microsoft Azure and others.

Your Company enjoys a unique and deep partnership with Microsoft and continued its investments around Microsoft technologies and solutions. Through Mindtree, Microsoft Lab developed expertise and technology frameworks in the areas of Azure, Windows 8 and Modern app development. Some of the notable achievements this year included:

- A reference implementation that covers many of the entrenched features and components of Windows Azure. This implementation will make it easier for your Company to prescribe Azure solutions and migrate our clients to the Azure platform.
- An Azure Automation Testing framework that automates testing of certain Azure components like queues, blobs, service bus etc.,
- An Azure Cache Capacity Assessment Framework that can be used for evaluating the Azure cache performance and may also be used for the cache capacity planning.
- Tools to facilitate a Dev-Ops engagement model for continuous monitoring and deployment on Azure.
- A modern app State Management Library that reduces efforts towards developing Modern Apps on Windows 8 Platform.
- Reusable Automation Libraries for User Interface Testing of Modern Apps on Windows 8 Platform.
- Multi-Touch (Injection) Automation Libraries that extend Microsoft's internal Touch driver and reduce effort towards developing a Multi-touch Modern App.
- Your Company has built an engineering platform on Azure which will help reduce engineering effort by over 25%. All the common elements of any SaaS solutions like billing, multi-tenant management are abstracted in this platform thus helping to reduce the effort required to build any new SaaS solutions on Azure.

Internet Of Things

In addition to the focus on cloud, mobility and social, your Company will be investing in building capabilities and solutions around Internet of Things (IOT), where your Company is expecting to see a significant growth. Leveraging our long established expertise in short-range wireless technologies and embedded intelligence, we plan to create a highly differentiated center of excellence in the IOT under our Embedded R&D Service Line. This COE will help unify apparently diverse skill sets such as embedded, wireless, data networking, NW management and Streaming Data Analytics to deliver cutting edge IOT solutions in partnership with our strategic high tech accounts.

Non-Linear Products and Platforms

Your Company continued its investments in the two platforms of non-linear growth viz., VmUnify TM Cloud Management and Orchestration platform and Intelligent Video Surveillance System. VmUnify, consolidated its credentials through several strong achievements this year. It added several critical features such as support for VMware 5.5, Windows Server 2012 R2, Parallels APS v2.0 besides supporting Amazon and Azure. VmUnify was mentioned as an upcoming Cloud Management and Automation platform by 451 Research. Your Company also participated in the Parallels, Microsoft Hosting, VMworld and Microsoft World Partner conference, taking our reach to these platform centric communities. These initiatives culminated in securing strategic System Center Alliance with Microsoft and Application Packaging Standard Alliance with Parallels our Intelligent Video Surveillance Solution platform based on the next generation IP based video surveillance management, recording and analytic technologies is well sought over in our target markets which are government and public infrastructure enterprises, distributed installations, Oil and Gas Industry and Retail industries. Our partnership with technology and system integration companies have grown to over 30, including the likes of ECIL, Nelco, Honeywell, EMC-Lenovo, Axis & Bosch. Your Company has participated in several shows including Security Expo 2013 at New Delhi, Axis Partner Meets, Gladius Launch and has filed 4 patents in India and US so far in the area of Video analytics and 2 US Patents have been granted this year.

Your Company's flagship Remote Infrastructure Monitoring and service delivery platform MWatch™ has been enhanced with several capabilities, to become the Unified Service Delivery Platform of choice for IT infrastructure, be it a hosted in-premise or private cloud or public cloud such as Amazon or Azure. The automation and service management framework enhancements gives customers real-time provisioning and monitoring of virtual infrastructure.

MWatch now implements a Private Cloud platform based on OpenStack helps enterprise customers to leverage the elasticity of the cloud but with the assurance of data being in their control.

Intellectual Property Management

Mindtree has been creating significant values for our customers, stakeholders and our employees via patenting and intellectual asset management thereby establishing technology leadership and market agility. Patents filed by Mindtree have helped us to differentiate among other service companies and have provided our customers significant value-add beyond the traditional engineering engagements, Mindtree has filed for 19 patents of which 8 are issued and 5 are with our customers.

As part of building enterprise wide awareness and culture from IP Management perspective, your Company has developed Intellectual Property curriculum and also put in place the IP Management Portal.

Innovation Evangelism

Your Company has recognized the importance of continuous innovation in all aspects of its business and hence this year has created a focused Innovation Evangelist role within the CTO organization. Our innovation philosophy has been to be inclusive, of all our employees in all functions as well as our customers. Innovation activities have been organized at three levels – Corporate Level, Domain/Service Line level and Delivery Level.

At the corporate level, this year your Company had a successful proposal drive for our flagship business incubation program 5*50. After multiple rigorous evaluation sessions, identified three candidates for incubation from the 56 qualified proposals. The business planning for these is being carried into the financial year 2014-15 planning cycle.

At the delivery organization level, our next generation delivery platform has been augmented with mechanisms and avenues for customer value add at the project or account level. This has yielded several incremental innovation opportunities improving productivity and value add to the project.

Osmosis is the Mindtree annual technology fest that is conducted on a variety of themes like building Expert Thinking to showcase our capability on technology depth and customer centricity. Mindtree Minds come together on this platform to engage with key stakeholders like Customers, Partners, Industry Experts and most importantly with their peers. Mindtree celebrated 10th edition of Osmosis in 2014.

b) Patents

In financial year 2013-14 your Company filed patent application for Integrated Radio Frequency Front End Circuit.

2. Benefits derived as a result of the above R & D

The expertise built up by your Company through the R&D initiatives has been instrumental in winning some of the customers during the year. Your Company uses the expertise in the R&D team to provide technology consulting services to some of its customers.

3. Future plan of action

Your Company will invest in R&D initiatives going forward.

4. Technology Absorption, Adaptation and Innovation

Your Company provides its employees with a 'state of the art' working environment, with a view to optimize their performance. The hardware & software used is the very latest. All employees have access to the Internet. The excellent communication infrastructure put in place by your Company ensures that the employees get to work on the same environment that the customers' engineering teams work on.

The communication infrastructure also enables the employees of your Company working onsite to work very closely with their counterparts in India, enabling a 24-hour delivery model. The adoption of latest technologies along with the investments in R&D enables your Company to be the preferred technology solutions provider to many leading global corporations.

C. Foreign Exchange Earnings and Outgo

Earnings and Expenditure in Foreign Currency (Accrual Basis)

Foreign Exchange (Used)

₹ in million

Particulars	For the year ended March 31,	
	2014	2013
Branch office expenses	11,203	7,821
Travel expenses	251	134
Professional Charges	28	21
Others	288	97
Total	**11,770**	**8,073**

Foreign Exchange (Earned)

₹ in million

Particulars	For the year ended March 31,	
	2014	2013
Income from software development	29,484	22,598
Other income	5	17
Total	**29,489**	**22,615**

D. Disclosure as per Ministry of Corporate Affairs' General Circular No. 2/2011 dated February 8, 2011.

Financial Summary of the Subsidiary Company of Mindtree Limited-Mindtree Software (Shanghai) Co. Ltd.,

₹ in million

Particulars	For the year ended March 31,	
	2014	2013
Capital	14	14
Reserves	(4)	-
Total Assets (Gross)	10	14
Total Liabilities	-	-
Details of investments	-	-
Turnover	-	-
Profit /(Loss) before taxation	(4)	-
Provision for taxation	-	-
Profit after taxation	(4)	-
Proposed dividend	-	-

*Note: Corresponding figures for previous year presented have been regrouped, wherever necessary to confirm to the current year's classification. The detailed financials of the Subsidiary Companies shall be made available to any Shareholder seeking such information.

E. Details of unclaimed shares as per Clause 5A (I) and (II) of the Listing Agreement

a) As required under Clause 5A (I) of the Listing Agreement, the Registrar and Share Transfer Agent of the Company has sent three reminders to the Shareholders whose shares were lying in the escrow account with the Company unclaimed/undelivered. These unclaimed/undelivered shares amounting to 197 of 11 Shareholders have been transferred to a demat suspense account opened by the Company as required under the Listing Agreement when no response was received from any Shareholders to the reminders.

The status of the aforesaid unclaimed shares as on March 31, 2014 is given below

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding shares lying in the Demat Suspense Account as on April 1, 2013	11	197
Number of Shareholders/ legal heirs who approached the Company for transfer of shares from the Demat Suspense Account during financial year 2013-14	Nil	Nil
Number of Shareholders / legal heirs to whom the shares were transferred from the Demat Suspense Account upon receipt and verification of necessary documents during financial year 2013-14	Nil	Nil
Aggregate number of Shareholders and outstanding shares held in the Demat Suspense Account as on March 31, 2014	11	197

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

b) As required under Clause 5A (II) of the Listing Agreement, the Registrar and Share Transfer Agent of the Company has sent three reminders to the Shareholders whose physical shares were unclaimed/undelivered. These unclaimed/undelivered physical shares amounting to 16,766 of 326 Shareholders, have been transferred into one folio to the unclaimed suspense account opened by the Company as required under the Listing Agreement when no response was received from any Shareholders to the reminders.

The status of the aforesaid unclaimed shares as on March 31, 2014 is given below

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding shares lying in the unclaimed Suspense Account as on December 24, 2013*	326	16,766
Number of Shareholders/ legal heirs who approached the Company for transfer of shares from the unclaimed Suspense Account during financial year 2013-14	6	135
Number of Shareholders / legal heirs to whom the shares were transferred from the unclaimed Suspense Account upon receipt and verification of necessary documents during financial year 2013-14	4	72
Aggregate number of Shareholders and outstanding shares held in the Demat Suspense Account as on March 31, 2014	322	16,694

* Date of transfer to the unclaimed suspence account by the Company.

F. Employee Stock Option Plans

The Company has instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors ('Board'). Your Company currently administers seven stock option programs, viz., ESOP 1999, ESOP 2001, ESOP 2006 (a), ESOP 2006 (b), ESOP 2008 A, DSOP 2006, ESOP 2010 A, a stock purchase scheme namely, Mindtree Employee Restricted Stock Purchase Plan 2012 and a Phantom Stock Options Plan (Stock Appreciation Rights Plan). Summary information of these various stock option programs of the Company is provided under Notes to Accounts under both Standalone Financial Statements and Consolidated Financial Statements of this Annual Report and they form part of this Annul Report.

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:

₹ in million except per share data

Particulars	For the year ended March 31,	
	2014	2013
Net profit as reported	4,512	3,389
Add: Stock-based employee compensation expense (intrinsic value method)	79	-
Less: Stock-based employee compensation expense (fair value method)	18	(74)
Pro forma net profit	4,609	3,315
Basic earnings per share as reported	108.50	82.70
Pro forma basic earnings per share	110.83	80.89
Diluted earnings per share as reported	107.70	81.66
Pro forma diluted earnings per share	110.02	79.87

The Company has received/realised the below mentioned amount by exercise of options by the Employees/Directors. The following table summarizes the information about the amounts received/realized by the Company under various programs as on March 31, 2014 and March 31, 2013 respectively:

Amount in ₹

Particulars	For the year ended March 31,	
	2014	2013
ESOP 1999 (Program 1)	-	5,000
ESOP 2001 (Program 2)	643,400	1,291,850
ESOP 2006(a) (Program 3)	-	-
ESOP 2006(b) (Program 4)	29,211,300	305,132,400
ESOP 2008 A (Program 5)	7,990,850	5,841,701
DSOP 2006 (Program 6)	25,200,000	9,506,785
ESOP 2010 A (Program 7)	-	-
Mindtree Employee Restricted Stock Purchase Plan 2012(Program 8)	185,940	78,310
Total	**63,231,490**	**321,856,046**

G. 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 financial year ended March 31, 2014

Sl. No.	Name	Designation in the Company	Qualification	Experience (in Years)	Age (in Years)	Previous Employer	Designation at previous employment	Date of Joining	Gross Remuneration (₹)
1.	Ananda Rao Ladi	Senior Vice President	B.Tech	23	44	Wipro Technologies	Consultant	1-Feb-00	6,146,275
2.	Arun Rangaraju	Senior Vice President	PGDM	20	43	Accenture	Senior Vice President	1-Jun-12	10,434,289
3.	Babuji Philip Abraham	Senior Vice President	B.Tech	28	49	VeriFone	Manager-ICD	3-Nov-99	6,447,947
4.	Gaurav Johri	Senior Vice President	PGDM	17	43	Onmobile Asia Pacific	SBU Head, Corporates & M Commerce	25-Feb-08	7,184,694
5.	George Zacharias	Executive Vice President	BE	32	55	Sevenstrata IT	Chief Executive Officer	1-May-10	8,092,597
6.	Jagannathan Narasimhan Chakravarthi	Associate Vice President & Financial Controller	CA	17	41	Bharti Airtel Ltd.	Deputy General Manager – Finance	27-Apr-09	6,713,090
7.	Janakiraman S	President & CTO	M.Tech	34	57	Wipro Technologies	Vice President	20-Oct-99	14,856,523
8.	Krishnakumar Natarajan	Chief Executive Officer & MD	PGDM	33	57	Wipro Technologies	Group President	5-Aug-99	23,952,841
9.	N.S. Parthasarathy	President & COO	M.Tech	30	53	Wipro Technologies	General Manager	14-Aug-99	15,867,651
10.	Radha R	Senior Vice President	PGDM	23	47	IBM	Country Manager - Alliances	19-Jan-01	7,833,822
11.	Ram C Mohan	Executive Vice President	BE	29	51	Vinciti AQ	Chief Operations Officer	19-Jan-06	11,146,191
12.	Ramachandran Ramakrishnan	Senior Vice President	MBA	26	44	Powertel Boca Ltd.	Technical Support Manager	27-Mar-97	6,568,096
13.	Ravi Shankar B	Executive Vice President	PGDM	32	54	HCL	Senior Vice President Human Resources	2-May-12	16,654,915
14.	Rostow Ravanan	Chief Financial Officer	CA	20	43	Lucent Technologies	Business Value Manager	5-Aug-99	9,592,862
15.	Srinivasa Rao Kottamasu	Vice President	M.Tech	24	46	Wipro Technologies	Resident Manager	5-May-00	8,095,389
16.	Subroto Bagchi	Chairman	BA	39	57	Lucent Technologies	Vice President	1-Sep-99	18,723,904
17.	Sudhir Kumar Reddy	Senior Vice President	MS	21	44	Novartis Pharmaceuticals	Manager- Store Management	1-Aug-05	6,454,828
18.	Veeraraghavan R K	Executive Vice President	M.Sc	26	47	Wipro Technologies	Technical Manager	3-Nov-99	9,128,835

H. 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 financial year ended March 31, 2014 (For the Part of the Year)

Sl. No.	Name	Designation in the Company	Qualification	Experience (in Years)	Age (in Years)	Previous Employer	Designation at previous employment	Date of Joining	Gross Remuneration (₹)
1.	Pankaj Khanna	Vice President	MBA	23	48	Fidelity Business Services	Senior Director	2-Sep-13	3,994,301
2.	Vinay Deshpande	Chief Architect	BE	10	41	TP Vision India Private Limited	Director	3-Mar-14	548,843

I. 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 financial year ended March 31, 2014 (Resigned)

Sl. No.	Name	Designation in the Company	Qualification	Experience (in Years)	Age (in Years)	Previous Employer	Designation at previous employment	Date of Joining	Gross Remuneration (₹)
1.	Kalyan Kumar Banerjee	Senior Vice President	M.Tech	28	51	Wipro Technologies	Technical Manager	5-Aug-99	2,493,122
2.	Nilesh Auti	General Manager	MBA	17	41	Caritor India Ltd.	AGM	7-Aug-06	820,502
3.	Siva Vajjhala	Vice President	MS	22	44	Cambridge Technology	Director (Client Partner)	3-Jul-00	2,107,823
4.	Vidyanshu P Pandey	Program Architect	BE	4	50	Satyam Computer Services Ltd.	Assistant Vice President	14-Jul-09	2,569,609
5.	Anjan Lahiri*	President - IT Services	MBA	26	48	Cambridge Technology	Director (Client Partner)	5-Aug-99	4,971,861

* Resigned as Executive Director w.e.f. May 6, 2013.

Notes

1. Remuneration above is on Cost to Company basis, i.e., basic salary, all perks and allowances, incentives and employer's contribution to provident fund.
2. None of the employees is related to any Director of the Company.
3. The terms of employment of the above-referred employees/directors are contractual and they perform such duties as prescribed thereunder.
4. None of the above-referred employees/Directors held shares exceeding 1% as on March 31, 2014 except for Mr. Krishnakumar Natarajan, Mr. Subroto Bagchi, Mr. S. Janakiraman and Mr. N. S. Parthasarathy.

For and on behalf of the
Board of Directors

Subroto Bagchi
Chairman

Bangalore
April 16, 2014

Corporate Governance Report

Company's Philosophy on Corporate Governance

Mindtree Limited (hereinafter referred to as 'Mindtree' or the 'Company'), looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large.

Your Company and its employees (Mindtree Minds) are guided by the values of collaborative spirit, unrelenting dedication and expert thinking. These values are core to our operations. All Mindtree Minds are expected to adhere to the highest standards of integrity. Your Company has a clearly articulated Integrity Policy which is applicable to all Mindtree Minds globally.

In the conduct of your Company's business and its dealings, it abides by the principles of honesty, openness and doing what is right and fair. Your Company is committed to doing things the right way, which means, taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation. These principles guide our behavior at all times.

Your Company practices the highest standards of corporate behavior towards everyone it works with, be it the communities or the environment. This is the road to responsible, sustainable and profitable growth and creates long term value for your Company's stakeholders, people and our business partners.

In the current year, the Company has been adjudged as the 'Most Promising Company of the Year' Award by CNBC TV 18 and ranked number 1 under the categories 'Best Managed IT/Software/Technology Company in Asia' and the 'Best Managed Company in India' for 2013 by Euromoney's Annual Asia Company Ranking. Mindtree is also in the top 3 ranking companies in India, on all categories related to Corporate Governance and Investor Relations by Asiamoney.

Following are the salient features of your Company's Corporate Governance Philosophy:

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

The 3-Tier Corporate Governance Structure at Mindtree includes

- Shareholders appoint and authorize the Board of Directors ('Board') to conduct business with objectivity and ensure accountability;
- Board leads the strategic management of the Company on behalf of the Shareholders, exercises supervision through direction and controls and appoints various Committees to handle specific areas of responsibilities; and
- The Committees of the Board and Executive Management appointed by the Board take up specific responsibilities and day-to-day tasks to ensure that the activities of the Company run according to the strategies and targets set by the Board.

The above principles have been the guiding force for whatever your Company does and shall continue to be so in the years to come. The Company is committed to adopting to the best global practices in Corporate Governance and Disclosure.

Our Mission

We engineer meaningful technology solutions to help businesses and societies flourish.

Your Company believes in the power of people and the impact people can have on technology. Your Company's roots grew from this belief that people with diverse points of view could come together to build a different kind of technology company. This belief drives its vision for tomorrow to build technology experts who are focused on one goal, helping its clients succeed.

Today, a wealth of information is opening up a world of possibilities. Realizing those possibilities takes more than numbers. It takes more than technology. It takes people. People who can turn the potential of information into meaningful solutions. Solutions that simplify businesses, improve governments and propel societies forward.

Our Values

Your Company's values reinforce the organizational spirit. Your Company's values reflect what it believes in, guides and drives its behavior, defines its role and enables it to deliver customer success. Your Company's values, which are given below, inspire action and set us apart.

Collaborative Spirit

Your Company believes in developing true partnerships. Your Company fosters a collegial environment, where individual perspectives and honest dialogue is respected.

Unrelenting Dedication

Your Company is driven to meet client needs with determination and grit. Your Company embraces tough challenges and does not rest until the problem is solved, the right way.

Expert Thinking

Your Company brings robust skills and forward looking perspectives to solve customer challenges. Your Company uses proven knowledge to make recommendations and provide expert guidance to its customers.

Your Company's ability to devise solutions is equally matched by its ability to execute. Your Company's differentiation stems from a unique balance of human perspective with deep strategic thinking. Your Company sees possibilities where others see a full stop and as expressed in our tagline -Welcome to possible.

I. The Board of Directors (The Board)

Your Company has a balanced mix of Executive and Non-Executive Directors. The Board consists of 10 Directors comprising four Executive Directors, five Non-Executive and Independent Directors and a Non-Executive Director, as on March 31, 2014. The Board has one lady Member. The composition of the Board represents the finest blend of professionals from various backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights.

The Chairman of the Board for the financial year 2013-14 was Mr. Subroto Bagchi, an Executive Director and half of the Board comprised of Independent Directors. Therefore, the composition of the Board is in compliance with Clause 49 of the Listing Agreement.

(a) Composition and Category of Directors

The details of each Member of the Board along with number of Directorship(s)/Committee Membership(s) held by Directors in companies other than Mindtree, along with age of the Director, date of appointment to the Board of Mindtree and Director Identification Number (DIN) are provided below for the period ended March 31, 2014:

Name of the Directors	Age	Designation/Position	Date of Appointment	Director Identification Number	Directorship in other Indian Public Companies	Position on Committees of the Board of other Indian Companies	
						As Chairman	As Member
Executive Directors							
Mr. Subroto Bagchi	57	Executive Chairman	5-Aug-99	00145678	-	-	-
Mr. Krishnakumar Natarajan[1]	57	CEO & Managing Director	1-Apr-09	00147772	-	-	-
Mr. S.Janakiraman	57	Executive Director, President & CTO	16-Jul-08	00145811	-	-	-
Mr. N.S.Parthasarathy[2]	53	Executive Director, President & COO	1-Jan-14	00146954	-	-	-
Mr. Anjan Lahiri[3]	48	Executive Director	24-Oct-12	06407055	-	-	-
Non-Executive/Independent Directors							
Mr. V.G. Siddhartha	54	Non-Executive Director	20-Jan-00	00063987	1	-	1
Dr. Albert Hieronimus	67	Vice Chairman, Non-Executive and Independent Director	24-Oct-06	00063759	-	-	-
Prof. David Bruce Yoffie	59	Non-Executive and Independent Director	1-Dec-08	02476174	-	-	-
Prof. Pankaj Chandra	55	Non-Executive and Independent Director	19-Mar-12	00988867	-	-	-
Mr. Ramesh Ramanathan	50	Non-Executive and Independent Director	2-May-12	00163276	-	-	-
Ms. Apurva Purohit[4]	47	Non-Executive and Independent Director	1-Jan-14	00190097	-	-	-
Mr. R.Srinivasan[5]	72	Non-Executive and Independent Director	24-Oct-06	00043658	-	-	-
Mr. Rostow Ravanan[6]	43	CFO and Alternate Director to Mr. N. S. Parthasarathy	17-Jan-2014	00144557	-	-	-

[1] Reappointed as CEO & Managing Director w.e.f. April 1, 2014.
[2] Appointed as an Executive Director w.e.f. January 1, 2014.
[3] Resigned as an Executive Director w.e.f. May 6, 2013.
[4] Appointed as an Independent Director w.e.f. January 1, 2014.
[5] Retired as an Independent Director w.e.f. July 19, 2013.
[6] Appointed as an Alternate Director to Mr. N.S.Parthasarathy w.e.f. January 17, 2014.

Notes:

(1) None of the Directors are related to each other;

(2) Number of Directorship held in other companies includes all public limited companies, whether listed or unlisted and excludes private limited companies, foreign companies, companies established under Section 25 of the Companies Act, 1956 and alternate Directorships, Membership of Managing Committees of Chambers of Commerce / Professional Bodies; and

(3) The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Indian public limited companies in which he is a Director. Number of Chairmanships/Memberships of Committees covers Chairmanships/Memberships of Audit Committee and Shareholders'/Investors' Grievance Committee.

(b) Attendance of the Directors at the Board Meetings and the Fourteenth AGM

The calendar of Board Meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all Directors well in advance. Generally, the Board Meetings are held in Bangalore where the Registered Office of your Company is situated. The agenda for the Board Meeting includes applicable matters as per Annexure IA of Clause 49 of the Listing Agreement and is generally circulated few days prior to the date of the Meeting and includes detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions on behalf of the esteemed Shareholders.

In case of special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law.

Your Board met four times during the financial year 2013 -14 on April 18-22, 2013, July 18, 2013, October 16, 2013 and January 16, 2014. The Board passed 2 (two) matters through Circular Resolutions during the financial year 2013-14.

The necessary quorum was present for all the Board Meetings and the fourteenth Annual General Meeting. The maximum interval between any two Board Meetings was well within the maximum allowed gap of four months.

After each Board Meeting, your Company has a well-articulated system of follow up, review and reporting on actions taken by the Management on the decisions of the Board and sub-Committees of the Board.

The Attendance Record of the Directors at the Board Meetings held and the Fourteenth AGM for financial year 2013-14

Name of the Director	Number of Board Meetings		Attendance at the fourteenth AGM held on July 19, 2013
	Held	Attended by the Director	
Executive Directors			
Mr. Subroto Bagchi	4	4	Yes
Mr. Krishnakumar Natarajan	4	4	Yes
Mr. S.Janakiraman	4	4	Yes
Mr. N.S. Parthasarathy[1]	4	1	Not Applicable
Mr. Anjan Lahiri[2]	4	1	Not Applicable

Name of the Directors	Number of Board Meetings		Attendance at the fourteenth AGM held on July 19, 2013
	Held	Attended by the Director	
Non-Executive/Independent Directors			
Mr. V.G. Siddhartha	4	4	No
Dr. Albert Hieronimus	4	4	Yes
Prof. David Bruce Yoffie	4	3	Yes
Prof. Pankaj Chandra	4	4	Yes
Mr. Ramesh Ramanathan	4	4	No
Ms. Apurva Purohit[3]	4	1	Not Applicable
Mr. R.Srinivasan[4]	4	2	Yes

[1] Appointed as an Executive Director w.e.f. January 1, 2014. Mr. N.S. Parthasarathy attended the fourteenth AGM as an Alternate Director.
[2] Resigned as an Executive Director w.e.f. May 6, 2013.
[3] Appointed as an Independent Director w.e.f. January 1, 2014, only one Board meeting was held after her appointment.
[4] Retired w.e.f. July 19, 2013.

Directors' Shareholding Details in the Company as on March 31, 2014

Name of the Director	Designation/Position	No. of equity shares of ₹ 10/- each
Mr. Subroto Bagchi	Executive Chairman	1,401,523
Mr. Krishnakumar Natarajan	CEO & Managing Director	2,001,043
Mr. S.Janakiraman	Executive Director, President & CTO	875,137
Mr. N.S. Parthasarathy[1]	Executive Director, President & COO	611,921
Mr. Anjan Lahiri[2]	Executive Director	9,619
Mr. V.G. Siddhartha	Non-Executive Director	1,257,000
Dr. Albert Hieronimus	Non-Executive and Independent Director	-
Prof. David Bruce Yoffie	Non-Executive and Independent Director	35,000
Prof. Pankaj Chandra	Non-Executive and Independent Director	-
Mr. Ramesh Ramanathan	Non-Executive and Independent Director	-
Ms. Apurva Purohit	Non-Executive and Independent Director	-
Mr. R. Srinivasan[3]	Non-Executive and Independent Director	10,000
Mr. Rostow Ravanan[4]	CFO and Alternate Director to Mr. N.S. Parthasarathy	295,809

[1] Appointed as an Executive Director w.e.f. January 1, 2014.
[2] Resigned as an Executive Director w.e.f. May 6, 2013.
[3] Retired w.e.f. July 19, 2013.
[4] Appointed as an Alternate Director to Mr. N.S.Parthasarathy w.e.f. January 17, 2014.

Apart from the above, none of the Non-Executive Directors including Independent Directors hold any Equity Shares (as own or on behalf of any other person on beneficial basis) in the Company.

II. Governance by the Sub-Committees of the Board

The Board has constituted the following Committees and each Committee has its 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 seven Committees:

(a) Audit Committee;
(b) Compensation Committee
(c) Investors' Grievance Committee;
(d) Administrative Committee;
(e) Strategic Initiatives Committee;
(f) Nomination and Corporate Governance Committee; and
(g) Corporate Social Responsibility Committee.

(a) Audit Committee

The Audit Committee was constituted in accordance with the requirements of the Listing Agreements.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, replacement or removal of the Statutory Auditor and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as required under the Companies Act, 1956;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by Management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions and review and approval of any transactions with related parties;
   g. Dealing with qualifications in the draft audit report;
   h. Review of 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;
   i. Review of Management Discussion and Analysis of financial condition and results of operations; and
   j. Review of Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with Internal Auditors on any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the Internal Auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors.
12. Review of the functioning of the Whistle Blower Mechanism, in case the same is existing.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has four Directors, as per the details given below. All Members are financially literate and have the required accounting and financial management expertise.

The past Chairman of the Audit Committee was an Independent Director. Mr. R. Srinivasan, Chairman of the Audit Committee, who retired with effect from July 19, 2013 was present at the last Annual General Meeting to answer the Shareholders' queries. Mr. Ramesh Ramanathan, Independent Director, was appointed as the Chairman of the Audit Committee with effect from July 22, 2013. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The Audit Committee met four times during the financial year 2013-14 on April 18, 2013, July 17, 2013, October 16, 2013 and January 16, 2014 and not more than four months had elapsed between two Audit Committee Meetings. The necessary quorum was present for all the Audit Committee Meetings.

Details of Composition and Attendance of the Audit Committee Meetings

Name of the Director	Category	Position	Number of Audit Committee Meetings	
			Held	Attended by the Director
Mr. R. Srinivasan[1]	Independent Director	Chairman	4	2
Mr. Ramesh Ramanathan[2]	Independent Director	Chairman	4	4
Dr. Albert Hieronimus	Independent Director	Member	4	4
Mr. V.G. Siddhartha	Non-Executive Director	Member	4	4
Ms. Apurva Purohit[3]	Independent Director	Member	4	1

[1] Retired as the Chairman of the Audit Committee w.e.f. July 19, 2013. Only two Audit Committee Meetings were held during his tenure.

[2] Appointed as the Chairman of the Audit Committee w.e.f. July 22, 2013.

[3] Appointed as the Member of the Audit Committee w.e.f. January 1, 2014. Only one Audit Committee Meeting was held since her appointment, till March 31, 2014.

(b) Compensation Committee

The Compensation Committee was constituted to fix specific remuneration packages for Executive Directors and Senior Management including, pension rights and any compensation payment and for determining the remuneration packages of the Executive Directors and implementing stock based compensation plans of the Company.

The Compensation Committee is primarily responsible to:

- Assist the Board in ensuring that, affordable, fair and effective compensation philosophy and policies are implemented;
- Approve and make recommendations to the Board in respect of 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 grant of options under ESOP/ESPS to Senior Executives;
- Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees;
- Criteria for selection and appointment of Non-Executive Directors;
- Review and approve the change in terms and conditions of the ESOP/ESPS;
- Review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or Directors' compensation;
- Any other matter referred to the Compensation Committee by the Board of the Company.

The Compensation Committee met two times during the financial year 2013-14 on April 19, 2013 and July 18, 2013. The Committee also passed 2 (two) matters through Circular Resolutions, dated October 7, 2013 and January 8, 2014 during the said period.

Details of Composition and Attendance of the Compensation Committee Meetings

Name of the Director	Category	Position	Number of Compensation Committee Meetings	
			Held	Attended by the Director
Prof. David Yoffie	Independent Director	Chairman	2	2
Mr. R. Srinivasan[1]	Independent Director	Member	2	2
Prof. Pankaj Chandra[2]	Independent Director	Member	2	-
Mr. V.G. Siddhartha	Non- Executive Director	Member	2	2

[1] Retired as the Member w.e.f. July 19, 2013.

[2] Appointed as the Member w.e.f. July 22, 2013.

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 endeavors 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, commission (variable component) to its Chairman, Managing Director and other Executive Directors. Annual increments are decided by the Compensation Committee within the salary scale approved by the Board and the Shareholders.

Remuneration of the Executive Chairman, CEO & Managing Director and Executive Directors is determined periodically by the Compensation Committee by keeping in view the industry benchmark, the relative performance of the Company vis-a-vis the industry and subject to the permissible limits under the applicable provisions of law and as approved by the Shareholders. Perquisites and retirement benefits are paid according to the Company's Remuneration Policy as applicable to all the other employees.

Details of Remuneration paid to Executive Directors during the financial year 2013-2014.

Name	Salary (Including Perquisites in ₹)	Variable Pay (in ₹)	Total Remuneration (in ₹)
Mr. Subroto Bagchi	7,475,849	11,248,055	18,723,904
Mr. Krishnakumar Natarajan	8,205,563	15,747,278	23,952,841
Mr. S.Janakiraman	8,543,051	6,313,472	14,856,523
Mr. N.S. Parthasarathy[1]	9,362,346	6,505,305	15,867,651
Mr. Anjan Lahiri[2]	4,287,582	684,279	4,971,861
Total	**37,874,391**	**40,498,389**	**78,372,780**

[1] Appointed as Executive Director w.e.f. January 1, 2014
[2] Resigned w.e.f. May 6, 2013

No stock options have been granted to any of the Executive Directors during the financial year 2013-14.

Criteria for making payment to Non-Executive/Independent 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 10th Annual General Meeting of the Company held on July 3, 2009, have approved payment of remuneration by way of commission to Independent and Non-Executive Directors, a sum not exceeding 1% per annum of the net profits of the Company for all Independent/Non-Executive Directors in aggregate for one financial year subject to an individual limit for each of the Non-Executive/Independent Directors. These limits have been adhered to.

Remuneration paid to Non-Executive/Independent Directors

The Non-Executive/Independent Directors of the Company are paid remuneration by way of commission for their efforts. No sitting fees were paid to them for attending any meeting of the Board and or its Committees.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive/Independent Directors apart from commission.

The details of remuneration paid and stock options made to Non-Executive/Independent Directors during the financial year 2013- 2014 are provided hereinafter:

Details of Remuneration of Independent Directors during the financial Year 2013-2014

Name of the Independent Director	Total Remuneration/Commission Paid (in ₹)[1]
Dr. Albert Hieronimus	9,370,075
Prof. David Bruce Yoffie	21,856,068
Prof. Pankaj Chandra	2,000,000
Mr. Ramesh Ramanathan	2,000,000
Ms. Apurva Purohit[2]	500,000
Mr. R. Srinivasan[3]	1,541,332
Total	**37,267,475**

[1] The Commission for the financial year ended March 31, 2014 will be paid to Independent Directors, subject to deduction of tax and service tax on reverse charge mechanism for service tax.
[2] Appointed as an Independent Director w.e.f. January 1, 2014.
[3] Retired w.e.f. July 19, 2013.

Stock Options to Non-Executive/Independent Directors

No stock options were granted to Non-Executive/Independent Directors during the year ended March 31, 2014.
During the financial year 2013-14, the Company has not advanced any loans to any of its Directors.

Service Contracts, Notice Period and Severance Fees

Chairman, Managing Director and the Executive Directors

There is no specific period of contract of service for Executive Chairman – Mr. Subroto Bagchi. He holds office until retirement and the notice period for resignation is six months.

There is no specific period of contract of service for Executive Director – Mr. Janakiraman S. He holds office until retirement and the notice period for resignation is three months. His term of office as a Director shall be liable to determination by retirement by rotation.

Mr. Krishnakumar Natarajan has been re-appointed as the CEO and Managing Director from April 1, 2014 to June 30, 2017, subject to the consent and approval of the Shareholders in the ensuing fifteenth AGM. He holds office until retirement and the notice period for resignation is twelve months.

Mr. N.S. Parthasarathy, Executive Director has been appointed for a period of five years with effect from January 1, 2014 to December 31, 2018, subject to the consent and approval of the Shareholders in the ensuing fifteenth AGM. He holds office until retirement and the notice period for resignation is three months. His term of office as a Director shall be liable to determination by retirement by rotation.

The appointment of the Managing Director and Executive Director/Whole-time Director(s) is governed by the Articles of Association of the Company, the Resolutions passed by the Board/Circular Resolutions and the Members of the Company along with Service/Employment Contracts.

Nominee Directors

One of our large investors have nominated their representatives to our Board.

Details of shareholding by investors who have nominee/s on our Board as on March 31, 2014 are given below:

Name of the Shareholders	Total number of equity shares held	Percentage (%) of Share Capital of the Company
Coffee Day Resorts Private Limited and Global Technology Ventures Limited	7,014,003	16.82

Independent Directors/Non-Executive Directors

Period of contract and notice pay is not applicable to the Independent Director/Non-Executive Directors. There is no severance pay to any of the Independent Director/ Non-Executive Directors.

(c) Investors' Grievance Committee

The Investor Grievance Committee is responsible for:

- Redressal of Shareholders' grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet, for approval of the share transfers, transmissions and transpositions, 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.

Details of Composition and Attendance of the Investors' Grievance Committee

Name of the Director	Category	Position
Dr. Albert Hieronimus	Independent Director	Chairman
Mr. S. Janakiraman	Executive Director	Member

Mr. Rajesh S Narang, Vice President - Legal &Company Secretary acts as the Compliance Officer and Secretary to the Investor Grievance Committee.

The Investor Grievances Committee met twice on April 16, 2013 and October 16, 2013 during the financial year 2013-14. Both the Members of the Committee were present at the Meetings.

The Compliance Officer monitors the share transfer process and reports to the Company's Board in each meeting and the Compliance Officer also directly liaises with the authorities such as SEBI, Stock Exchanges, RoC etc., and investors with respect to implementation of various Clauses, rules, regulations and other directives of such authorities and investor service and complaints related matters. There is no share transfer pending for more than 15 days.

Your Company has a designated e-mail ID, investors@mindtree.com for the redressal of any Shareholders' related grievances exclusively for the purpose of registering complaints by Members/Shareholders. Your Company has also displayed the said email ID under the investors section at its website, www.mindtree.com and other relevant details prominently for creating investor awareness.

Your Company maintains a functional website containing necessary information about the Company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of agreements entered into with the media companies and/or their associates, etc., at http://www.mindtree.com/company/investors and the contents of the said website are updated regularly as per Clause 54 of the Listing Agreement.

Details of complaints/requests etc., received and resolved during the financial year 2013-14 are as below:

Nature of Complaints/Correspondence/Requests	Opening Balance	Received	Resolved	Outstanding as on March 31, 2014
Non-receipt of securities/ Annual Report/ Correction/Revalidation of Dividend Warrants/Non-receipt of Dividend, Warrants, etc.,	-	355	349	6*

* Resolved as on April 15, 2014

(d) 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 like, opening/closure of the Company's bank accounts, grant and revocation of general/specific powers of attorney, to consider and approve allotment of equity shares pursuant to exercise of stock options, to set up branch offices, to issue authority letters/affidavits for the purpose of institutional business/government and to approve such other matters as may be required for the administrative purposes of the Company and other administrative matters as delegated by the Board from time to time, which would then be ratified by the Board.

Details of Composition and Attendance of the Administrative Committee

Name of the Director	Category	Position
Mr. Krishnakumar Natarajan	CEO & MD	Chairman
Mr. Subroto Bagchi	Executive Chairman	Member
Mr. S. Janakiraman	Executive Director	Member
Mr. V.G. Siddhartha	Non-Executive Director	Member

This Committee meets as and when there is a need to carry out any urgent business transactions.

(e) Strategic Initiatives Committee

The Board constituted the Strategic Initiatives Committee to handle any merger and acquisition opportunities and other key strategic activities of the Company.

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.

Details of Composition and Attendance of the Strategic Initiatives Committee

Name of the Director	Category	Position
Mr. Krishnakumar Natarajan	CEO & MD	Chairman
Dr. Albert Hieronimus	Independent Director	Member
Prof. David Bruce Yoffie	Independent Director	Member
Mr. V.G. Siddhartha	Non-Executive Director	Member

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

(f) Nomination and Corporate Governance Committee

The Board has constituted this Committee to:

- Identify potential candidates to become Board Members;
- Recommend nominees to various Committees of the Board;
- Recommend remuneration for non-Executive/Independent Directors;
- Ensure that appropriate procedures are in place to assess Board's effectiveness; and
- Developing an annual evaluation process of the Board and its Committees.

Details of Composition and Attendance of the Nomination and Corporate Governance Committee

Name of the Director	Category	Position
Dr. Albert Hieronimus	Independent Director	Chairman
Mr. Subroto Bagchi	Executive Chairman	Member
Mr. V.G. Siddhartha	Non-Executive Director	Member

The frequency, agenda, duration, etc., are as set by the Chairman of the Committee

(g) Corporate Social Responsibility Committee (CSR Committee)

The Board has constituted the CSR Committee as per the requirements of the Companies Act, 2013 along with the applicable Rules.

Details of Composition and Attendance of the CSR Committee

Name of the Director	Category	Position
Mr. Subroto Bagchi	Executive Chairman	Chairman
Mr. N.S.Parthasarathy	Executive Director	Member
Prof. Pankaj Chandra	Independent Director	Member

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

III Governance to Shareholders

General Body Meetings

Annual General Meetings of the earlier three years

Financial Year	Details of date, day, time and venue where the AGM was held	Summary of Special Resolution(s) passed
2010-11	12th AGM was conducted on Thursday, July 21, 2011 at 10.30 a.m. at 'The Chancery Hall', Hotel Atria, #1, Palace Road, Bangalore-560 001, Karnataka, India.	Approval of payment of commission to Executive Directors of the Company.
2011-12	13th AGM was conducted on Monday, July 16, 2012 at 3.00 p.m. at 'The Chancery Hall', Hotel Atria, #1, Palace Road, Bangalore-560 001, Karnataka, India.	1. Approval of further issue of 1,000,000 equity shares of ₹10/- each and approval of Mindtree Employee. Restricted Stock Purchase Plan 2012. 2. Approval of amendments for payment of remuneration to Executive Directors.
2012-13	14th AGM was conducted on Friday, July 19, 2013 at 10.00 a.m. at 'The Chancery Hall', Hotel Atria, #1, Palace Road, Bangalore-560 001, Karnataka, India.	Approval of appointment and remuneration of Mr. Anjan Lahiri as an Executive Director.

Extra-Ordinary General Meetings (EGM) of the earlier three years

Financial Year	Details of date, day, time and venue where the AGM was held	Summary of Special Resolution(s) passed
2010-11	EGM was conducted on Tuesday, April 20, 2010 at 12.00 noon at the Registered Office of the Company situated at, Global Village, RVCE Post, Mysore Road, Bangalore – 560059, Karnataka, India	Approval for further issue of Capital (Equity Shares)
2011-12	No EGM was conducted	None
2012-13	No EGM was conducted	None

Postal Ballot

No Postal Ballot was conducted during the financial year ending March 31, 2014.

Disclosures

(i) **Disclosure of Related Party Transactions**

During the financial year 2013-14, no materially significant related party transactions have been entered into by the Company with the Promoters, Directors or Management or their relatives that may have a potential conflict with the interest of the Company. None of the Non-Executive Directors/Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2014 and they have given undertakings to that effect as per Clause 49 of the Listing Agreement. Details of all related party transactions are disclosed in the Notes to Accounts in the Annual Report as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. The transactions with the companies, where the Directors of the Company were interested, were in the normal course of business and such transactions did not have any potential conflict with the interests of the Company.

Register under Section 301 of the Companies Act, 1956 is maintained and particulars of transactions are entered in the Register, wherever applicable. Such transactions are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters, when such matters come up for approval.

(ii) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange/s or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

No penalty, or stricture was imposed by the Stock Exchanges or SEBI or any other authority, during the last 3 (three) years, since all applicable requirements were fully complied with.

(iii) **Accounting treatment in preparation of Financial Statements**

The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the Company in all material respects.

(iv) **Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Listing Agreements:

- For employees to report concerns about unethical behavior;
- To establish a mechanism to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Integrity Policy; and
- To ensure that adequate safeguards shall be provided to the Whistleblowers against any victimization or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment.

No personnel/person has been denied access to the Audit Committee.

(v) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement**

The Company has disclosed and complied with all the mandatory requirements under Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Annual Report. This Annual Report also includes the disclosures recommended under National Voluntary Guidelines for the Social Environmental and Economic Responsibilities of Business, 2012 issued by the Ministry of Corporate Affairs, Government of India under the Section on Business Responsibility Report as prescribed by SEBI.

Among the non-mandatory requirements of Clause 49 of the Listing Agreement, the Company has set up Compensation Committee and has a Whistle Blower Policy in place.

Compliance of Prohibition of Insider Trading Regulations

Your Company has comprehensive guidelines on prohibiting insider trading and the Company has adopted the code of internal procedures and conduct for listed companies notified by the SEBI.

Declaration as required under Clause 49 (I)(D)(ii) of the Listing Agreement of the Stock Exchange

Your Company has laid down a Code of Conduct ("Code") for all the Board Members and Senior Management Personnel of the Company. The Code is available on the website of the Company at www.mindtree.com. All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2014. A declaration signed by the Chief Executive Officer (CEO) to this effect is attached as Annexure - A to this Corporate Governance Report.

Board Disclosures - Risk Management

The Company has established effective risk assessment and minimization procedures, which are reviewed by the Board periodically. The procedures comprise an in-house exercise on Risk Management, carried out periodically by the Company, including the functioning of a structure to identify and mitigate various risks faced by the Company from time to time.

The structure also comprises risk identification and assessment by the concerned departments, identification of controls in place/mitigation process in place, updating of risk registers by various departments if required.

These reports are consolidated and presented by the Chief Risk Officer (CRO), to the Board of the Company. Your Company adopts the methods and process to assess and analyze risk holistically, identifies all compliance requirements and proactively develops measures to comply with such requirements.

Your Company by identifying and proactively addressing risks and opportunities, protects and creates value for stakeholders, including owners, employees, customers, regulators and society. A detailed report on Risk Management is provided herewith in this Annual Report.

Information provided to the Board or the relevant Committees

- All matters as stated in Annexure–I A under Clause 49 of the Listing Agreement;
- Annual operating plans and budgets including capital budgets and any updates thereof;
- Quarterly results for the Company and its business segments;
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- 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 judgment 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 and 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' services such as non-payment of dividend, delay in share transfer, etc.

Appointment and Re-appointment of Directors

Appointment of Ms. Apurva Purohit as an Independent Director of your Company for a period of five years with effect from January 1, 2014 till December 31, 2018, not liable to determination by retirement by rotation, appointment of Dr. Albert Hieronimus as an Independent Director till March 31, 2017 by altering the term of his office as an Independent Director, appointment of Mr. Parthasarathy as an Executive Director from January 1, 2014 till December 31, 2018, liable to determination by retirement by rotation, re-appointment of Mr. Krishnakumar Natarajan as Managing Director & CEO from April 1, 2014 till June 30, 2017, be passed.

Mr. S.Janakiraman, Executive Director and Mr. V.G. Siddhartha, Non-Executive Director will be retiring by rotation and being eligible, offer themselves for re-appointment before the Shareholders at the ensuing fifteenth AGM for approval.

The brief resumes of these Directors are furnished along with the Explanatory Statement to the notice to the fifteenth AGM pursuant to the provisions of Clause 49 of the Listing Agreement.

The Board has recommended the same and seeks Shareholders' approval.

Mr. Rostow Ravanan has been appointed as an Alternate Director to Mr. N.S.Parthasarathy, effective from January 17, 2014.

The other changes in the Board during the year were Mr. Anjan Lahiri resigned as an Executive Director w.e.f. May 6, 2013 and Mr. R. Srinivasan retired as an Independent Director w.e.f. July 19, 2013.

Recognition and Awards

Your Company believes in ethical business conduct, integrity, transparency and commitment to values which in turn enhance and retain stakeholders' trust. The details of various recognition and awards received by the Company are provided in other sections of the Annual Report.

Secretarial Standards and Secretarial Audit Report

The Institute of Company Secretaries of India (ICSI) has issued Secretarial Standards on various important facets of corporate functioning and management. Although these standards are recommendatory in nature, as a measure of good governance, the Company has voluntarily

adopted and substantially complied with the ICSI's Secretarial Standards on meetings of Board, general meetings, dividend, registers and returns, minutes, transmission of shares, passing of resolutions by circulation, affixing of common seal and Boards Report.

As a measure of good Corporate Governance and as recommended by the MCA Corporate Governance Voluntary Guidelines, 2009, your Company has voluntarily got a Secretarial Audit done for the financial year 2013-14. In this regard, the Company has appointed Mr. Shanker Prasad G, Practicing Company Secretary (PCS), to conduct the Secretarial Audit of records and documents of the Company. The Secretarial Audit Report confirms that the Company is in compliance with all the applicable provisions of the Companies Act, 1956 (as re-enacted and all statutory modifications thereto) and Rules under the said Act, Listing Agreements with the Stock Exchanges, Depositories Act, 1996 and all the Guidelines and Regulations prescribed by the Securities and Exchange Board of India (SEBI). The 'Reconciliation of Share Capital Audit' was also undertaken on a quarterly basis and the audit covers the reconciliation of the total admitted capital with NSDL, CDSL and shares held in physical form and also the total issued and listed capital with NSE and BSE.

The audit has also confirmed that the aggregate of the total issued/paid up capital is in agreement with the total number of shares in physical form, shares allotted and advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

Compliance with Clause 49 of the Listing Agreement

The Auditor's Certificate obtained from M/s. BSR & Co. LLP, (previously, BSR & Co.,) Chartered Accountants, (Firm Registration No. 101248W) is provided as Annexure-B to this Corporate Governance Report for compliance with Clause 49 of the Listing Agreement.

Governance by the Management

Management Discussion and Analysis

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

CEO and CFO's Certification

As required by Clause 49 of the Listing Agreement, the CEO and CFO's Certification is provided as Annexure-C to this Corporate Governance Report.

As required under Clause 49 (V) of the Listing Agreement, the CEO and CFO's Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2014, was placed before the Board at all their Meetings held.

Means of Communication

Your Company would like to constantly communicate to its Investors and stakeholders about its operations and financial results.

The transcripts of the quarterly earnings calls with analysts have also been published on its website. Your Company had also sent quarterly financial updates to all Investors and Shareholders whose e-mail ids/addresses are registered/made available to us.

Communication of Audited Financial Results (Quarterly and Annual)	Pursuant to Clause 41(I)(f) of the Listing Agreement, the Company has regularly furnished, both by way of post/dispatch through courier, as well as by emails within 15 minutes of closure of the Board Meetings, the quarterly audited as well as annual audited results to both the Stock Exchanges i.e., BSE & NSE. Quarterly and annual financial results are also published in English, and other regional (Kannada) newspaper, i.e., Business Standard and Samyuktha Karnataka. **Means of Communication** — **Number of times communicated during 2013-14** Earnings Calls — 4 Publication of Quarterly and Annual Financial Results — 4 Investor and Analysts Meet — 1
Website	Pursuant to Clause 54 of the Listing Agreement, the Company's website www.mindtree.com contains a dedicated segment called 'Investors' where all the information as may be required by the Shareholders is available including press releases, financial results, fact sheet reports, additional disclosures, earnings conference call transcripts, shareholding pattern, Shareholders' reports, investor presentation, Annual Reports, etc., at: http://www.mindtree.com/company/investors.
NSE Electronic Application Processing System (NEAPS) and BSE Online Listing	The Company uploads its disclosures and announcements under the applicable provisions of the Listing Agreement at the link, https://www.connect2nse.com/LISTING/ to NSE Electronic Application Processing System (NEAPS) and to BSE Online Listing at the link, http://listing.bseindia.com/.

General Shareholders' Information

Fifteenth Annual General Meeting

The fifteenth Annual General Meeting (AGM) of the Company for the financial year 2013-14 is scheduled on Friday, July 18, 2014 at 10.30 a.m. at 'The Chancery Hall', Hotel Atria, #1, Palace Road, Bangalore - 560 001, Karnataka, India.

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges (NSE & BSE), the Company has also extended e-voting facility, for its Members to enable them to cast their votes electronically on the proposed resolutions in the Notice of the fifteenth AGM, instead of voting in the AGM. Instructions for e-voting are listed under the segment "Notes" in the Notice to fifteenth AGM.

Those of the Shareholders/Members, who cannot attend the AGM in person, can appoint a proxy to represent them in the AGM, for which the Shareholder/Member needs to fill in a proxy form and send it to the Company, to its Registered Office address, on or before 10.00 a.m. on July 16, 2014.

Financial Year

Financial Calendar: Financial Year from April 1, 2014 to March 31, 2015

For the Financial Year 2014-15	Tentative Date of Announcement of Audited Financial Results (Subject to change)
First Quarter ended as on June 30, 2014	July 17, 2014
Second Quarter and Six Months ended as on September 30, 2014	October 16, 2014
Third Quarter and Nine Months ended as on December 31, 2014	January 16, 2015
Fourth Quarter and Financial Year ended as on March 31, 2015	April 17, 2015
Sixteenth Annual General Meeting	July 17, 2015

Date of Book Closure

The dates of book closure shall be from Friday, July 11, 2014 to Friday, July 18, 2014 (both days inclusive).

Details of Dividend for the Financial Year 2013-14

Your Directors had declared a first interim dividend of ₹ 5/- per share on the equity shares of ₹ 10/- each (par value) on October 16, 2013 which 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 October 22, 2013.

Your Directors had also declared a second interim dividend of ₹ 5/- per share on the equity shares of ₹ 10/- each (par value) on January 16, 2014 and were paid to the Shareholders who were on the Register of Members of the Company as on the record date at the closing hours of January 22, 2014.

Your Directors had also declared a third interim dividend of ₹ 5/- per share on the equity shares of ₹ 10/- each (par value) for the year ended March 31, 2014 which shall be payable to the Shareholders who would be on the Register of Members of the Company as on the record date at the closing hours of April 22, 2014.

Particulars of Dividend	Par Value (In ₹)	Percentage	Dividend amount per Equity Share (in ₹)	Date of Declaration	Record Date	Dividend Payment Date
First Interim Dividend	10	50%	5.00	October 16, 2013	October 22, 2013	October 30, 2013
Second Interim Dividend	10	50%	5.00	January 16, 2014	January 22, 2014	January 28, 2014
Third Interim Dividend	10	50%	5.00	April 16, 2014	April 22, 2014	April 28, 2014

Your Directors have also recommended for a final dividend and a special dividend for the financial year ended March 31, 2014 which is payable on obtaining the Shareholders' approval in the fifteenth AGM:

Particulars of Dividend	Par Value (In ₹)	Percentage	Dividend amount per Equity Share (in ₹)	Date of Recommendation	Book Closure Date	Dividend Payment Date
FinalDividend	10	50%*	5.00	April 16, 2014	July 11, 2014 to	On or before
SpecialDividend	10	50%*	5.00	April 16, 2014	July 18, 2014 (both days inclusive)	July 25, 2014

*The Board has recommended a final dividend of 50% (₹ 5 per equity share of par value ₹ 10/- each) for the financial year ended March 31, 2014 and a special dividend of 50% (₹ 5 per equity share of par value ₹ 10/- each) for completion of 15 years in business. If the proposed 1:1 bonus equity share issue is approved by the Shareholders prior to the date of the AGM, the final dividend and special dividend amount would be accordingly reduced to 25% (₹ 2.5 per equity share of ₹ 10/- each).

Listing on Stock Exchanges

Your Company's equity shares are listed on the following Stock Exchanges as on March 31, 2014:

(i) Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; &

(ii) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

Listing fees for the financial year 2013-14 has been paid within the stipulated time to both NSE and BSE wherein the equity shares of the Company are listed.

Stock Code

Stock Exchange	Symbol/Scrip ID	Reuters Code
NSE	MINDTREE	MINT.NS
BSE	MINDTREE	MINT.BS

NSE - Series: EQ
BSE - Scrip Code: 532819

Corporate Identity Number (CIN)

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs, Government of India, is L72200KA1999PLC025564 and the Company's Registration No. is 08/25564 of 1999. Your Company is registered in the State of Karnataka, India.

International Securities Identification Number (ISIN)

ISIN is an identification number for traded shares. This number needs to be quoted in each transaction relating to the dematerialized equity shares of the Company. Your Company's ISIN number for its equity shares is INE018I01017.

Market Price Data: High, Low during each month of the Financial Year 2013-14

The Company's monthly high and low quotations as well as the total turnover at NSE and BSE are given herein;

The equity shares of the Company were listed in the Stock Exchanges for financial year 2013-14. Share price data for each month during the financial year 2013-2014 on NSE are as mentioned below:

Month National Stock Exchange of India Limited, Mumbai (NSE)	Total Volume (₹ in Lakhs)	High (₹)	Low (₹)
April-2013	5,994	930	792
May-2013	8,269	895	790
June-2013	4,914	839	782
July-2013	8,933	975	806
August-2013	12,106	1,066	930
September-2013	20,982	1,225	1,013
October-2013	35,473	1,440	1,166
November-2013	14,464	1,453	1,328
December-2013	21,853	1,600	1,335
January-2014	32,378	1,689	1,393
February-2014	29,974	1,727	1,385
March-2014	26,975	1,672	1,313

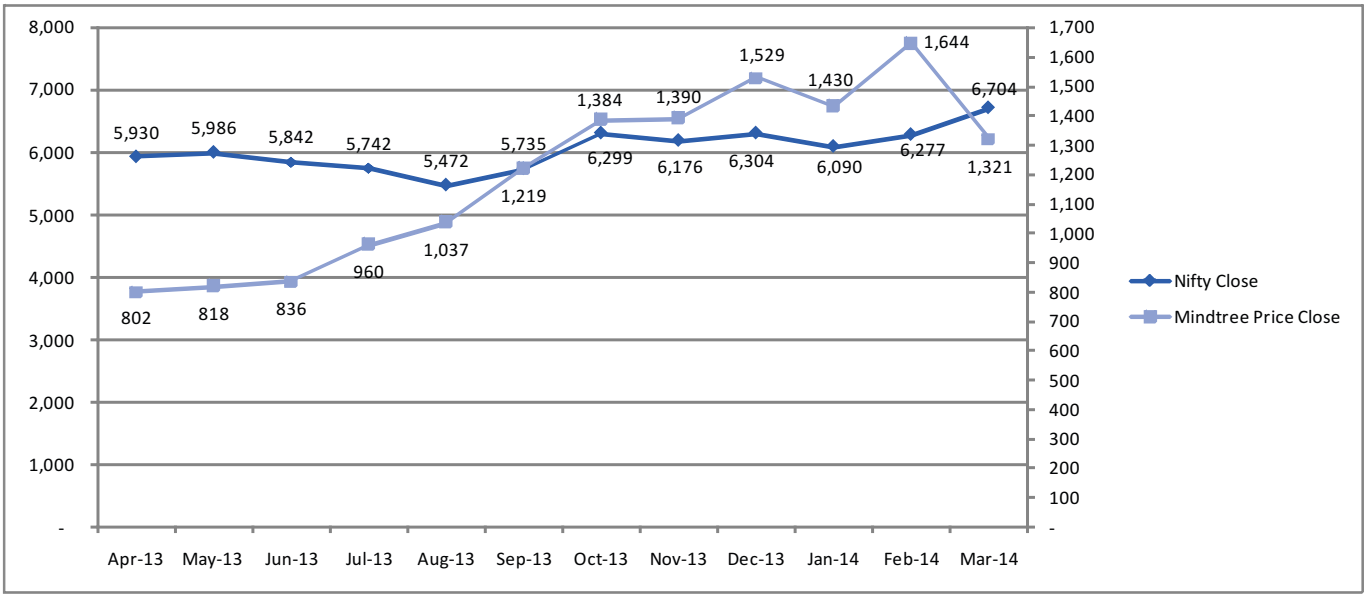
Share price data for each month during the financial year 2013-2014 on the Bombay Stock Exchange Limited are as mentioned below:

Month Bombay Stock Exchange Limited, Mumbai (BSE)	Total Volume (₹)	High (₹)	Low (₹)
April-2013	92,867,939	925	800
May-2013	212,857,943	896	791
June-2013	39,803,872	840	783
July-2013	111,551,328	974	805
August-2013	567,517,011	1,065	933
September-2013	997,894,824	1,225	1,010
October-2013	574,148,983	1,440	1,168
November-2013	143,680,258	1,454	1,331
December-2013	363,889,314	1,599	1,341
January-2014	394,465,632	1,685	1,395
February-2014	340,073,561	1,725	1,390
March-2014	270,097,059	1,670	1,313

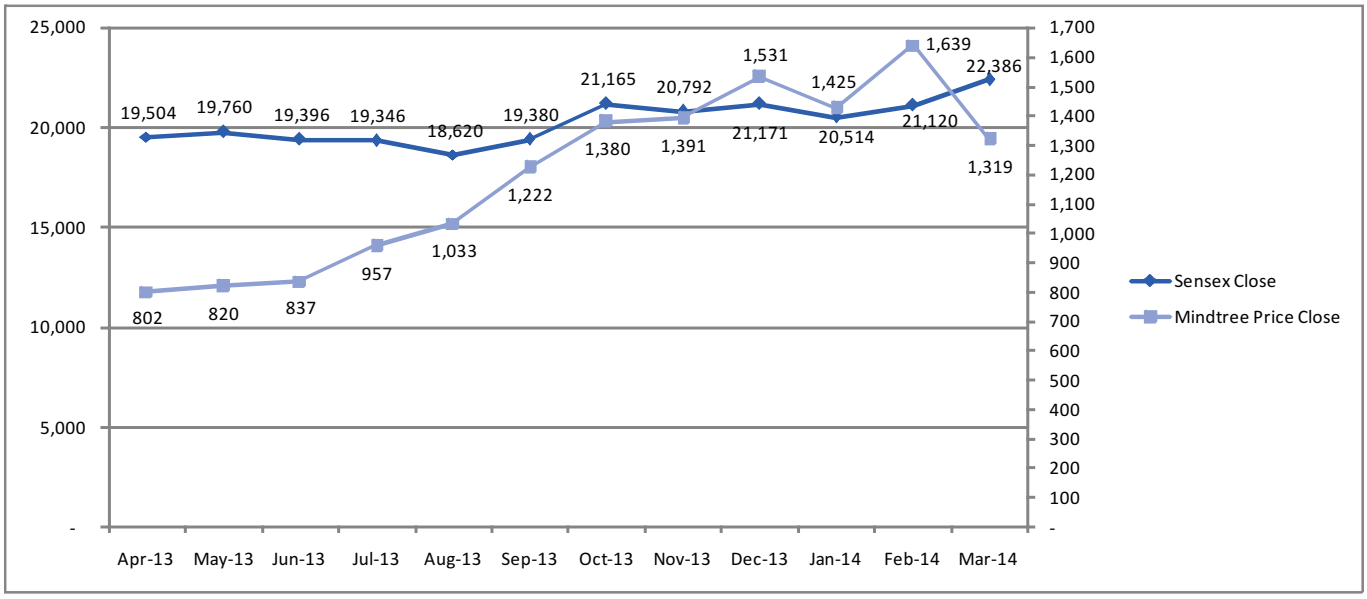
Performance in comparison to broad-based indices such as NSE Nifty, BSE Sensex, index etc.

Mindtree's Share Price Movement Compared to CNX Nifty and BSE Sensex

CNX Nifty & Mindtree Share Price

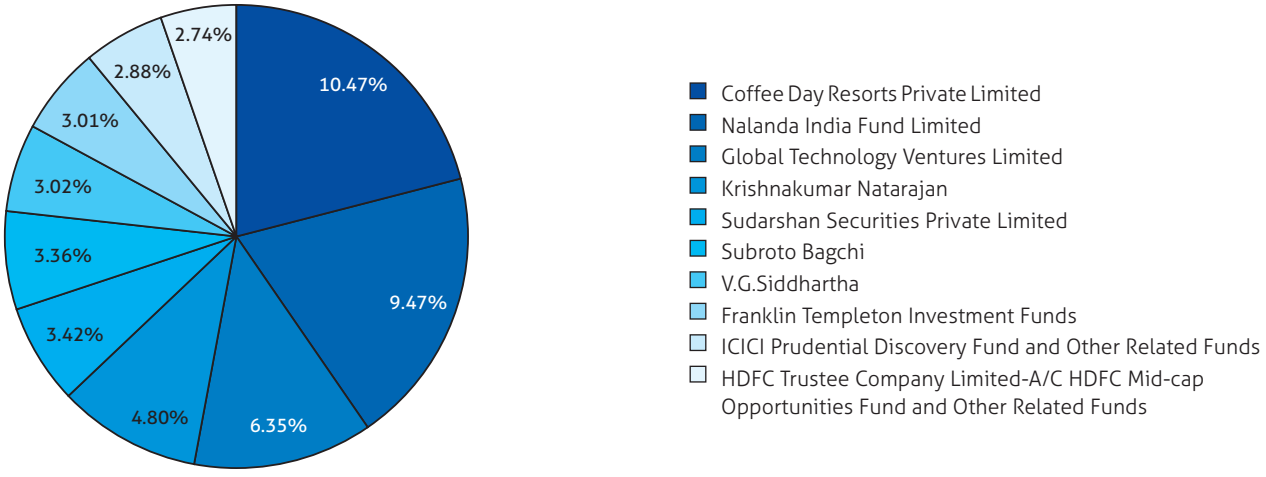


BSE Sensex & Mindtree Share Price



List of Top Ten Shareholders of the Company as on March 31, 2014

Name of the Shareholder	No. of Shares	Percentage (%)
Coffee Day Resorts Private Limited	4,365,442	10.47
Nalanda India Fund Limited	3,949,089	9.47
Global Technology Ventures Limited	2,648,561	6.35
Krishnakumar Natarajan	2,001,043	4.80
Sudarshan Securities Private Limited	1,425,000	3.42
Subroto Bagchi	1,401,523	3.36
V.G.Siddhartha	1,257,000	3.02
Franklin Templeton Investment Funds	1,253,810	3.01
ICICI Prudential Discovery Fund and Other Related Funds	1,201,479	2.88
HDFC Trustee Company Limited-A/C HDFC Mid-cap Opportunities Fund and Other Related Funds	1,144,162	2.74



Registrar and Share Transfer Agent

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited. The communication address of the Registrar and Share Transfer Agent is given hereunder.

Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai 400 078, India.

Tel: +91 22 2594 6970 | Fax: +91 22 2594 6969 | e-mail: rnt.helpdesk@linkintime.co.in | Website: www.linkintime.co.in

Share Transfer System

We have an Investor Grievances Committee represented by the Board to examine and redress Shareholders' and Investors' complaints. The process and approval of share transfer has been delegated to the Company Secretary and Share Transfer Agent by the Board. The Company Secretary approves the share transfers and reports the same to the Board at every quarterly meeting as may be applicable.

The share transfer system with respect to physical shares consists of activities like, receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfers, its approval by the respective Committee and dispatch of duly endorsed share certificates to the respective transferees within the prescribed time as per the Listing Agreement. In line with SEBI's Circular dated July 5, 2012, share certificates are being issued within 15 days of date of lodgment for transfer, sub-division and consolidation. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. As bulk of the Company's shares are currently traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL/CDSL through their depository participants. Link Intime India Private Limited is the common Share Transfer Agent for both physical and dematerialised mode.

Share transfer related activities under physical segment like receipt/dispatch of documents, their verification and preparation of Memorandum of Transfers are being carried out by Link Intime India Private Limited alongwith confirmations in respect of the requests for dematerialisation of shares are being sent to the respective depositories i.e. NSDL & CDSL expeditiously.

Details of transaction requests received and processed during the financial year 2013-14

Particulars	Total No. of Requests	Total No. of Shares
Share Transfer	331	16,910
Share Transmission	1	9
Deletion of Names	-	-
Transposition of Shares	-	-
Total No. of Demat	36	49,637
Total No. of Remat	3	189
Total	**371**	**66,745**

Distribution of Shareholding

Range of equity shares	As on March 31, 2014				As on March 31, 2013			
	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Up to 500	45,967	97.42	1,553,641	3.73	45,609	97.48	1,510,534	3.64
501-1,000	410	0.87	306,924	0.74	375	0.80	279,752	0.67
1,001-2,000	249	0.53	366,044	0.88	258	0.55	374,984	0.90
2,001-3,000	97	0.21	241,734	0.58	97	0.21	240,862	0.58
3,001-4,000	70	0.15	247,345	0.59	76	0.16	268,560	0.65
4,001-5,000	51	0.11	234,712	0.56	50	0.11	232,392	0.56
5,001-10,000	123	0.26	858,058	2.06	130	0.28	912,671	2.20
10,001 and above	219	0.46	37,881,273	90.86	194	0.41	37,715,300	90.80
Total	**47,186**	**100.00**	**41,689,731**	**100.00**	**46,789**	**100.00**	**41,535,055**	**100.00**

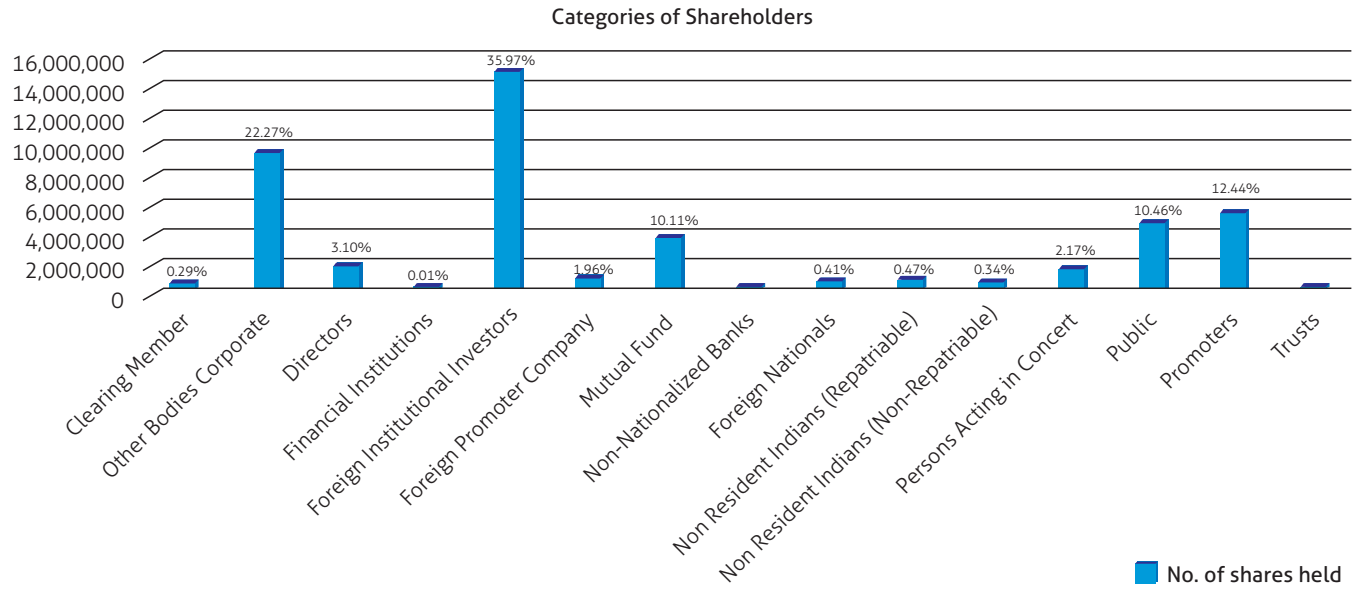
Shareholding Pattern as on March 31, 2014 under Clause 35 of the Listing Agreement

Category Code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of Shares held in dematerialized form	Total Shareholding as a percentage of total number of Shares		Shares pledged or otherwise encumbered	
					As a Percentage of (A+B)	As a Percentage of(A+B+C)	No. of Shares	As a percentage
(A)	Promoter and Promoter Group							
(1)	Indian							
a	Individuals/ Hindu Undivided Family	5	5,185,433	5,185,433	12.44	12.44	-	-
b	Central Government/ State Government(s)	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-
d	Financial Institutions/Banks	-	-	-	-	-	-	-
e	Any Other (specify)	-	-	-	-	-	-	-
	Promoter Group/PAC	3	905,000	905,000	2.17	2.17	-	-
	Sub-Total (A)(1)	**8**	**6,090,433**	**6,090,433**	**14.61**	**14.61**	**-**	**-**

Category Code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of Shares held in dematerialized form	Total Shareholding as a percentage of total number of Shares		Shares pledged or otherwise encumbered	
					As a Percentage of (A+B)	As a Percentage of(A+B+C)	No. of Shares	As a percentage
(2)	Foreign							
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
b	Bodies Corporate	1	815,521	815,521	1.96	1.96	-	-
c	Institutions	-	-	-	-	-	-	-
d	Qualified Foreign Investors	-	-	-	-	-	-	-
e	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	1	815,521	815,521	1.96	1.96	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	9	6,905,954	6,905,954	16.57	16.57	-	-
(B)	Public shareholding							
(1)	Institutions							
a	Mutual Funds/ UTI	61	4,216,449	4,216,449	10.11	10.11	-	-
b	Financial Institutions/ Banks	3	2,960	2,960	0.01	0.01	-	-
c	Central Government/ State Government(s)	-	-	-	-	-	-	-
d	Venture Capital Funds	-	-	-	-	-	-	-
e	Insurance Companies	-	-	-	-	-	-	-
f	Foreign Institutional Investors	129	14,997,228	14,997,228	35.97	35.97	-	-
g	Foreign Venture Capital Investors	-	-	-	-	-	-	-
h	Qualified Foreign Investors	-	-	-	-	-	-	-
i	Any Other (Specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	193	19,216,637	19,216,637	46.09	46.09	-	-
(2)	Non-institutions							
a	Bodies Corporate	609	9,283,978	9,283,978	22.27	22.27	-	-
b	Individuals							
	i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh.	45,315	2,988,061	2,907,049	7.17	7.17	-	-
	ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh.	50	1,371,835	1,371,835	3.29	3.29	-	-
c	Qualified Foreign Investors	-	-	-	-	-	-	-
d	Any Other (specify)							
	i. Clearing Members	252	121,792	121,792	0.29	0.29	-	-
	ii. Foreign Nationals	11	171,836	168,182	0.41	0.41	-	-
	iii. N R I (Repatriable)	544	196,943	172,762	0.47	0.47	-	-
	iv. N R I (Non-Repatriable)	197	140,620	140,620	0.34	0.34	-	-
	v. Directors	2	1,292,000	1,292,000	3.10	3.10	-	-
	vi. Trusts	4	75	75	-	-	-	-
	Sub-Total (B)(2)	46,984	15,567,140	15,458,293	37.34	37.34	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	47,177	34,783,777	34,674,930	83.43	83.43	-	-
	TOTAL = (A)+(B)	47,186	41,689,731	41,580,884	100.00	100.00	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1.	Promoter & Promoter Group	-	-	-	-	-	-	-
2.	Public	-	-	-	-	-	-	-
	Sub-Total (C)	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	47,186	41,689,731	41,580,884	100.00	100.00	-	-

Categories of Shareholders as on March 31, 2014

Category	No. of Folios	No. of Shares held	Percentage (%) of Shareholding
Clearing Member	252	121,792	0.29
Other Bodies Corporate	609	9,283,978	22.27
Directors	2	1,292,000	3.10
Financial Institutions	1	2,459	0.01
Foreign Institutional Investors	129	14,997,228	35.97
Foreign Promoter Company	1	815,521	1.96
Mutual Fund	61	4,216,449	10.11
Non-Nationalized Banks	2	501	-
Foreign Nationals	11	171,836	0.41
Non-Resident Indians (Repatriable)	544	196,943	0.47
Non-Resident Indians (Non-Repatriable)	197	140,620	0.34
Persons Acting in Concert	3	905,000	2.17
Public	45,365	4,359,896	10.46
Promoters	5	5,185,433	12.44
Trusts	4	75	-
Total	**47,186**	**41,689,731**	**100.00**



Dematerialization of Shares and Liquidity

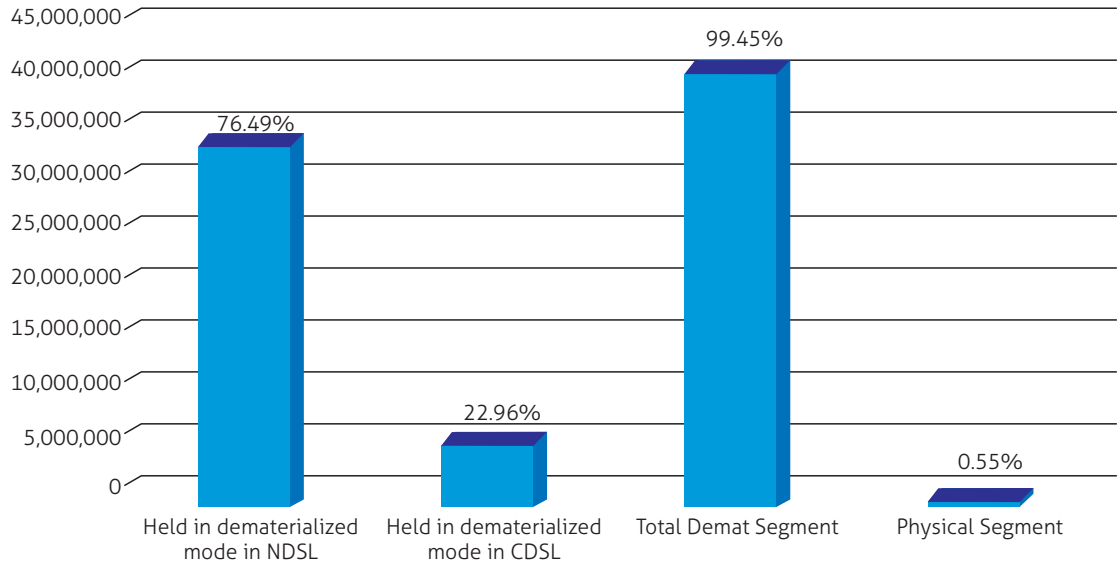
The Company's shares are admitted into by both the Depositories i.e., National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') by the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited. 99.65% of the Company's shares are held in electronic/demat form as on March 31, 2014.

As on March 31, 2014, the number of shares held in dematerialized and physical mode are as under:

Particulars	Number of Shares	Percentage (%) to Total Capital Issued	Number of Shareholders	Percentage (%) to Total Number of Shareholders
Held in dematerialized mode in NSDL	35,574,121	85.33	36,092	76.49
Held in dematerialized mode in CDSL	5,971,763	14.32	10,836	22.96
Total Demat Segment*	**41,545,884**	**99.65**	**46,928**	**99.45**
Physical Segment	143,847	0.35	258	0.55
Total	**41,689,731**	**100.00**	**47,186**	**100.00**

* As on March 31, 2014, 35,000 equity shares of ₹ 10/- each, were under temporary ISIN.

As on March 31, 2014, the number of shares held in dematerialized and physical mode are as under



Shares held in Demat or Electronic Form

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 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 such share transfers in electronic/demat form. For matters regarding shares held in demat/electronic form and for matters related to dividends, change of address, change of bank mandates, etc., Shareholders should communicate directly with their respective DPs.

Shares held in Physical Form

For matters regarding shares transferred in physical form, share certificates, dividends, change of address, etc., Shareholders should communicate with Link Intime India Private Limited, our Registrar and Share Transfer Agent.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company and hence, the same is not applicable to the Company.

Branch Locations of the Company

The branch locations consisting of address and other contact details have been provided separately in this Annual Report and the same is also available at http://www.mindtree.com/contact-us.

Address for Correspondence

Shareholders can also send their correspondence to the Company with respect to their shares, dividend, request for annual reports and shareholder grievance. The contact details are provided below:

Mr. Rajesh Srichand Narang

Vice President – Legal and Company Secretary
Mindtree Limited, Global Village, RVCE Post, Mysore Road, Bangalore - 560 059, India. Ph: + 91 80 33955118 | Fax: + 91 80 6706 4100
Email: rajesh_narang@mindtree.com or investors@mindtree.com | Website: www.mindtree.com

Analysts can reach our Investor Relations Team for any queries and clarifications on Financial/Investor Relations related matters at the contact details as given below:

Mr. Sushanth Pai

General Manager-Treasury and Investor Relations
Mindtree Limited, Global Village, RVCE Post, Mysore Road, Bangalore - 560 059, India. Ph: + 91 80 33955458 | Fax: + 91 80 6706 4100
Email: sushanth_pai@mindtree.com | Website: www.mindtree.com

Registered Office

Global Village, RVCE Post, Mysore Road, Bangalore 560 059, Karnataka, India. Ph: +91-80-6706 4000 | Fax: +91-80-6706 4100
Website: www.mindtree.com

Annexure-A

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct

In accordance with Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended on March 31, 2014.

Place: Bangalore
Date : April 16, 2014

Krishnakumar Natarajan
CEO & Managing Director

Annexure-B

Auditors' Certificate on Corporate Governance

To the Members of Mindtree Limited

We have examined the compliance of conditions of Corporate Governance by Mindtree Limited ('the Company'), for the year ended on March 31, 2014, 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 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 further 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 B S R & Co. LLP, (previously, BSR & Co.,).
Chartered Accountants
Firm Registration No. 101248W

Supreet Sachdev
Partner
Membership No. 205385

Bangalore
April 16, 2014

Annexure-C

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, information and belief, certify that:

1) We have reviewed financial statements for the year ended March 31, 2014:
   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, in all material respects, a true and fair view of the Company's affairs, the financial condition and results of operations and are in compliance with applicable accounting standards, 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 over financial reporting by the Company and we have:
   a) Designed such controls to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others;
   b) Designed or caused to be designed, such internal control systems over financial reporting, so as to provide reasonable assurance regarding the preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India; and
   c) Evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
4) During the year, we have disclosed to the Company's Auditors and the Audit Committee of the Board of Directors:
   a) Any change, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting;
   b) Any significant changes in accounting policies during the year, and that the same have been disclosed appropriately in the notes to the financial statements;
   c) Instances of significant fraud, if any, that we are aware especially if any Member of management or employee involved in financial reporting related process. No such instances were noticed during the year 2013-14;
   d) All significant changes and 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
   e) Any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
5) In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive which was inflated on account of such mistakes or omissions.
6) We affirm that we have not denied any employee, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to Whistle Blowers from unfair termination and other unfair or prejudicial employment practices.
7) 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 16, 2014	**Krishnakumar Natarajan** CEO & Managing Director	**Rostow Ravanan** Chief Financial Officer

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.

Economy & IT Services Industry

Global economy strengthened during the second half of 2013. The overall world economy is expected to improve further in 2014–15, largely on account of recovery in the developed economies. Global growth is projected to be around 3.6% in 2014, rising to 3.9% in 2015 as compared to 3.0% in 2013[1].

Growth in the United States is expected to be 2.8% in 2014, up from 1.9% in 2013. Euro area is turning the corner from recession to recovery. Growth is projected to strengthen to 1.2% in 2014 and 1.5% in 2015, but the recovery will be uneven amongst nations in the Euro Zone.

Growth in the emerging market and developing economies is expected to increase to 4.9% in 2014 and to 5.4% in 2015. Growth in China rebounded strongly in the second half of 2013, largely due to acceleration in investment. China grew by 7.7% in 2013, same as in 2012. It is expected to grow by 7.5% in 2014. Growth in India picked up after a favorable monsoon season and higher export growth and is expected to firm further on stronger structural policies supporting investment. It grew by 4.4% in 2013 and is expected to grow by 5.4% in 2014. Many other emerging market and developing economies have started to benefit from stronger external demand in the developed economies and China.

Global IT services spending has shown recovery, driven by improvements in macro-economic fundamentals. Worldwide spending on IT services accelerated by 4.5% in 2013 compared to 1.5% growth in 2012. The total IT services spending is expected to carry the momentum further into 2014.

As per NASSCOM, the worldwide IT-BPO outsourcing market size grew by 8.1% to $134-140 billion in 2013. India continues to be the leader in the IT-BPO outsourcing market, with a significant cost-advantage and with a 55% market share, up from 52% the previous year. Indian IT-BPO companies captured 90% of the incremental market, showcasing its increased significance in the global outsourcing market. NASSCOM estimates that Indian IT-BPO services exports shall grow by 13-15% to $97-100 billion in FY2015, compared to~13% growth in FY2014. There is significant headroom for Indian players to grow. This is reflected in the relative growth rate of Indian players, which is more than double the growth rate of overall market.

The emerging technologies are poised to redefine the future of the IT services industry. These are popularly known as SMAC (Social, Mobile, Advanced analytics, Cloud) technologies. Many companies, both in consumer as well as supplier side, have started embracing the change. Companies have started creating designation like Chief Analytics Officer, Chief Data Officer and Chief Innovation Officer while IT suppliers have begun creating Center of Excellence (CoE) in these areas.

The overall IT services demand is expected to be higher from traditional markets like US, UK and Continental Europe compared to the Rest of the World.

Financial Performance

The table below gives an overview of the consolidated financial results for 2013-14 and 2012-13:

Particulars	FY 2013-14		FY 2012-13		Growth %
	₹ in million	% of revenue	₹ in million	% of revenue	
Income from operations	30,316	100.0%	23,618	100.0%	28.4%
Expenses:					
Employee benefits expense	17,820	58.8%	14,274	60.4%	24.8%
Other expenses	6,396	21.1%	4,480	19.0%	42.8%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**6,100**	**20.1%**	**4,864**	**20.6%**	**25.4%**
Other income (net)	376	1.2%	350	1.5%	7.4%
Foreign exchange gain/ (loss)	120	0.4%	(340)	-1.4%	-135.3%
Finance costs	4	0.0%	10	0.0%	-60.0%
Depreciation and amortisation expense	809	2.7%	624	2.6%	29.6%
Profit before tax(PBT)	**5,783**	**19.1%**	**4,240**	**18.0%**	**36.4%**
Tax expense	1,275	4.2%	847	3.6%	50.5%
Profit for the year (PAT)	**4,508**	**14.9%**	**3,393**	**14.4%**	**32.9%**

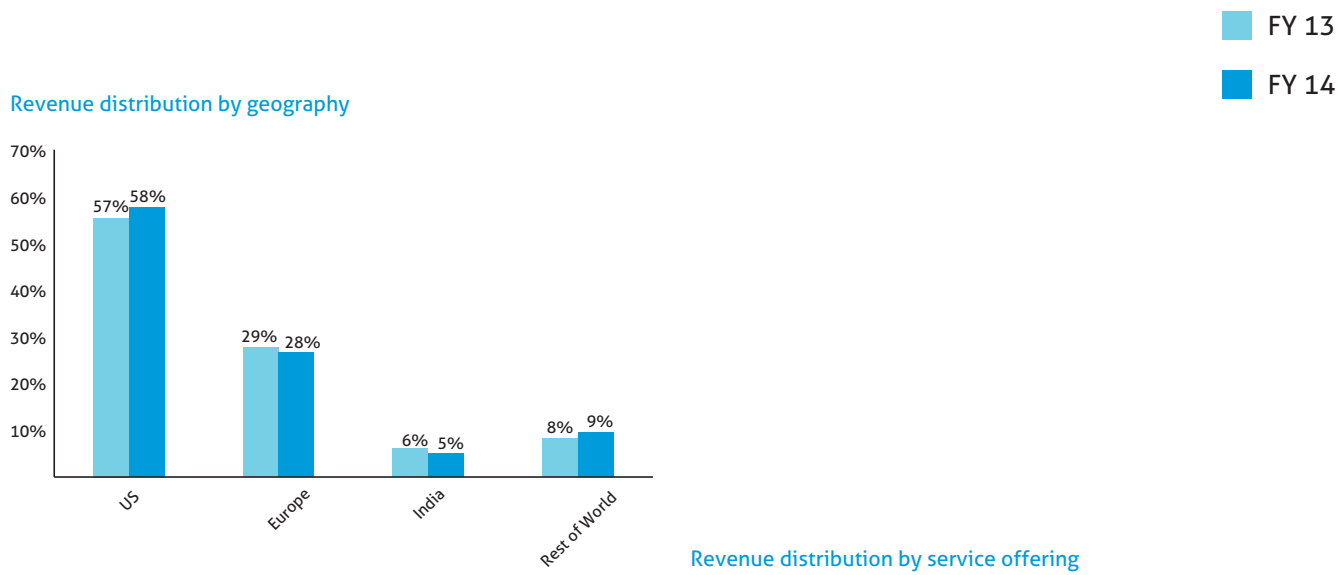
1 World Economic Outlook(WEO) update, IMF, April 2014

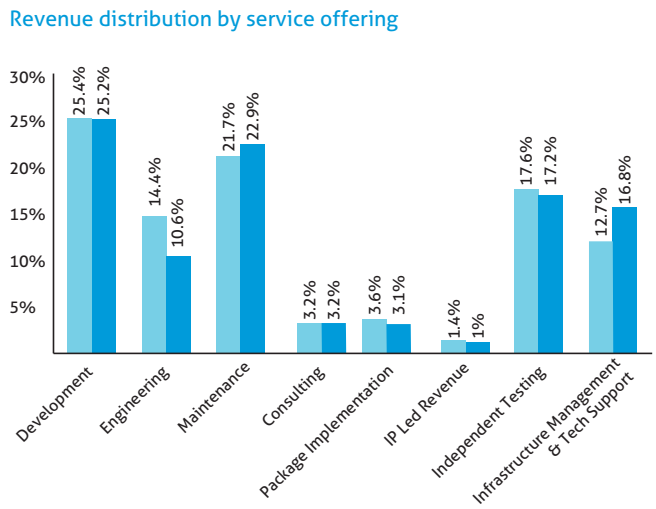
Income

FY14 has been a momentous year for Mindtree. We crossed the significant milestone of half a billion mark (in $) in revenues. Revenue for the year in $ terms grew by 15.1% to $501.5 million. This is mainly attributable to the progress in our effort to increase our strategic relevance to our clients. Some of the key interventions that have yielded positive results are:

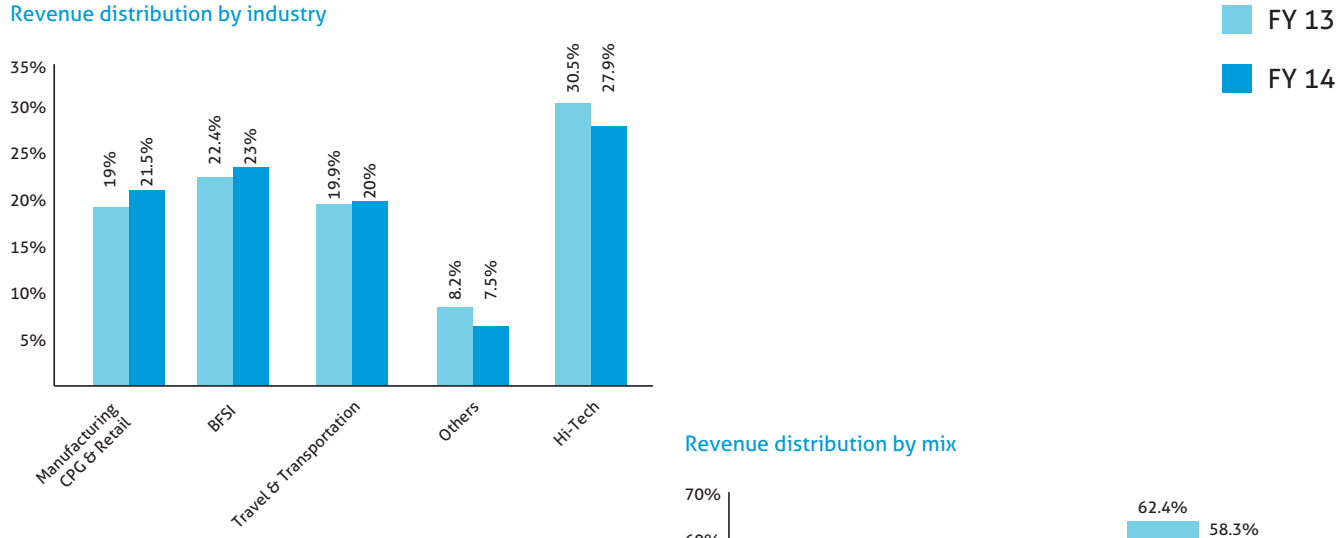
- Our client mining initiatives continue to yield good results. Our top 10 clients have grown at 19%, faster than Mindtree's average.Our $ 20 million clients increased from 5 to 6, $ 10 million clients increased from 9 to 13 and $ 5 million clients increased from 20 to 24.
- Our recent wins have been multi-million dollar and multi-year wins. Our initiative of having separate teams for hunting and farming is improving our ability to get better quality deals. Our revenues from new logos has increased from 3.6% in FY13 to 4.1% in FY14. We have invested significantly in our front end sales teams towards this initiative.
- Our positioning as multi-segment specialists is progressing well, resulting in an all-round performance from most verticals and service lines. Our revenue from Infrastructure Management and Tech Support grew by 52.2%, followed by Maintenance revenue which grew by 21.5% in the current year. Among the verticals, Manufacturing, CPG and Retail grew by 30.1%, followed by BFSI and Travel & Transport which grew by 18.4% and 16.2% respectively.
- From a mix perspective, growth has been driven by onsite revenue (growth of 27.4%) as compared to a growth of 7.2% in offshore revenues. The increase in onsite traction is due to the nature of client engagements, which are critical in nature and which requires near shore delivery. Our presence through a delivery center in Gainesville, Florida is also showing good traction in terms of our near shore delivery.
- From a geography perspective, America and Rest of the World have grown significantly by 17.4% and 37.9% respectively.

A graphical presentation of revenue analysis based on various parameters is given below.

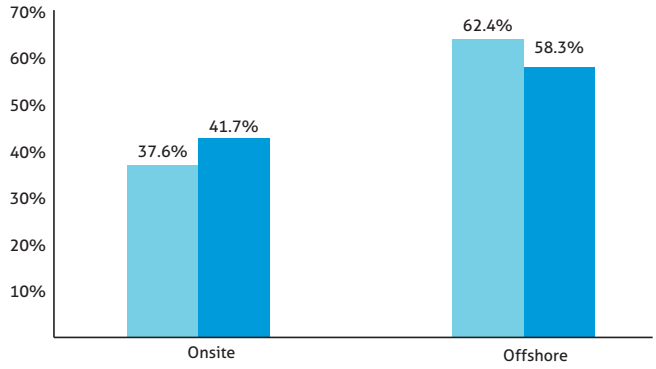




Revenue distribution by industry



Revenue distribution by mix



Other income (excluding foreign exchange gain)

Other income for the year ended March 31, 2014 is ₹ 376 million and has increased by ₹ 26 million over the previous year (₹ 350 million). This is mainly because of higher investment income during the year.

Foreign exchange loss/gain

Foreign exchange gain for the year ended March 31, 2014 is ₹120 million as compared to a loss of ₹ 340 million in the previous year. The gain is mainly on account of better realization as rupee depreciated by 11.5% during the year.

Expenses

Employee benefits expenses

Employee benefits forms our largest cost. At 58.8% of the total revenue from operations, it includes the fixed as well as the variable components of employees' salaries, contribution to provident funds, gratuity etc. Staff welfare expenses incurred for the employees also form a part of this cost. Break-up of this head of expenses in comparison with previous year numbers is given below:

Employee benefits expense	For the year ended March 31,				Growth %
	2014		2013		
	₹ in million	% of revenue	₹ in million	% of revenue	
Salaries and wages	16,189	53.4%	13,029	55.2%	24.3%
Contribution to provident and other funds	1,404	4.6%	1,107	4.7%	26.8%
Expense on employee stock based compensation	79	0.3%	2	0.0%	3850.0%
Staff welfare expenses	148	0.5%	136	0.6%	8.8%
Total	**17,820**	**58.8%**	**14,274**	**60.4%**	**24.8%**

Total employee benefit expenses have increased by 24.8%. In relation to revenues, employee benefits expense has reduced by 1.6% from 60.4% to 58.8%.

Though the rupee depreciated by 11.5% during the year, the benefit of rupee depreciation is offset by increases in compensation, addition of employees in billable roles and significant investments in our front end sales teams.

Other expenses

Other expenses comprises of all other incidental costs apart from employee benefits costs like travel, rent, computer consumables etc., The break-up of the same is as given below:

Other expense	For the year ended March 31,				Growth %
	2014		2013		
	₹ in million	% of revenue	₹ in million	% of revenue	
Travel expenses	1,466	4.8%	935	4.0%	56.8%
Sub-contractor charges	1,406	4.6%	861	3.6%	63.3%
Computer consumables	325	1.1%	256	1.1%	27.0%
Legal & Professional charges	386	1.3%	249	1.1%	55.0%
Power and fuel	255	0.8%	206	0.9%	23.8%
Rent	538	1.8%	412	1.7%	30.6%
Repairs to buildings	42	0.1%	55	0.2%	-23.6%
Repairs to machinery	28	0.1%	20	0.1%	40.0%
Insurance	40	0.1%	20	0.1%	100.0%
Rates and taxes	74	0.2%	72	0.3%	2.8%
Other expenses	1,836	6.1%	1,394	5.9%	31.7%
Total	**6,396**	**21.1%**	**4,480**	**19.0%**	**42.8%**

Other expenses, in relation to revenue has increased by 2.1% as compared to last year. Travel expenses have increased by 0.8% while sub-contractor charges have increased by 1% forming a major reason for increase. The other heads of expenses have shown a marginal increase as compared to last year.

On an overall level, other expenses have grown by 42.8% as compared to last year mainly due to increases in travel expenses, sub-contractor charges and legal and professional charges which have increased by 56.8%, 63.3% and 55% respectively.

Profitability and Margins

- We crossed a significant milestone of $100 million in operating margins/ EBITDA. EBITDA margins have dropped marginally from 20.6% to 20.1% in the current year. The decrease is primarily attributable to:
  - Increase in other expenses by 2.1% and
  - Offset by a decrease in employee benefits expenses by 1.6%, as explained above in the employee benefits expense and other expenses paragraphs.
- Our effective tax rate has increased from 20% in the previous year to 22% in the current year. This is mainly because of increase in surcharge from 5% to 10% in the current year.
- PAT has increased from 14.4% to 14.9% in the current year mainly due to foreign exchange gain of ₹ 120 million in the current year as compared to a loss of ₹ 340 million in the previous year.

Segmental Reporting

Effective April 1, 2013, the Group has restructured its organisational and management structure and its internal financial reporting structure to be better aligned to market needs. Pursuant to such re-organization, the Group has identified Manufacturing, BFSI, Hitech, Travel and Transportation and Others as its reportable business segments. Accordingly, as required by the Accounting Standards('AS'), comparatives have been restated and presented in line with the current segments.

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

₹ in million

Statement of Profit & Loss	For the year ended March 31,	
	2014	2013
Segment revenue		
Manufacturing	6,528	4,498
BFSI	6,986	5,293
Hitech	8,464	7,210
Travel & Transportation	6,077	4,691
Others	2,261	1,926
Total	**30,316**	**23,618**
Segment operating income		
Manufacturing	1,594	875
BFSI	450	642
Hitech	1,805	1,547
Travel & Transportation	1,363	1,103
Others	888	697
Total	**6,100**	**4,864**
Unallocable expenses	(809)	(964)
Profit for the year before interest, other income and tax	**5,291**	**3,900**
Interest expense	(4)	(10)
Other income	496	350
Net profit before taxes	**5,783**	**4,240**
Income taxes	(1,275)	(847)
Net profit after taxes	**4,508**	**3,393**

Significant changes in Balance Sheet items

- Increase in reserves and surplus of ₹ 3,266 million is due to:
  - Securities premium account increased by ₹ 83 million because of exercise of employee stock options.
  - General reserve increased from ₹ 1,091 million to ₹ 1,542 million due to current year transfer to reserve on account of dividend declaration (as per limits prescribed by the Companies Act, 1956).
  - In accordance with AS 30, the exchange gain from derivative instruments which qualify for cash flow hedge accounting is credited to hedge reserve to the extent of ₹ 49 million (previous year ₹ 173 million).
  - Balance in the statement of profit and loss increased from ₹ 9,236 million to ₹ 12,072 million due to current year profits.
- Other long-term liabilities have increased to ₹ 129 million as compared to ₹ 57 million in the previous year. This is mainly due to provisions made for payment of stock appreciation rights for employees.
- Short-term borrowings as at March 31, 2014 are Nil as compared to ₹ 217 million as at March 31, 2013 due to repayment of packing credit loan of $4 million (net) during the current year.
- Other current liabilities have increased by ₹ 572 million mainly because of increase in employee related liabilities (₹ 223 million) and other liabilities (₹ 205 million). Unearned income, creditors for capital goods and advance from customers have also increased by ₹ 64 million, ₹ 70 million and ₹ 61 million respectively. This is offset by decrease in book overdraft by ₹ 51 million.
- Short term provisions have increased by ₹ 462 million, due to provision for dividend and dividend tax payable (₹ 297 million), provision for discount (₹ 86 million), provision for employee benefits (₹ 49 million), provision for taxes (₹ 20 million) and others (₹ 10 million).
- Additions to fixed assets during the current year is ₹ 1,657 million (previous year ₹ 626 million) mainly on account of Computer systems and software and leasehold improvements.
- Long-term loans and advances have increased by ₹ 141 million mainly due to security deposits paid for Chennai and Hyderabad office.
- Our cash generation during the year has been healthy. Our cash and investments (net of short term borrowings and book over draft) have increased from ₹ 5,149 million as at March 31, 2013 to ₹ 6,427 million as at March 31, 2014.
- The Days Sales Outstanding (DSO) as at March 31, 2014 is 72 days as compared to 70 days at March 31, 2013.
- Other current assets have increased by ₹447 million mainly because of increase in unbilled revenue (₹ 377 million). Prepaid expenses and deposits (current maturities) have increased by ₹ 66 million and ₹ 85 million respectively. This is offset by decrease in derivative asset by ₹ 88 million.

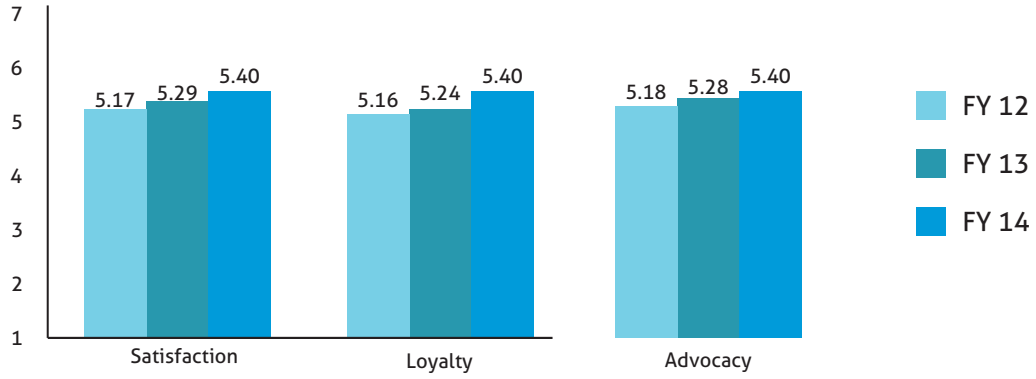
Strengths & Opportunities

1. Customer-focused Growth Strategies

We have continued to pursue our customer-focused "account mining" strategy which has yielded good results this year too, with our top 10 customers emerging as our major growth engines. Our top 10 customers have grown at over 19% in FY14, compared to the company growth of 15% in the same period. We will continue investing in our account management teams to extend our farming successes beyond our top 10 customers.

During FY14, $5 million customers increased by 4 to 24; $10 million customers increased by 4 to 13; $20 million customers increased by 1 to 6. 97% of our revenues in FY 14 have come from repeat business (existing customers). Revenue per customer has been on the rise, signaling our success in mining focus accounts.

One of the most promising indicators of our customer-focused growth approach is the fact that our customers have rated us better than last year on all key parameters (satisfaction, loyalty and advocacy), as part of our annual customer experience survey. Over 83% of our customers participated in this survey.



Source: Mindtree Annual Customer Experience survey results

2. Superior corporate leadership and governance

Our senior management comprises of some of the most seasoned global leaders in the industry from diverse backgrounds, geographies and with different areas of specialization in the IT industry. Their leadership and governance helped us deliver an all-round performance which was recognized by media and our other stakeholders. Some of the significant recognitions are as follows:

Mindtree was named as the "Most Promising Company of the Year" by CNBC-TV18 in its India Business Leadership Awards, 2013. Development Dimensions International (DDI) and the CNBC-TV18 research team, assess candidates across a wide range of criteria, including financial performance, leadership, creativity, innovation and social responsibility. Other evaluation factors include the ability of candidates to create short-term advantage, long-term value, a competitive edge and the demonstration of leadership in the business community.

Similarly we received the #1 ranking for the 'Best Managed IT/Software/Technology Company in Asia' and the 'Best Managed Company in India' for 2013 by Euromoney's Annual Asia Company Ranking. Mindtree emerged as the leader amongst 214 companies from various industry sectors, across Asia. The ranking was based on a survey of market analysts from top banks and research institutes in Asia. The judging criteria covered various aspects, including most convincing and coherent strategy, best system of corporate governance; most accessible senior management; most transparent financial accounts; best for shareholder value; most useful and informative website and most improved performance.

Mindtree has again been selected as a leader in the product engineering services space by Zinnov, a leading globalization and market expansion advisory firm, in its recently released report, 'Global Service Provider Ratings- 2013.' In the overall rankings, Mindtree is placed in the top leadership quartile for its services and capabilities. Mindtree's expertise is highlighted in multiple sub-verticals including automotive, consumer electronics, semiconductor, enterprise software, computer peripherals and storage. Most notably, Mindtree was listed in Zinnov's 'leadership zone' in the telecommunications and consumer software sectors. This reflects Mindtree's ability to execute end-to-end lifecycle services from product concept to product development, testing and deployment and forging 'Go-to-Market' partnerships.

3. Robust sales organization

As the industry is going through a phase of moderate growth, the success of an organization is critically dependent upon the efficiency of its sales engine - ability to win new business and mine the existing clients. Over the last one year, following initiatives were undertaken in these two areas:

- Creation of a dedicated team to focus on account planning and governance.
- Significant strengthening of sales team.
- Creation of separate hunting and farming teams to leverage the sales team capabilities efficiently.

- Renewed focus to get strong good quality new logos to enable stronger growth. This is part of our must win list provided by vertical heads to the sales team.
- Deployment of new CRM system.

These initiatives have helped improve collaboration between Mindtree verticals and service lines. The results include a healthy sales pipeline, growth of revenues from new business and improved quality of new logos doing business with us.

4. Domain expertise and technical excellence

Our domain expertise and technical excellence enable us to deliver on mission critical projects which help businesses thrive and be future-ready. We enable our clients to achieve competitive advantage through flexible and next generation global delivery models, agile methodologies and expert frameworks. Our ability to devise solutions is equally matched by our ability to execute them. Many success stories have led recognition to our focus on creating "expertise led" organization. Few of them are as follows:

- Mindtree has been selected by Microsoft Corporation as a Windows Azure Circle Partner. This elite program is reserved for Microsoft's partners who have achieved success in delivering Windows Azure based solutions. Windows Azure Circle partners are high achievers in commitment and focus to cloud computing, particularly influencing the adoption, performing services and developing applications on the Microsoft Windows Azure platform.
- Mindtree won the "Best International Business Award" for its substantial achievements and contributions to the Gainesville community over the past year. The award was presented in November 2013 at the Gainesville Area Chamber of Commerce. Mindtree won the award for its focus and expertise in key practice areas, such as Agile and Digital Business. Mindtree Gainesville Delivery Center's deep domain expertise, superior technology capabilities focused on custom development and short delivery cycles coupled with Mindtree's ability to design and deliver right-sourcing options has proven to be significant for its clients.
- Mindtree is named as a "Major Contender" in Everest Group's report IT Outsourcing in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2013. The report is part of Everest Group's "BFSI IT Outsourcing" research. The 2013 PEAK Matrix for Insurance AO is based on more than 400 large multi-year insurance AO contracts signed by 25+ global service providers. The PEAK Matrix is a framework to assess the relative market success and capability of service providers.
- Mindtree's BlueLitE Bluetooth® Intellectual Property (IP) enabled wireless communication LSI - ML7105 chip from LAPIS Semiconductor, is under mass production. Mindtree provided the silicon and software IP for Bluetooth® Smart. Additionally, Mindtree collaborated with LAPIS during the entire development cycle making key feature enhancements to help LAPIS deliver ML7105 - industry's lowest power Bluetooth Smart solution. The ML7105 series from LAPIS Semiconductor is designed for a new range of devices to enable the Internet of Things - Smart watches, health & fitness wearable accessories such as heart rate monitors, pedometers and sleep trackers. The ML7105 has already been adopted by a global Japanese player in their smart watches which is a testimony for the maturity of Mindtree's solutions.
- Mindtree unveiled two solutions created to drive consumer engagement and commerce - Integrated Insights and Omni-Channel Service Orchestration. The solutions made their debut at the National Retail Federation's 103rd Annual Convention & EXPO. These two solutions leverage advanced analytics, mobile and digital technology allowing retailers and brand organizations to meet growing consumer needs across multiple channels.
- Two solutions from Mindtree won the SAP® 2013 Industry Mobile App Challenges at the SAP TechEd conference held in Las Vegas from October 21-25. Mindtree was the winner of the SAP 2013 Transport and Logistics Mobile App Challenge and SAP 2013 Retail Mobile App Challenge.

5. People focus and high performance culture

Our biggest strength is our people, we call ourselves Mindtree Minds. As at march 31, 2014 we have 12,926 Mindtree Minds. We ensure that we offer the best workplace to our minds where they can perform to the best of their abilities. Our initiatives in the field of performance management, employee engagement, workplace sustainability, diversity and inclusivity have been strengthened throughout FY14.

The company is forthcoming in recognizing and rewarding high performers. Growth and development of such star performers is done through initiatives like Mindtree Pillars program which has been carried out through Fy14.

Company recognizes the fact that leadership is a critical component of its organizational strategy. Hence it is focused on developing leadership across organizational levels and helps leaders to transition seamlessly from one level to another. In FY14, we continued to provide a comprehensive suite of leadership programs to all levels of career transitions. It included executive coaching, 360 degree feedback, one to one mentoring and specialized classroom training tailored to new or experienced leaders.

Threats Risks and Concerns

A summary of Threats, Risks & Concerns is provided below. For a more detailed view of Mindtree's risk management program, please refer to the Mindtree Risk Management Report.

RISK DESCRIPTION	RISK MANAGEMENT PLAN
UNCERTAIN ECONOMIC ENVIRONMENT **Economic uncertainties in leading economies like the United States (US) and Europe can impact demand for IT services** The overall business environment remains a little uncertain given the macro economic issues in the US and Europe. While the business sentiment in the US seems to be looking up, this still needs to be supported by increased demand for IT services. Europe is turning the corner from recession to recovery, but the recovery is uncertain across countries and sectors.	Industry body NASSCOM has predicted growth of 13-15% in FY14-15 for the Indian IT services Industry. The U.S. economy is showing a positive outlook with multiple economic parameters showing positive trends. In Europe, Mindtree has focused on countries including Germany, U.K., Sweden and the Netherlands which have strong economies, to get a larger share of revenue from these countries.
LEGISLATION IMPACTING OUTSOURCING **Restrictions on outsourcing or offshoring may impact our business since 95.2% of our revenue is derived from international business.** With about 58% of our revenues from the U.S.A., any restrictions on outsourcing services and visas by the U.S. affects our business. The proposed Senate Immigration reform bill if passed as law in its current form, will impact our business significantly. Some of the key provisions in the bill would severely restrict our ability to perform our services onsite in the United States.	While some of these regulatory changes are not likely to impact our business in a major way, others like the proposed U.S. immigration reform legislation or any other substantive anti-outsourcing legislation may hurt our prospects. Currently the U.S. immigration reform bill has been passed by the U.S. Senate and is pending in the House. Given the current political situation in the U.S., it is expected that the passage of the bill in the House is likely to be a long drawn affair and some of the adverse provisions could get modified to be less restrictive. Industry body NASSCOM has taken the lead to disseminate the significant benefits of IT outsourcing to governments, administrations and policy makers in the USA and other geographies. In addition we are evaluating different business models to improve the onsite/offshore delivery mix, further enhancements to global development centers, local acquisitions and other options. We have expanded our global delivery model and have established development centers in the United States and Belgium and are exploring additional global development centers as well.
PRICING PRESSURES **In a highly competitive environment we may face margin pressures.** Such pressures may be due to customers having tough expectations on pricing or due to tactical movements on the part of our competitors to gain market share.	We are focusing on providing higher value and differentiated services to beat pricing pressures. Our strategy is centered on doing more with less and building deep domain expertise in our chosen areas. This approach should help us manage pressures on pricing at least partly.
COMPETITION **Mindtree risks losing business to larger players in the industry or emerging challengers.** We primarily face competition from Indian as well as international companies and captive offshore centers. Given the dynamics of our industry, Mindtree faces the risks of competitors coming up with new offerings to challenge our market share and growth. In addition, there may be challenges posed by different business models offered by competitors.	Our focus will be to grow in line with our strategy. We are focused on a set of verticals which are BFSI, HiTech, Manufacturing, Retail, Consumer Packaged Goods and Travel & Media. The service lines which will help drive higher growth are Analytics and Information Management, Business Intelligence, Packaged Solutions, Digital Business, Infrastructure Management Services, Testing and emerging areas of Cloud, Mobility and Big Data. The market for all these areas is highly competitive and rapidly evolving. As part of our strategic initiatives we have focused on additional investments to strengthen our marketing, sales and account management teams to ensure continued business growth over the short and long term.

TALENT ACQUISITION AND RETENTION **Our success depends upon our ability to attract and retain highly skilled personnel.** Due to the limited pool of available skilled personnel, we face strong competition to recruit and retain skilled & professionally qualified staff.	Our talent acquisition philosophy is to recruit for attitude, train for skill and develop for leadership roles. We follow a role-based selection process and place high emphasis on cultural fit of the prospective staff members with our organizational values. Our efforts have ensured that Mindtree is seen as an employer of choice. Our attrition levels are amongst the best in the industry. For the financial year 2013-14 our attrition percentage was at 12.66%. We maintain our high people satisfaction and engagement by offering personnel challenging job roles, onsite opportunities, compensation reviews and promotions. In addition, other retention mechanisms include training, job rotations and recognition/ appreciation programs.
KEY CLIENT LOSS **Business impact due to loss of key client** Given our business strategy of focusing on key clients for revenue growth, loss of such clients may severely impact Mindtree's business.	Given our track record with our top customers, we are confident of continued mutually beneficial association. To further enhance our business relationships, we have made significant investments in developing connections at different levels with our key clients. We have also implemented the concept of executive sponsorship for large accounts to ensure appropriate oversight and support to account management teams from executive management.
OPERATIONS RISK **Operations risk refers to risks integral to business operations.** Operations risk includes fraud, security breaches, business continuity, quality and similar risks which may impact the reputation and business performance of Mindtree.	Mindtree has made significant investments in developing operational risk management mechanisms. We are an ISO27001 certified company and have implemented stringent security measures to secure our personnel and assets. Mindtree also has a comprehensive business continuity management program to ensure client service is minimally impacted due to natural and man-made adversities. Mindtree uses multiple standards and models to deliver predictably with high quality such as ISO 14000 and ISO 20000. Mindtree is assessed to Capability Maturity Model Integration (CMMI) DEV 1.3 Level 5, the highest maturity level for all strategic projects being executed from Bangalore and Chennai. We have a documented Whistle Blower Policy to report any instances of fraud or unethical behavior.
FOREIGN CURRENCY RATE FLUCTUATIONS **A major portion of our revenues are in foreign currencies and a significant portion of our expenses are in Indian Rupees.** The exchange rate between the Indian Rupee and the U.S. dollar as well as other currencies has been very volatile in recent years and may continue similarly in future. Our operating results are impacted by fluctuations in the exchange rate between the Indian Rupee and the U.S. Dollar and other foreign currencies.	Mindtree has a formal hedging strategy which is reviewed periodically. Judiciously hedging against adverse foreign exchange exposures helps to minimize the impact of exchange fluctuations. We continue to maintain a prudent and balanced forex management policy which we expect will help us manage this risk appropriately.
UNSTABLE LAW AND ORDER SITUATION **Government assessments indicate that the software industry could be a potential target for a terrorist attack.** Given the international repute of the Indian IT industry, its key role in the national economy and its manpower intensive nature, there is an ever present risk that terrorists may target IT companies like Mindtree.	As part of our Business Continuity Plans, we have taken stock of our preparedness to face this risk and have built defence and response mechanisms. We have initiated steps to enhance protection at all our centers.

COMPLIANCE RISKS **Adherence to laws, regulations and local statutes across the globe is a challenge to any IT company today.** Every country has its own law with respect to immigration, travel, visa, social security, privacy and data protection etc. which needs a detailed assessment and compliance. There is a risk of non – compliance in the geographies which we operate in.	Mindtree has a dedicated in-house Compliance team which manages this activity. We have knowledgeable consultants across the globe, who support us in adhering to country specific compliance requirements. We have also invested in the necessary compliance tools to enhance and streamline the compliance process.

Internal control systems and their adequacy

The CEO and CFO Certification provided in the *CEO and CFO Certification* section of the Annual Report discusses the adequacy of our internal control system and procedures

Our strategy

Our execution continues to be guided by the following four strategy pillars, enabling us to grow faster and generate higher returns to our stakeholders.

Outlook

Our focused approach helped us to deliver a superior performance in FY14 with dollar revenues growing at 15.1% y-o-y. We also achieved significant milestones of crossing half a billion dollar in revenues, $100 million in operating profits and INR 100 of EPS. We will continue to focus on delivering superior financial performance, innovation and industry leadership in our chosen verticals. With global economic outlook improving, we expect our relationship with our clients to become more strategic for each other. Mindtree is confident of delivering broad-based growth in FY15, higher than in FY14.

Enterprise Risk Management Report

Mindtree believes in encouraging a culture of informed risk taking to achieve growth. The objective of our Enterprise Risk management (ERM) program is to facilitate informed and responsible risk taking by the organization. The Mindtree ERM framework has been designed by looking at frameworks of COSO, ISO 31000: 2009 and the IRM Risk Management Standard and by incorporating elements of these frameworks and customizing them to Mindtree requirements. Risks to key business goals are identified and assessed under defined categories. Processes have been laid down to treat, monitor and report risks accordingly.

The following risk categories have been defined for Mindtree:

- Strategic Risks: Strategic risks can be defined as the uncertainties and untapped opportunities embedded in the strategic intent and how well they are executed. Strategic risks are evaluated from the perspective of impact they would have on the entire business and are not restricted to a specific business unit. Strategic risks include Competition, M&A, Industry Changes, Strategy Development and Loss of Large Business.
- Environment and Market Risks: Environment and market risks include uncertainties and untapped opportunities arising due to changes in the global economy/ market fluctuations or disruptive business models/ innovations.
- Operations Risks: Operations risks include risks to efficient and effective utilization of resources (excluding financial resources). This category includes all the uncertainties faced by corporate enabling functions and includes areas such as Business Continuity Management (BCM), Security, Physical Infrastructure and Facilities, IT Infrastructure, People -related risks, vendor management, immigration, sustainability and quality risks.
- Financial Risks: Financial risks include uncertainties and untapped opportunities in effective and efficient utilization of financial resources as well as uncertainties in financial reporting. In addition, risks in the areas of currency fluctuation, liquidity and funding, capital management, credit risk and financial guidance are addressed as part of financial risks.
- Compliance and Internal Control Risks: These risks cover risks due to non-compliance to applicable laws, regulations and standards or ineffective internal controls leading to potential fraud in key operational areas.
- Contractual and Counter party Risks: Given the nature of our business, contractual and counterparty risks create the biggest potential exposure to Mindtree and hence is called out separately. These risks cover risks arising from poor contract definition with clients, business partners and vendors as well as risks associated with contractual compliance with clients and business partners.

The Mindtree ERM approach is provided below:

1. Key Business Goals: The enterprise risk management approach is set in the context of Mindtree's key business goals as set by Executive Management and the Board of Directors. Based on the goals identified and the level of acceptable risk, the ERM approach shall put in place frameworks, processes and controls to facilitate achievement of these goals.
2. Risk Identification: Risk identification is the process of determining uncertainties that could potentially impact achievement of business objectives. We use a combination of looking at the business plan, strategic initiatives and function specific goals to identify potential risks. Internal audits and periodic assessment of various business processes also help in identification of risks impacting strategic, business unit, operational, financial and other objectives.
3. Risk Assessment: Having understood the risks, the next step is to evaluate the risks identified and possible impact on Mindtree. Business processes and the risk environment are evaluated to assess the significant risks which can impact the achievement of business goals. Operational risks are assessed for effectiveness of the process, strength of the underlying controls and compliance to applicable laws and regulations. Critical risks are evaluated based on probability of occurrence and business impact.

4. Risk Treatment: Treatment plans for the identified risks are drawn up based on the type of risks. Risk treatment can be classified into the following buckets:
   - Mitigate - Reduce the risk by taking adequate mitigation plans and coming up with adequate control mechanisms.
   - Transfer - Transferring the risks arising out of the activity to a third party vendor/insurer/outsourcer/ specialists, who will accept the risk in a cost effective manner.
   - Tolerate - If the risks undertaken by Mindtree are within the tolerable limits set by the company, risks may be accepted provided reasons for acceptance are documented and the risk is accepted at the right level of management.
   - Terminate - The activity, project, proposal, etc. is too risky and hence not worth pursuing.
   - Exploit - Is a risk response technique for positive risks or opportunities. This strategy involves making sure that appropriate risks are taken to ensure the opportunity is fully exploited and benefits realized by the organization.

   Risk treatment may also introduce secondary risks which shall be assessed, treated, monitored and reviewed.

5. Monitoring and Reporting

   Owners are identified for the mitigation plans and progress on the risk treatment plans is reviewed. Dashboards, heat maps and trend lines are created which enable key stakeholders to monitor the status of identified critical risks.

   Risks shall be reported externally/internally as appropriate. Based on reviews, decisions shall be made on how the risk management framework, policy and plan can be improved. These decisions shall lead to continual improvements in the organization's risk management, and risk management culture.

The year in review

In 2013-14, we further heightened our focus on ERM. The emphasis for the year has been on implementing the Mindtree ERM framework and enhancing the governance around risk management. In addition, several initiatives have been taken to develop risk management awareness at all levels of the organization.

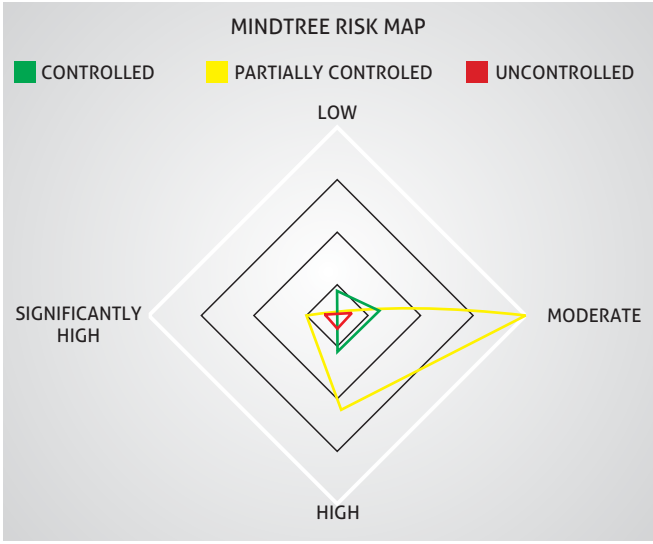
In 2013-14, the Mindtree ERM framework has been given a formal shape by publishing an Enterprise Risk Management Charter which has been presented to the Audit Committee of the Board. The Charter outlines the principles, key responsibilities and reporting requirements for risk management within Mindtree. In addition, the ERM approach has also been documented. These documents allow us to demonstrate the maturity of our risk management processes by laying down a uniform risk rating methodology across different risk areas by taking into account financial, reputational, people and market impact of risk events.

To ensure appropriate functioning of the ERM framework, we have prepared an elaborate governance mechanism through a Responsibility-Accountability-Consulted-Informed (RACI) matrix which ensures appropriate oversight of the risk management program and also provides for granular risk ownership and treatment. An ERM Council consisting of the CEO, COO, CFO, Head of Strategy and the Chief Risk Officer (CRO) has been created as the owner of the Mindtree risk management program.

At an implementation level, 2013-14 has seen progress on multiple fronts. Significant effort has been invested in creating an Enterprise Risk Register. Risks to Mindtree have been categorized and rated. Existing risk controls and risk treatment measures implemented/ proposed have also been identified. The risk register provides our management a consolidated view of the risks being faced by Mindtree and potential impact.

Additionally, the following planned initiatives were implemented during the year:

- The Chief Risk Officer (CRO) prepared detailed risk notes on the FY 13-14 Business Plan to ensure we took full advantage of opportunities identified as part of the strategic risk assessment and also effectively treated potential risks identified.
- A holistic risk rating model has been developed to monitor key customers across a range of risk parameters including Delivery, People, Revenue and Credit risks. This ensures that we proactively monitor key accounts and can identify areas for attention before they become critical issues.



RISK MAP DATA - MINDTREE RISK REGISTER

Risks	Uncontrolled	Partially Controlled	Controlled	Total
Significantly High	2	5		7
High	3	11	7	21
Moderate	3	19	7	29
Low		1	3	4
Total	**8**	**36**	**17**	**61**

- A risk rating model to assess contractual risk exposure has also been put in place to evaluate risks in the contracts with our top customers. This has helped us assess contractual risks proactively.
- A credit risk mechanism has been developed to evaluate credit worthiness of potential customers before contracting business. The credit evaluation system allows us to adjust credit and payment terms appropriately during contract negotiation and even avoid business where the risks are greater than potential rewards.
- Scenario planning and contingency planning exercises have been conducted for specific high risk events.
- A comprehensive risk awareness program has been launched across the enterprise. The program uses different mechanisms to target different audiences ranging from business/ enabling function leaders to Mindtree Minds who have joined us fresh from campus. Multiple channels including blogs, executive email communications, comic strips, LCD displays, infographics and interactive sessions have been used to communicate risk awareness to Mindtree Minds. These initiatives are complemented by an ERM portal which is hosted on our intranet and can be accessed by all Mindtree Minds. Very positive feedback has been received to each of these initiatives across the organization.

- Risk advisories have been circulated to Business Teams and Enabling Functions to brief them on emerging risk events such as regulatory changes and geo-political situations which have potential to impact business.
- Major initiatives have been undertaken in the areas of Business Continuity Management (BCM) and process mapping. These initiatives have significantly reduced the risks from these areas.
- The Audit Committee of the Mindtree Board have been briefed on the ERM program and the major risks being faced by Mindtree.

Looking forward:

2014-15 promises to be an exciting year for business and risk management will correspondingly play an important role. Along with continuing and enhancing existing risk management programs, the following initiatives have been planned:

1. Treatment plans for significantly high and high risks identified in the enterprise risk register shall continue to be monitored closely to ensure risks are managed appropriately. These include the risks discussed in the Management Discussion and Analysis section. Risks in other categories shall also be tracked to ensure any increases in potential impact are addressed before they escalate into issues.
2. In 2013-14 we engaged a leading international risk consulting firm to evaluate the maturity of our ERM program and suggest a road map benchmarked to industry best practices. This exercise was completed in February 2014 and the recommendations received shall be implemented in the 2014-15 time frame.
3. Develop a model where critical risks in the organization, to the extent possible, are quantified. This will help us have a sense of the value of the risks we are carrying at any given point in time.
4. While initial discussions have happened with business teams and risk templates have been developed, tighter integration of risk management with business unit strategy has been planned.
5. Roll out risk management across the organization to ensure different groups implement consistent risk management processes.
6. Ensure significant risks are incorporated into audit plans and audited for assurance.

Independent auditor's report to the members of Mindtree Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Mindtree Limited ('the Company'), which comprise the balance sheet as at 31 March 2014, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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, 2014;

(b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
   - (iv) in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
   - (v) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Supreet Sachdev
Partner
Membership No. 205385

Bangalore
16 April, 2014

Annexure to the Auditor's Report

The Annexure referred to in the Auditor's Report to the members of Mindtree Limited ('the Company') for the year ended 31 March 2014.

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, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were observed on such verification.

   c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

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 Companies Act, 1956.

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 sale 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. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.

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 Companies Act, 1956 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, Investor Education and Protection Fund, Income-tax, Sales-tax, Service tax, Customs duty, 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 Wealth tax, Employees State Insurance and Excise duty.

   b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Service tax, Customs duty, Cess and other material statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

   c) According to the information and explanations given to us, there are no dues of Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. The Company, however, disputes the following Income tax, Service tax and Sales tax dues:

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest	78.90*	Assessment year 2002-03	Assessing Officer, Bangalore**
Income Tax Act, 1961	Tax and interest	46.70*	Assessment year 2003-04	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	60.84	Assessment year 2004-05	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	8.45*	Assessment year 2007-08	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax and interest	11.16	Assessment year 2007-08	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	10.10	Assessment year 2008-09	Commissioner of Income Taxes (Appeals), Bangalore
Income Tax Act, 1961	Tax and interest	27.91*	Assessment year 2007-08	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax and interest	23.56	Assessment year 2009-10	Commissioner of Income Taxes (Appeals), Bangalore$$
Income Tax Act, 1961	Tax and interest	1.63	Assessment year 2009-10	Income Tax Appellate Tribunal Bangalore
Income Tax Act, 1961	Tax and interest	209.61*	Assessment year 2008-09	Income Tax Appellate Tribunal Bangalore
Income Tax Act, 1961	Tax and interest	62.90	Assessment year 2009-10	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Tax and interest	60.30^	Assessment year 2010-11	Assessing Officer, Bangalore

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax and interest	11.29	June 2005 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Bangalore***
The Finance Act, 1994	Service tax and interest	24.27	July 2003 to March 2006	Customs, Excise and Service Tax Appellate Tribunal, Bangalore***
The Finance Act, 1994	Tax, interest and penalty	64.47	July 2004 to November 2005	Customs, Excise and Service Tax Appellate Tribunal, Bangalore****
The Finance Act, 1994	Tax, interest and penalty	3.11*	April 2007 to March 2008	Customs, Excise and Service Tax Appellate Tribunal, Bangalore ****
The Finance Act, 1994	Tax, interest and penalty	22.68	September 2004 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Bangalore****
The Finance Act, 1994	Tax, interest and penalty	4.68	April 2007 to February 2008	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Karnataka Sales Tax Act, 1957	Tax and penalty	0.28*	Upto July 2004	Assistant Commissioner of Commercial taxes (Recovery), Bangalore

^ The Company has not obtained the final assessment order as at the date of this report.

* The above amounts are net of amount paid under protest.

$$ The Company is awaiting the order giving effect order from the Assessing Officer as at the date of this report.

** The matter is currently pending with the Assessing Officer, as per ITAT order dated 12 July 2007.

*** Stay granted by Customs, Excise and Service Tax Appellate Tribunal, Bangalore vide original order dated 6 January 2012 and further order received dated 21 February 2013.

**** Stay granted by Customs, Excise and Service Tax Appellate Tribunal, Bangalore vide order dated 27 September 2012.

Note: The Income-Tax authorities have adjusted refund amounting to ₹ 162 million in respect of the aforementioned demands without earmarking amounts to the Assessment Year which has not been reflected in the above disclosure.

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 any 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. The Company did not have any term loans outstanding during the year.
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 companies/ firms/ parties covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
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 **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Supreet Sachdev
Partner
Membership No. 205385

Bangalore
16 April, 2014

Balance Sheet

₹ in million

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	417	415
Reserves and surplus	3.1.2	15,992	12,722
		16,409	**13,137**
Non-current liabilities			
Long-term borrowings	3.2.1	27	32
Other long-term liabilities	3.2.2	129	57
Long-term provisions	3.2.3	39	-
		195	**89**
Current liabilities			
Short-term borrowings	3.3.1	-	217
Trade payables		82	189
Other current liabilities	3.3.2	2,737	2,166
Short-term provisions	3.3.3	1,574	1,112
		4,393	**3,684**
		20,997	**16,910**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3.4.1	3,266	2,485
Intangible assets	3.4.1	170	104
Capital work-in-progress		496	571
Non-current investments	3.4.2	189	244
Deferred tax assets (net)	3.4.3	402	360
Long-term loans and advances	3.4.4	758	617
Other non-current assets	3.4.5	1,039	1,046
		6,320	**5,427**
Current assets			
Current investments	3.5.1	5,160	4,027
Trade receivables	3.5.2	6,004	4,508
Cash and bank balances	3.5.3	1,175	1,238
Short-term loans and advances	3.5.4	612	430
Other current assets	3.5.5	1,726	1,280
		14,677	**11,483**
		20,997	**16,910**

Significant accounting policies and notes to the accounts 2&3

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **Mindtree Limited**

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Supreet Sachdev
Partner
Membership No. 205385

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 16, 2014

Place: Bangalore
Date : April 16, 2014

Statement of profit and loss

₹ in million

Particulars	Note	For the year ended March 31,	
		2014	2013
Revenue from operations		30,316	23,618
Other income	3.6	494	350
Total revenues		**30,810**	**23,968**
Expense:			
Employee benefits expense	3.7	17,820	14,274
Finance costs	3.7	4	10
Depreciation and amortisation expense	3.4.1	809	624
Other expenses	3.7	6,390	4,824
Total expenses		**25,023**	**19,732**
Profit before tax		**5,787**	**4,236**
Tax expense:	3.4.3		
Current tax		1,317	887
Deferred tax		(42)	(40)
Profit for the year		**4,512**	**3,389**
Earnings per equity share	3.17		
Equity shares of par value ₹ 10/- each			
Basic		108.50	82.70
Diluted		107.70	81.66
Weighted average number of equity shares used in computing earnings per share			
Basic		41,588,758	40,974,712
Diluted		41,896,409	41,496,296

Significant accounting policies and notes to the accounts 2&3

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **Mindtree Limited**

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Supreet Sachdev
Partner
Membership No. 205385

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 16, 2014

Place: Bangalore
Date : April 16, 2014

Cash flow statement

₹ in million

	For the year ended March 31,	
	2014	2013
Cash flow from operating activities		
Profit before tax	5,787	4,236
Adjustments for :		
Depreciation and amortisation	809	624
Amortisation of stock compensation cost	79	2
Interest expense	4	10
Interest/ dividend income	(215)	(192)
Profit on sale of fixed assets	(3)	(6)
Profit on sale of investments	(130)	(133)
Provision for diminution in the value of investments	(1)	1
Loss on dissolution of subsidiary	-	3
Exchange difference on derivatives	-	(308)
Effect of exchange differences on translation of foreign currency borrowings	25	28
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(69)	(30)
Operating profit before working capital changes	6,286	4,235
Changes in trade receivables	(1,496)	(430)
Changes in loans and advances and other assets	(837)	(564)
Changes in liabilities and provisions	568	391
Net cash provided by operating activities before taxes	4,521	3,632
Income taxes paid	(1,297)	(969)
Net cash provided by operating activities	**3,224**	**2,663**
Cash flow from investing activities		
Purchase of fixed assets	(1,520)	(1,066)
Proceeds from sale of fixed assets	3	9
Investment in subsidiary	-	(14)
Proceeds on dissolution of subsidiary	-	18
Interest/ dividend received from investments	222	179
Purchase of investments	(11,443)	(11,257)
Sale/ maturities of investments	10,495	10,216
Net cash used in investing activities	**(2,243)**	**(1,915)**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	63	322
Interest paid on loans	(5)	(11)
Repayment of borrowings	(811)	(941)
Proceeds from loans	564	719
Dividends paid (including distribution tax)	(924)	(214)
Net cash used in financing activities	**(1,113)**	**(125)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	69	30
Net (decrease)/increase in cash and cash equivalents	**(63)**	**653**
Cash and cash equivalents at the beginning of the year	1,238	585
Cash and cash equivalents at the end of the year (Refer note 3.5.3)	**1,175**	**1,238**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For **Mindtree Limited**

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Supreet Sachdev
Partner
Membership No. 205385

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 16, 2014

Place: Bangalore
Date : April 16, 2014

Significant accounting policies and notes to the accounts for the year ended March 31, 2014
(Rupees in millions, except share and per share data, unless otherwise stated).

1. Background

Mindtree Limited ('Mindtree' or 'the Company') is an international Information Technology consulting and implementation Company that delivers business solutions through global software development. The Company is structured into five verticals – Manufacturing, BFSI, Hitech, Travel & Transportation and Others. The Company offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business's, independent testing, infrastructure management services, mobility, product engineering and SAP services.

The Company is head quartered in Bangalore and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France and Republic of China.

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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September, 2013), other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), the provisions of the Companies Act, 2013 (to the extent notified and applicable) and the Companies Act, 1956, (to the extent applicable) and the guidelines issued by Securities and Exchange Board of India ('SEBI') 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 recorded 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 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 recognised 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 are shown under capital advances. The cost of the fixed asset not ready for its intended use on such date, is 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 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	1-3 years
Computer software	2 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 Rupees five thousand 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 Non-current 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 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 as the difference between the sale price and carrying value of investment, determined individually for each investment.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand and balance in bank in current accounts and deposit accounts.

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 statement of profit and loss.

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 statement of profit and loss.

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.

Maintenance revenue is recognised 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. Revenues are stated net of discount.

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

2.8.4 Interest income is recognised 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, receivables and borrowings. 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 statement of profit and loss 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 recognised in the statement of profit and loss. 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 In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the rates prevailing on the dates of the respective transactions. The differences arising out of the translation are recognised in the statement of profit and loss.

2.9.5 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.

2.9.6 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' to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the 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 statement of profit and loss.

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 period 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 a 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 recognised in the statement of profit and loss. 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 recognised. 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 based Compensation

The Company measures the compensation cost relating to employee stock options, restricted shares and stock appreciation rights using the intrinsic value method. The compensation cost is amortised over the vesting/ service period.

2.16 Government grants

Grants from the government are recognised when there is reasonable assurance that:

(I) the Company will comply with the conditions attached to them; and

(ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a nominal value.

3. Notes to the accounts

3.1 Shareholders' funds

3.1.1 Share capital

a)

Particulars	As at March 31,	
	2014	2013
Authorised		
79,620,000 (March 31, 2013: 79,620,000) equity shares of ₹ 10/- each	796	796
Issued, subscribed and paid-up capital		
41,689,731 (March 31, 2013: 41,535,055) equity shares of ₹ 10/- each fully paid	417	415
Total	**417**	**415**

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of shares	₹	No. of shares	₹
Number of shares outstanding at the beginning of the year	41,535,055	415	40,543,923	405
Add: Shares issued on exercise of employee stock options and restricted shares	154,676	2	991,132	10
Number of shares outstanding at the end of the year	41,689,731	417	41,535,055	415

c) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 each.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

The Board of Directors at their meeting held on April 16, 2014, have recommended an issue of bonus shares on the company's equity shares in the ratio of 1:1 (one additional equity share for every one existing equity share). The Company is in the process of complying with necessary formalities.

The Company declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

The Board of Directors at its meeting held on October 16, 2013 had declared an interim dividend of 50% (₹ 5 per equity share on a par value of ₹ 10 each). At its meeting held on January 16, 2014, the Board declared a second interim dividend of 50% (₹ 5 per equity share of par value ₹ 10 each). The Board of Directors at its meeting held on April 16,2014 have recommended a third interim dividend of 50% (₹ 5 per equity share of par value ₹ 10 each). Further, the Board has recommended a final dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for the year ended March 31, 2014 and a special dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for completion of 15 years in business. If the proposed1:1 bonus share issue is approved by shareholders prior to the date of the AGM, the final & special dividend amounts would be accordingly reduced to 25% (₹ 2.5 per equity share of ₹ 10 each). The total dividend appropriation for the year ended March 31, 2014 amounted to ₹1,221, including corporate dividend tax of ₹ 180.

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 12. The dividend for the year ended March 31, 2013 includes ₹ 5 per share of final dividend, ₹ 7 per share of interim dividend. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 578, including corporate dividend tax of ₹ 81.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below:

Sr. No.	Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
		No. of shares	%	No. of shares	%
1	Coffee Day Resorts Private Limited	4,365,442	10.5%	4,565,442	11.0%
2	Nalanda India Fund Limited	3,949,089	9.5%	3,949,089	9.5%
3	Global Technology Ventures Limited	2,648,561	6.4%	2,498,561	6.0%
4	Subroto Bagchi *	-	-	2,078,585	5.0%

*Holds less than 5% of equity shares as at the reporting date.

e) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date. Number of equity shares allotted as fully paid up without payment being received in cash is 1,300,965 during the period of five years immediately preceding March 31, 2014 and March 31, 2013. These shares were allotted to the shareholders of erstwhile Aztecsoft Limited pursuant to the scheme of amalgamation for the financial year ended March 31, 2010.

f) Employee stock based compensation

The Company instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors ('the Board'). The Company currently administers seven stock option programs, a restricted stock purchase plan and a stock appreciation rights plan.

Program 1 [ESOP 1999]

Options under this program are exercisable at an exercise price of ₹ 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 ₹ 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.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	-	4,000
Granted during the year	-	-
Exercised during the year	-	500
Lapsed during the year	-	3500
Forfeited during the year	-	-
Outstanding options, end of the year	-	-
Options vested and exercisable, end of the year	-	-

Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of ₹ 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 ₹ 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.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	47,918	79,367
Granted during the year	-	-
Exercised during the year	12,868	25,837
Lapsed during the year	3,821	5,612
Forfeited during the year	-	-
Outstanding options, end of the year	**31,229**	**47,918**
Options vested and exercisable, end of the year	31,229	47,918

Program 3 [ESOP 2006 (a)]

Options under this program have been granted to employees at an exercise price of ₹ 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 ₹ 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. There are no options outstanding as at the reporting dates.

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 ₹ 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.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	304,650	1,349,038
Granted during the year	-	-
Exercised during the year	57,600	905,860
Lapsed during the year	28,475	97,528
Forfeited during the year	71,325	41,000
Outstanding options, end of the year	**147,250**	**304,650**
Options vested and exercisable, end of the year	89,175	115,225

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. Each new option is entitled to 1 equity share of ₹ 10 each.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	108,248	124,803
Granted during the year	-	-
Exercised during the year	20,614	14,437
Lapsed during the year	2,610	2,118
Forfeited during the year	-	-
Outstanding options, end of the year	**85,024**	**108,248**
Options vested and exercisable, end of the year	85,024	108,248

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 ₹ 10 each. The contractual life of each option is 4 years after the date of the grant.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	135,000	151,667
Granted during the year	-	20,000
Exercised during the year	45,000	36,667
Lapsed during the year	10,000	-
Forfeited during the year	25,000	-
Outstanding options, end of the year	**55,000**	**135,000**
Options vested and exercisable, end of the year	41,666	76,667

Program 7 [ESOP 2010 A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received by the Company from the BSE and NSE for 1,135,000 equity shares of ₹ 10 each. No options have been granted under the program as at March 31, 2014.

Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

ERSP 2012 was instituted with effect from July 16, 2012 to further issue upto 1,000,000 equity shares of nominal value of ₹ 10 each. Shares under this program are granted to employees at an exercise price of not less than ₹ 10 per equity share or such higher price as decided by the Board of Directors. Shares shall vest over such term as determined by the Board of Directors not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

Particulars	Year ended March 31,	
	2014	2013
Outstanding shares, beginning of the year	-	-
Granted during the year	18,594	7,831
Exercised during the year	18,594	7,831
Lapsed during the year	-	-
Forfeited during the year	-	-
Outstanding shares, end of the year	-	-
Shares vested and exercisable, end of the year	-	-

During the year ended March 31, 2014, 18,594 shares were granted by the Company under Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was ₹ 1,138 using the Black-Scholes model with the following assumptions:

Weighted average grant date share price	₹ 1,150
Weighted average exercise price	₹ 10
Dividend yield %	0.27%
Expected life	1 year
Risk free interest rate	8.22%
Volatility	106.05%

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

Particulars	SAR	ERSP 2012
No of units/ shares	382,500	115,000
Contractual life	4 years	5 years
Date of grant	18-Jul-13	18-Jul-13*
Price per share/ unit	Grant price of ₹ 910	Exercise price of ₹ 10*

*Based on Letter of Intent

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was ₹ 898 using the Black-Scholes model with the following assumptions:

Weighted average grant date share price	₹ 914
Weighted average exercise price	₹ 10
Dividend yield %	0.17 % - 0.30%
Expected life	5 years
Risk free interest rate	8.29%
Volatility	104.65% - 107.7%

The following table summarizes information about the weighted average exercise price of options/ shares exercised under various programs:

Amount in ₹

Particulars	Year ended March 31,	
	2014	2013
Program 1	-	10.00
Program 2	50.00	50.00
Program 3	-	-
Program 4	507.14	336.84
Program 5	387.64	404.63
DSOP 2006	560.00	259.27
ERSP 2012	10.00	10.00

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2014 and March 31, 2013 respectively:

Particulars	As at March 31, 2014		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 1	-	-	-
Program 2	31,229	1.13	50.00
Program 3	-	-	-
Program 4	147,250	1.78	496.58
Program 5	85,024	2.28	393.90
DSOP 2006	55,000	1.24	558.55
ERSP 2012	-	-	-

Particulars	As at March 31, 2013		
	Number of options/ shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 1	-	-	-
Program 2	47,918	2.00	50.00
Program 3	-	-	-
Program 4	304,650	2.62	491.45
Program 5	108,248	3.21	392.82
DSOP 2006	135,000	1.95	559.41
ERSP 2012	-	-	-

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:

Particulars	Year ended March 31,	
	2014	2013
Net profit as reported	4,512	3,389
Add: Stock-based employee compensation expense (intrinsic value method)	79	-
Less: Stock-based employee compensation expense (fair value method)	18	(74)
Pro forma net profit	4,609	3,315
Basic earnings per share as reported	108.50	82.70
Pro forma basic earnings per share	110.83	80.89
Diluted earnings per share as reported	107.70	81.66
Pro forma diluted earnings per share	110.02	79.87

3.1.2 Reserves and surplus

Particulars	As at March 31,	
	2014	2013
Capital reserve		
Opening balance	87	87
Additions during the year	-	-
	87	**87**
Securities premium reserve		
Opening balance	2,125	1,808
Additions during the year on exercise of employee stock options/ restricted shares	83	317
	2,208	**2,125**
General reserve		
Opening balance	1,091	752
Add: Transfer from statement of profit and loss	451	339
	1,542	**1,091**
Share option outstanding account		
Opening balance	48	48
Additions during the year	20	-
	68	**48**
Hedge reserve		
Opening balance	173	(250)
Additions during the year	(124)	423
	49	**173**
Surplus (Balance in the statement of profit and loss)		
Opening balance	9,198	6,726
Add: Amount transferred from statement of profit and loss	4,512	3,389
Amount available for appropriations	13,710	10,115
Appropriations:		
Interim dividend	(624)	(289)
Final dividend*	(417)	(208)
Dividend distribution tax	(180)	(81)
Amount transferred to general reserve	(451)	(339)
	12,038	**9,198**
Total	**15,992**	**12,722**

*Includes special dividend as at March 31, 2014.

3.2 Non-current liabilities

3.2.1 Long-term borrowings

Particulars	As at March 31,	
	2014	2013
(Unsecured)		
Other loans and advances	27	32
Total	**27**	**32**

Long-term borrowings represent the amount received from Council for Scientific and Industrial Research (CSIR) to develop a project under "Development of Intelligent Video Surveillance Server (IVSS) system".

The loan is an unsecured loan carrying a simple interest of 3% p.a on the outstanding amount of loan. Repayment of loan is in 10 equal annual installments from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay.

There is no continuing default in the repayment of the principal loan and interest amounts.

3.2.2 Other long-term liabilities

Particulars	As at March 31,	
	2014	2013
Other long-term liabilities	97	57
Employee related liabilities	32	-
Total	**129**	**57**

3.2.3 Long-term provisions

Particulars	As at March 31,	
	2014	2013
Provision for discount	39	-
Total	**39**	**-**

Refer note 3.3.3 for the disclosure of provisions movement as required under the provisions of Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets' ('AS 29').

3.3 Current liabilities

3.3.1 Short-term borrowings

Particulars	As at March 31,	
	2014	2013
(Secured)		
Packing credit loan from banks	-	217
Total	**-**	**217**

During the year, the Company has availed packing credit loans of USD 10 million and has repaid packing credit loans of USD 14 million. These packing credit loans were secured against the trade receivables of the Company. As at March 31, 2014, the Company has no outstanding packing credit loan (As at March 31, 2013: USD 4 million). The Company had taken forward exchange contracts with respect to this loan. In accordance with 'AS 11' the forward premium arising at inception was amortized as an expense over the life of the contract.

Details of interest rate and repayment terms in respect of above packing credit loan are as below:

Name of the bank	As at March 31, 2014			As at March 31, 2013		
	₹ in million	Rate of interest p.a.	Date of repayment	₹ in million	Rate of interest p.a.	Date of repayment
HSBC	-	-	-	217	1.98%	29-May-13
Total	**-**			**217**		

3.3.2 Other current liabilities

Particulars	As at March 31,	
	2014	2013
Current maturities of long-term debt*	5	5
Interest accrued but not due on borrowings	1	2
Unearned income	100	36
Unpaid dividends	4	3
Creditors for capital goods	175	105
Advances from customers	103	42
Employee related liabilities	1,245	1.023
Book overdraft	85	136
Other liabilities**	1,019	814
Total	**2,737**	**2,166**

*The details of interest rates, repayment and other terms are disclosed under note 3.2.1.
**Includes derivative liability of ₹ 44 (As at March 31, 2013: ₹ 13).

As at March 31, 2014, the Company has outstanding forward contracts amounting to USD 47.5 million (As at March 31, 2013: USD 112.75 million) and Euro 5 million (As at March 31, 2013: Euro 11 million). These derivative instruments have been entered to hedge highly probable forecasted sales.

In accordance with the provisions 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 gain/ (loss) has been credited/ (debited) to hedge reserve (Refer Note 3.1.2). As of March 31, 2014, the Company does not have any derivative instruments that do not qualify for hedge accounting. However such instruments that were prevalent in the previous year have been fair valued at the balance sheet date and the resultant exchange gain ₹ 308 for the year ended March 31, 2013 has been recorded in the statement of profit and loss.

3.3.3 Short-term provisions

Particulars	As at March 31,	
	2014	2013
Provision for employee benefits		
- Gratuity	2	11
- Compensated absences	320	262
Provision for taxes	219	199
Provision for discount	231	145
Dividend payable	626	374
Dividend distribution tax payable	106	61
Provision for foreseeable losses on contracts	3	-
Provision for post contract support services	4	3
Provision for disputed dues*	63	57
Total	**1,574**	**1,112**

*Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Company has preferred an appeal with the relevant authority. In respect of the provisions of AS 29, the disclosures required have not been provided in accordance with paragraph 72 of AS 29.

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

Particulars	As at March 31,	
	2014	2013
Change in projected benefit obligations		
Obligations at the beginning of the year	324	276
Service cost	74	62
Interest cost	26	19
Benefits settled	(36)	(41)
Actuarial (gain)/ loss	(23)	8
Obligations at end of the year	**365**	**324**
Change in plan assets		
Plan assets at the beginning of the year, at fair value	313	275
Expected return on plan assets	26	23
Actuarial gain/ (loss)	-	1
Contributions	60	55
Benefits settled	(36)	(41)
Plan assets at the end of the year, at fair value	**363**	**313**

Reconciliation of the present value of the obligation and the fair value of the plan assets

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Fair value of plan assets at the end of the year	363	313	275	257	212
Present value of defined obligations at the end of the year	(365)	(324)	(276)	(265)	(208)
Asset/ (liability) recognised in the balance sheet	**(2)**	**(11)**	**(1)**	**(8)**	**4**

Particulars	For the year ended March 31,	
	2014	2013
Gratuity cost		
Service cost	74	62
Interest cost	26	19
Expected return on plan assets	(26)	(23)
Actuarial (gain)/ loss	(23)	7
Net gratuity cost	**51**	**65**
Actual return on plan assets	26	24
Assumptions		
Interest rate	8.80%	7.96%
Expected rate of return on plan assets	8%	8%
Salary increase	6%	6%
Attrition rate	13%	13.38%
Retirement age	60	60

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

The disclosure of provisions movement as required under the provisions of AS 29 is as follows:-

Provision for post contract support services

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	3	5
Provision made during the year	1	-
Utilisations during the year	-	-
Released during the year	-	(2)
Provision at the end of the year	4	3

Provision for discount

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	145	109
Provisions made during the year	290	144
Utilisations during the year	(154)	(95)
Released during the year	(11)	(13)
Provision at the end of the year	270	145
Current	231	145
Non-Current	39	-

Provision for foreseeable losses on contracts

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	-	4
Provisions made during the year	3	-
Utilisations during the year	-	(4)
Released during the year	-	-
Provision at the end of the year	3	-

The current provisions are expected to be utilized over a period of one year and the non- current provisions are expected to be utilized over a period of two to three years.

3.4 Non-current assets

3.4.1 Fixed assets

Assets	Gross block				Accumulated depreciation				Net book value	
	As at April 1, 2013	Additions during the year	Deletions during the year	As at March 31, 2014	As at April 1, 2013	For the year	Deletions during the year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible assets										
Leasehold land	425	-	-	425	71	12	-	83	342	354
Buildings	1,626	285	-	1,911	289	59	-	348	1,563	1,337
Leasehold improvements	1,186	417	1	1,602	865	173	1	1,037	565	321
Computer systems	1,296	483	209	1,570	1,018	276	209	1,085	485	278
Test equipment	219	-	1	218	198	20	1	217	1	21
Furniture and fixtures	151	41	1	191	138	20	1	157	34	13
Electrical installations	247	114	1	360	205	52	1	256	104	42
Office equipment	482	119	1	600	370	67	1	436	164	112
Motor vehicles	2	1	1	2	2	-	1	1	1	-
Plant and machinery	8	-	-	8	1	-	-	1	7	7
Total (A)	**5,642**	**1460**	**215**	**6,887**	**3,157**	**679**	**215**	**3,621**	**3,266**	**2,485**
Intangible assets										
Intellectual property	67	-	-	67	39	13	-	52	15	28
Computer Software	698	197	3	892	622	117	2	737	155	76
Total (B)	**765**	**197**	**3**	**959**	**661**	**130**	**2**	**789**	**170**	**104**
Total (A+B)	**6,407**	**1657**	**218**	**7,846**	**3,818**	**809**	**217**	**4,410**	**3,436**	**2,589**
Previous year	5,820	626	39	6,407	3,229	624	35	3,818	2,589	

3.4.2 Non-current investments

Particulars	As at March 31,	
	2014	2013
Investment in mutual funds (quoted)	168	223
Investment in equity instruments (unquoted)		
- Investment in Trade	8	8
- Investment in subsidiary	14	14
Less: Provision for diminution in value of investments	(1)	(1)
Total	**189**	**244**
Aggregate amount of quoted investments	168	223
Aggregate market value of quoted investments	170	224
Aggregate amount of unquoted investments	22	22

Details of investment in mutual funds are as given below:

Particulars	As at March 31,	
	2014	2013
JP Morgan Mutual Fund	-	70
Birla Sun Life Mutual Fund	-	30
IDFC Mutual Fund	-	28
Tata Mutual Fund	40	95
Reliance Mutual Fund	28	-
UTI Mutual Fund	100	-
Total	**168**	**223**

Details of investment in trade unquoted investments are as given below:

Particulars	As at March 31,	
	2014	2013
2,400 (previous year: 2,400) equity shares in Career Community.com Limited	1	1
643,790 (previous year: 643,790) Series A Convertible Preferred Stock at US$ 0.0001		
each fully paid at premium of US $ 0.2557 each in 30 Second Software Inc	7	7
Total	**8**	**8**

Details of investment in subsidiary are as given below:

Particulars	As at March 31,	
	2014	2013
Mindtree Software (Shanghai) Co., Ltd ('MSSCL')	14	14
Total	**14**	**14**

3.4.3 Taxes

Particulars	For the year ended March 31,	
	2014	2013
Tax expense		
- Current tax	1317	887
- Deferred tax	(42)	(40)
Total	**1275**	**847**

The Company has units at Bangalore, Hyderabad 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.

The Company also has STPI units at Bangalore and Pune which are registered as a 100 percent Export Oriented Unit, which were earlier entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961.

Deferred tax assets (net):

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

Particulars	As at March 31,	
	2014	2013
Excess of depreciation as per books over depreciation allowed under Income Tax Act,1961	213	215
Provision for doubtful debts	31	10
Provision for compensated absence	100	84
Provision for volume discount	29	34
Others	29	17
Total deferred tax assets	**402**	**360**

3.4.4 Long-term loans and advances

Particulars	As at March 31,	
	2014	2013
(Unsecured considered good)		
Capital advances	136	127
Security deposits*	512	426
Advances recoverable in cash or in kind or for value to be received*	110	64
Total	**758**	**617**

*Refer note 3.15 for related party balances.

3.4.5 Other non-current assets

Particulars	As at March 31,	
	2014	2013
(Unsecured considered good)		
Advance tax and tax deducted at source, net of provision for taxes	853	848
MAT credit entitlement	160	165
Others non-current assets	26	33
Total	**1,039**	**1,046**

3.5 Current assets

3.5.1 Current investments

Particulars	As at March 31,	
	2014	2013
Investment in mutual funds (quoted)	4,760	3,628
Less: Provision for diminution in the value of investments	-	(1)
Term deposits	400	400
Total	**5,160**	**4,027**
Aggregate amount of quoted investments	4,760	3,628
Aggregate market value of quoted investments	4,912	3,710
Aggregate amount of unquoted investments	400	400

Details of investment in mutual funds are as given below:

Particulars	As at March 31,	
	2014	2013
ICICI Prudential Mutual Fund	366	409
IDFC Mutual Fund	365	228
UTI Mutual Fund	193	248
HSBC Mutual Fund	80	70
Franklin Templeton Mutual Fund	449	310
DSP Blackrock Mutual Fund	419	248
Birla Sun Life Mutual Fund	440	371
Reliance Mutual Fund	367	349
Tata Mutual Fund	306	152
DWS Mutual Fund	156	198
SBI Mutual Fund	315	358
HDFC Mutual Fund	513	440
Axis Mutual Fund	103	51
Principal Mutual Fund	-	30
Kotak Mutual Fund	54	51
JP Morgan Mutual Fund	203	-
Sundaram Mutual Fund	106	50
Pinebridge Mutual Fund	30	30
L & T Mutual Fund	142	-
IDBI Mutual Fund	153	35
Total	**4,760**	**3,628**

Details of investments in term deposit are as given below:

Particulars	As at March 31,	
	2014	2013
HDFC Limited	400	400
Total	**400**	**400**

3.5.2 Trade receivables

Particulars	As at March 31,	
	2014	2013
(Unsecured)		
Debts overdue for a period exceeding six months		
- considered good	95	175
- considered doubtful	131	36
Other debts		
- considered good	5,909	4,333
- considered doubtful	5	10
Less: Provision for doubtful debts	(136)	(46)
Total	**6,004**	**4,508**

3.5.3 Cash and bank balances

Particulars	As at March 31,	
	2014	2013
Balances with banks in current and deposit accounts^ *	1,171	1,235
Cash on hand	-	-
Other bank balances**	4	3
Total	**1,175**	**1,238**

^* The deposits maintained by the Company with banks comprises time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

* Balances with banks include the following:

Particulars	As at March 31,	
	2014	2013
Balance with banks held as margin money towards guarantees	1	1

**Other bank balances represent balances in respect of unpaid dividends and are considered restricted in nature.

3.5.4 Short-term loans and advances

Particulars	As at March 31,	
	2014	2013
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received*	627	440
Less: Provision for doubtful advances	(15)	(10)
Total	**612**	**430**

*Refer note 3.15 for related party balances.

3.5.5 Other current assets

Particulars	As at March 31,	
	2014	2013
Unbilled revenue	1,014	637
Other current assets*	712	643
Total	**1,726**	**1,280**

*Includes derivative asset of ₹ 93 (As at March 31, 2013: ₹ 181).

3.6 Other income

Particulars	For the year ended March 31,	
	2014	2013
Interest income	66	64
Dividend income	150	128
Net gain on sale of investments	130	133
Foreign exchange gain/ (loss)	118	-
Other non-operating income	30	25
Total	**494**	**350**

3.7 Expenses

Employee benefits expense	For the year ended March 31,	
	2014	2013
Salaries and wages	16,189	13,029
Contribution to provident and other funds	1,404	1,107
Expenses on employee stock based compensation	79	2
Staff welfare expenses	148	136
Total	**17,820**	**14,274**

Finance Costs	For the year ended March 31,	
	2014	2013
Interest expense	4	10
Total	**4**	**10**

Other expenses	For the year ended March 31,	
	2014	2013
Travel expenses	1,466	935
Sub-contractor charges	1,406	861
Computer consumables	325	256
Legal & professional charges	383	249
Power and fuel	255	206
Rent (Refer note 3.16)	537	412
Repairs to buildings	42	55
Repairs to machinery	28	20
Insurance	39	20
Rates and taxes	74	72
Exchange loss, net	-	340
Other expenses	1,835	1,398
Total	**6,390**	**4,824**

3.8 Contingent liabilities and commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2014 is ₹ 854 (March 31, 2013: ₹ 470).

b) As of the balance sheet date, the Company's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is ₹ 5,683 (March 31, 2013: ₹ 4,018).

c) The Company has received an income tax assessment for the financial year 2008-09 wherein demand of ₹ 24 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 and disallowance of portion of profit earned outside India from the STP and SEZ units.

Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

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

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

e) The Company has received income tax assessments under Section 143(3) of the Income-tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 wherein demand of ₹ 91, ₹ 49, ₹ 61, ₹ 28, ₹ 58, ₹ 119, ₹ 214 and ₹ 63 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 has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Company has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Company has deposited ₹ 15 with the department against these demands. The department has adjusted pending refunds amounting to ₹ 363 against these demands.

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

The Company has appealed against the demands received for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09. 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.

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

The Company has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Company has filed an appeal before Income Tax Appellate Tribunal. The final order giving effect by the Assessing Officer is completed and the demand is reduced to ₹ 33. The Company has deposited ₹ 5 with the department against this demand.

g) The Company has received a draft assessment order for financial year 2009-10 from the Deputy Commissioner of Income Tax with a demand amounting to ₹ 60 due to non-adjustment of brought forward losses and transfer pricing adjustments. 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 will file an appeal with Commissioner of Income Tax (Appeals) once the final order is received.

3.9 Quantitative details

The Company is engaged in 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 5(viii)(c) of general instructions for preparation of the statement of profit and loss as per revised Schedule VI to the Companies Act, 1956.

3.10 Value of imports on CIF basis

Particulars	For the year ended March 31,	
	2014	2013
Capital goods	292	238
Others	-	4
Total	**292**	**242**

3.11 Expenditure in foreign currency

Particulars	For the year ended March 31,	
	2014	2013
Branch office expenses	11,203	7,821
Travel expenses	251	134
Professional charges	28	21
Others	288	97
Total	**11,770**	**8,073**

3.12 Earnings in foreign currency

Particulars	For the year ended March 31,	
	2014	2013
Income from software development	29,484	22,598
Other income	5	17
Total	**29,489**	**22,615**

3.13 During the year ended March 31, 2014, the Company has remitted in foreign currency dividend of ₹ 21 (year ended March 31, 2013: ₹ 8)

Dividend	For the year ended March 31, 2014			
	Year to which it relates	Number of shares held	Number of shareholders	Amount remitted
Second interim dividend	2012-13	1,125,384	78	4.5
Final dividend	2012-13	1,124,402	79	5.6
First interim dividend	2013-14	1,098,098	50	5.4
Second interim dividend	2013-14	1,121,908	51	5.6

Dividend	For the year ended March 31, 2013			
	Year to which it relates	Number of shares held	Number of shareholders	Amount remitted
Final dividend	2011-12	1,743,465	46	3
First interim dividend	2012-13	1,693,943	45	5

3.14 Segmental reporting

Effective April 1, 2013, the Company has restructured its organisational and management structure and its internal financial reporting structure to be better aligned to market needs. Pursuant to such re-organization, the Company has identified Manufacturing, BFSI, Hitech, Travel and Transport and Others as its reportable business segments. Accordingly, as required by the accounting standards, comparatives have been restated and presented in line with the current segments.

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

Statement of profit and loss	For the year ended March 31,	
	2014	2013
Segment revenue		
Manufacturing	6,528	4,498
BFSI	6,986	5,293
Hitech	8,464	7,210
Travel & Transportation	6,077	4,691
Others	2,261	1,926
Total	**30,316**	**23,618**
Segment operating income		
Manufacturing	1,594	875
BFSI	450	642
Hitech	1,811	1,543
Travel & Transportation	1,363	1,103
Others	888	697
Total	**6,106**	**4,860**
Unallocable expenses	(809)	(964)
Profit for the year before interest, other income and tax	**5,297**	**3,896**
Interest expense	(4)	(10)
Other income	494	350
Net profit before taxes	**5,787**	**4,236**
Income taxes	(1,275)	(847)
Net profit after taxes	**4,512**	**3,389**

Geographical segments

Revenues	For the year ended March 31,	
	2014	2013
America	17,558	13,411
Europe	8,540	6,944
India	1,449	1,462
Rest of World	2,769	1,801
Total	**30,316**	**23,618**

3.15 Related party transactions

Name of related party	Nature of relationship
Mindtree Software (Shanghai) Co., Ltd ('MSSCL'), Republic of China	Subsidiary
Janaagraha Centre for Citizenship & Democracy	Entity with common key management person
Amalgamated Bean Coffee Trading Company Limited ('ABCTCL') Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.84% equity stake in Mindtree, and the group has a nominee on the Mindtree Board.

Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	For the year ended March 31,	
		2014	2013
Amalgamated Bean Coffee Trading Company Limited	Procurement of supplies	17	13
Janaagraha Centre for Citizenship & Democracy	Donation Paid	3	-
Tanglin Developments Limited	Leasing office buildings and land	399	310
	Advances/ deposits paid		
	- towards electricity deposit/ charges	3	220
	- towards lease rentals	486	259
	Advance/deposits received back:		
	- towards electricity deposit/ charges	48	108
	- towards lease rentals	327	147
	Interest on advance towards electricity charges/deposit	22	3

Balances payable to related parties are as follows:

Name of related party	As at March 31,	
	2014	2013
Tanglin Developments Limited	-	9

Balances receivable from related parties are as follows:

Name of related party	Nature of transaction	As at March 31,	
		2014	2013
Tanglin Developments Limited	Rental advance		
	- Current	126	112
	- Non-current	94	-
	Advance towards electricity charges		
	- Current	48	48
	- Non-current	16	64
	Security deposit (including electricity deposit) returnable on termination of lease	399	345
	Interest accrued on advance towards electricity charges	3	3

Key managerial personnel:

Subroto Bagchi	Executive Chairman
Krishnakumar Natarajan	CEO & Managing Director
S. Janakiraman	Executive Director, President and Chief Technology Officer
N.S. Parthasarathy	Executive Director, President and Chief Operating Officer
Dr. Albert Hieronimus	Independent Director and Non-Executive Vice Chairman
V.G.Siddhartha	Non-Executive Director
Prof. David B. Yoffie	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan	Independent Director
Apurva Purohit	Independent Director
Rostow Ravanan	Chief Financial Officer and Alternate Director to Mr. N.S.Parthasarathy
Anjan Lahiri**	-
R. Srinivasan*	-

*R Srinivasan retired with effect from July 19, 2013

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

The Board of Directors appointed Apurva Purohit as an Independent Director and N S Parthasarathy as an Executive Director, effective January 1, 2014. Further, the Board of Directors appointed Rostow Ravanan as an Alternate Director to N S Parthasarathy, effective January 17, 2014.

Remuneration paid to key managerial personnel during the year ended March 31, 2014 amounts to ₹ 151 (for the year ended March 31, 2013: ₹ 96). Dividends paid to directors during the year ended March 31, 2014 amounts to ₹ 134 (year ended March 31, 2013 amounts to ₹ 30).

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

3.16 Lease transactions

Lease rental expense under non-cancellable operating lease during the year ended March 31, 2014 amounted to ₹ 266 (for the year ended March 31, 2013: ₹ 161). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at March 31,	
	2014	2013
Payable -- Not later than one year	267	203
Payable -- Later than one year and not later than five years	473	521

Additionally, the Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancelable operating lease during the year ended March 31, 2014 was ₹ 271 (for the year ended March 31, 2013: ₹ 251).

3.17 Earnings per equity share

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

Particulars	For the year ended March 31,			
	2014		2013	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	41,588,758	41,588,758	40,974,712	40,974,712
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	307,651	-	521,584
Weighted average number of equity shares for calculation of earnings per share	41,588,758	41,896,409	40,974,712	41,496,296

3.18 Auditor's remuneration

Particulars	For the year ended March 31,	
	2014	2013
Statutory audit	15	14
Certification	2	2
Total	**17**	**16**

3.19 The Company has a development center at Gainesville, Florida, US. The state of Florida has offered various incentives targeted to the needs of the development center. The nature and the extent of the government grant is given below:

Nature of expenses	For the year ended March 31,	
	2014	2013
Reimbursement of rent	3	2
Grant towards workforce training	28	4
Total	**31**	**6**

The Company has availed a non-monetary grant of USD 950,000 for renovation of project facility in the previous year. This grant is subject to fulfillment of certain conditions such as creation of minimum employment with specified average salary and capital investment at the development center at Gainesville, Florida, US.

3.20 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, 2014 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.

Particulars	For the year ended March 31,	
	2014	2013
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	Nil	Nil
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
The amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid);	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year; and	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

3.21 The financial statements are presented in ₹ in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ in million are given as follows:

Balance Sheet items

Amount in ₹

Particulars	For the year ended March 31,	
	2014	2013
Share application money pending allotment	27,235	-
Cash on hand	25,277	12,328

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

As per our report of even date attached

For **Mindtree Limited**

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Supreet Sachdev
Partner
Membership No. 205385

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 16, 2014

Place: Bangalore
Date : April 16, 2014

Independent auditor's report to the Board of Directors of Mindtree Limited

We have audited the accompanying consolidated financial statements of Mindtree Limited ('Mindtree' or 'the Company') and its subsidiary (collectively called 'the Mindtree Group'), which comprise the consolidated balance sheet as at 31 March 2014, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Mindtree Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements 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 31 March 2014;

(b) in the case of the consolidated Statement of Profit and Loss account, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Supreet Sachdev
Partner
Membership No. 205385

Bangalore
16 April, 2014

Consolidated balance sheet

₹ in million

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1.1	417	415
Reserves and surplus	3.1.2	15,988	12,722
		16,405	**13,137**
Non-current liabilities			
Long-term borrowings	3.2.1	27	32
Other long-term liabilities	3.2.2	129	57
Long-term provisions	3.2.3	39	-
		195	**89**
Current liabilities			
Short-term borrowings	3.3.1	-	217
Trade payables		82	189
Other current liabilities	3.3.2	2,738	2,166
Short-term provisions	3.3.3	1,574	1,112
		4,394	**3,684**
		20,994	**16,910**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3.4.1	3,266	2,485
Intangible assets	3.4.1	170	104
Capital work-in-progress		496	571
Non-current investments	3.4.2	175	230
Deferred tax assets (net)	3.4.3	402	360
Long-term loans and advances	3.4.4	758	617
Other non-current assets	3.4.5	1,039	1,046
		6,306	**5,413**
Current assets			
Current investments	3.5.1	5,160	4,027
Trade receivables	3.5.2	6,004	4,508
Cash and bank balances	3.5.3	1,184	1,252
Short-term loans and advances	3.5.4	613	430
Other current assets	3.5.5	1,727	1,280
		14,688	**11,497**
		20,994	**16,910**

Significant accounting policies and notes to the accounts 2 & 3

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

For **Mindtree Limited**

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Supreet Sachdev
Partner
Membership No. 205385

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 16, 2014

Place: Bangalore
Date : April 16, 2014

Consolidated statement of profit and loss

₹ in million

Particulars	Note	For the year ended March 31,	
		2014	2013
Revenue from operations		30,316	23,618
Other income	3.6	496	350
Total revenues		**30,812**	**23,968**
Expense:			
Employee benefits expense	3.7	17,820	14,274
Finance costs	3.7	4	10
Depreciation and amortisation expense	3.4.1	809	624
Other expenses	3.7	6,396	4,820
Total expenses		**25,029**	**19,728**
Profit before tax		**5,783**	**4,240**
Tax expense:	3.4.3		
Current tax		1,317	887
Deferred tax		(42)	(40)
Profit for the year		**4,508**	**3,393**
Earnings per equity share	3.12		
Equity shares of par value ₹ 10/- each			
Basic		108.40	82.79
Diluted		107.60	81.75
Weighted average number of equity shares used in computing earnings per share			
Basic		41,588,758	40,974,712
Diluted		41,896,409	41,496,296

Significant accounting policies and notes to the accounts 2 & 3
The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

For **Mindtree Limited**

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Supreet Sachdev
Partner
Membership No. 205385

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 16, 2014

Place: Bangalore
Date : April 16, 2014

Consolidated cash flow statement

₹ in million

	For the year ended March 31,	
	2014	2013
Cash flow from operating activities		
Profit before tax	5,783	4,240
Adjustments for :		
Depreciation and amortisation	809	624
Amortization of stock compensation cost	79	2
Interest expense	4	10
Interest / dividend income	(215)	(192)
Profit on sale of fixed assets	(3)	(6)
Profit on sale of investments	(130)	(133)
Provision for diminution in the value of investments	(1)	1
Exchange difference on derivatives	-	(308)
Effect of exchange differences on translation of foreign currency borrowings	25	28
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(70)	(30)
Operating profit before working capital changes	6,281	4,236
Changes in trade receivables	(1,496)	(430)
Changes in loans and advances and other assets	(839)	(565)
Changes in liabilities and provisions	569	392
Net cash provided by operating activities before taxes	4,515	3,633
Income taxes paid	(1,297)	(969)
Net cash provided by operating activities	**3,218**	**2,664**
Cash flow from investing activities		
Purchase of fixed assets	(1,520)	(1,066)
Proceeds from sale of fixed assets	3	9
Interest/ dividend received from investments	222	179
Purchase of investments	(11,443)	(11,257)
Sale/maturities of investments	10,495	10,216
Net cash used in investing activities	**(2,243)**	**(1,919)**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	63	322
Interest paid on loans	(5)	(11)
Repayment of borrowings	(811)	(941)
Proceeds from loans	564	719
Dividends paid (including distribution tax)	(924)	(214)
Net cash used in financing activities	**(1,113)**	**(125)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	70	30
Net (decrease)/ increase in cash and cash equivalents	(68)	650
Cash and cash equivalents at the beginning of the year	1,252	602
Cash and cash equivalents at the end of the year (Refer note 3.5.3)	**1,184**	**1,252**

The notes referred to above form an integral part of the consolidated financial statements
As per our report of even date attached

For **Mindtree Limited**

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No. 101248W

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Supreet Sachdev
Partner
Membership No. 205385

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 16, 2014

Place: Bangalore
Date : April 16, 2014

Significant accounting policies and notes to the accounts for the year ended March 31, 2014 (₹ in millions, except share and per share data, unless otherwise stated)

1. Background

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

The Group is head quartered in Bangalore and has offices in India, United States of America, United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France and Republic of China.

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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013), other pronouncements of the Institute of Chartered Accountants of India ('ICAI') 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 subsidiary as set out below.

Name of the subsidiaries	Country of incorporation	Proportion of interest
Mindtree Software (Shenzhen) Co., Ltd.*	Republic of China	100%
Mindtree Software (Shanghai) Co., Ltd.	Republic of China	100%

* Dissolved with effect from September 06, 2012.

The financial statements of Mindtree and its wholly owned and controlled subsidiary has 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 the resultant unrealized gain/loss from the date the parent company acquired control of those subsidiaries.

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 and depreciation

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 Acquired intangible assets are capitalised at the acquisition price. Internally generated intangible assets are recorded 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 Group.

2.4.3 Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets 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 recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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

2.4.5 Depreciation is provided on the straight-line method. The rates specified under schedule XIV of the Companies Act, 1956 are considered as 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	1-3 years
Computer software	2 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

2.4.6 Fixed assets individually costing Rupees five thousand 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.

2.4.7 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.

2.5 Investments

2.5.1 Non-current 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 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 as the difference between the sale price and carrying value of investment, determined individually for each investment.

2.6 Cash and cash equivalents

Cash and cash equivalents in the consolidated cash flow statement comprises cash-in-hand and balance in bank in current accounts and deposit accounts.

2.7 Consolidated cash flow statement

Cash flows are reported using the indirect method, whereby consolidated 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 Group are segregated.

2.8 Employee benefits

2.8.1 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 Group 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 statement of profit and loss.

2.8.2 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 Group accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.

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

2.9 Revenue recognition

2.9.1 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.

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

2.9.2 Provision for discounts is recognised on an accrual basis in accordance with contractual terms of agreements with customers. Revenues are stated net of discount.

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

2.9.4 Interest income is recognised using the time proportion method, based on the transactional interest rates.

2.10 Foreign exchange transactions

2.10.1 The Group is exposed to foreign currency transactions including foreign currency revenues, receivables and borrowings. 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.

2.10.2 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 statement of profit and loss for the year.

2.10.3 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 recognised in the statement of profit and loss. 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.

2.10.4 In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the rates prevailing on the dates of the respective transactions. The differences arising out of the translation are recognised in the statement of profit and loss.

2.10.5 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 amortised as income or expense over the life of the contract.

2.10.6 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 Group has adopted Accounting Standard ('AS') 30, 'Financial Instruments: Recognition and Measurement' to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements. In accordance with 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 until the transaction is completed. Other derivative instruments are recorded at fair value at the reporting date and the resultant exchange loss/(gain) has been debited/ credited to statement of profit and loss.

2.11 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.

2.12 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.

2.13 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 period 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 a convincing evidence that the Group 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 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.

2.14 Earnings per share

In determining earnings per share, the Group considers the consolidated 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.

2.15 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 recognised in the statement of profit and loss. 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 recognised. 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.

2.16 Employee stock based compensation

The Group measures the compensation cost relating to employee stock options, restricted shares and stock appreciation rights using the intrinsic value method. The compensation cost is amortised over the vesting/ service period.

2.17 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.

2.18 Government grants

Grants from the government are recognised when there is reasonable assurance that:

(i) the Group will comply with the conditions attached to them; and

(ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a nominal value.

3. Notes to the accounts

3.1 Shareholders' funds

3.1.1 Share capital

a)

Particulars	As at March 31,	
	2014	2013
Authorised		
79,620,000 (March 31, 2013 : 79,620,000) equity shares of ₹ 10/- each	796	796
Issued, subscribed and paid-up capital		
41,689,731 (March 31, 2013 : 41,535,055) equity shares of ₹ 10/- each fully paid	417	415
Total	**417**	**415**

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of shares	₹	No. of shares	₹
Number of shares outstanding at the beginning of the year	41,535,055	415	40,543,923	405
Add: Shares issued on exercise of employee stock options and restricted shares	154,676	2	991,132	10
Number of shares outstanding at the end of the year	41,689,731	417	41,535,055	415

c) The Group has only one class of shares referred to as equity shares having a par value of ₹ 10 each.

Each holder of the equity share, as reflected in the records of the Group as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

The Board of Directors at their meeting held on April 16, 2014, have recommended an issue of bonus shares on the company's equity shares in the ratio of 1:1 (one additional equity share for every one existing equity share). The Group is in the process of complying with necessary formalities.

The Group declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

The Board of Directors at its meeting held on October 16, 2013 had declared an interim dividend of 50% (₹ 5 per equity share on a par value of ₹ 10 each). At its meeting held on January 16, 2014, the Board declared a second interim dividend of 50% (₹ 5 per equity share on a par value of ₹ 10 each). The Board of Directors at its meeting held on April 16, 2014 have recommended a third interim dividend of 50% (₹ 5 per equity share of par value ₹ 10 each). Further, the Board has recommended a final dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for the year ended March 31, 2014 and a special dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for completion of 15 years in business. If the proposed 1:1 bonus share issue is approved by shareholders prior to the date of the AGM, the final & special dividend amounts would be accordingly reduced to 25% (₹ 2.5 per equity share of ₹ 10 each). The total dividend appropriation for the year ended March 31, 2014 amounted to ₹ 1,221, including corporate dividend tax of ₹ 180.

During the year ended March 31, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 12. The dividend for the year ended March 31, 2013 includes ₹ 5 per share of final dividend, ₹ 7 per share of interim dividend. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 578, including corporate dividend tax of ₹ 81.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below:

Sr. No.	Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
		No. of shares	%	No. of shares	%
1	Coffee Day Resorts Private Limited	4,365,442	10.5%	4,565,442	11.0%
2	Nalanda India Fund Limited	3,949,089	9.5%	3,949,089	9.5%
3	Global Technology Ventures Limited	2,648,561	6.4%	2,498,561	6.0%
4	Subroto Bagchi *	-	-	2,078,585	5.0%

*Holds less than 5% of equity shares as at the reporting date.

e) The Group has not allotted any fully paid-up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date. Number of equity shares allotted as fully paid up without payment being received in cash is 1,300,965 during the period of five years immediately preceding March 31, 2014 and March 31, 2013. These shares were allotted to the shareholders of erstwhile Aztecsoft Limited pursuant to the scheme of amalgamation for the financial year ended March 31, 2010.

f) Employee stock based compensation

The Group instituted the Employees Stock Option Plan ('ESOP') in fiscal 2000, which was approved by the Board of Directors ('the Board'). The Group currently administers seven stock option programs, a restricted stock purchase plan and a stock appreciation rights plan.

Program 1 [ESOP 1999]

Options under this program are exercisable at an exercise price of ₹ 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 ₹ 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.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	-	4,000
Granted during the year	-	-
Exercised during the year	-	500
Lapsed during the year	-	3,500
Forfeited during the year	-	-
Outstanding options, end of the year	-	-
Options vested and exercisable, end of the year	-	-

Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of ₹ 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 ₹ 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.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	47,918	79,367
Granted during the year	-	-
Exercised during the year	12,868	25,837
Lapsed during the year	3,821	5,612
Forfeited during the year	-	-
Outstanding options, end of the year	**31,229**	**47,918**
Options vested and exercisable, end of the year	31,229	47,918

Program 3 [ESOP 2006 (a)]

Options under this program have been granted to employees at an exercise price of ₹ 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 ₹ 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. There are no options outstanding as at the reporting dates.

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 ₹ 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.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	304,650	1,349,038
Granted during the year	-	-
Exercised during the year	57,600	905,860
Lapsed during the year	28,475	97,528
Forfeited during the year	71,325	41,000
Outstanding options, end of the year	**147,250**	**304,650**
Options vested and exercisable, end of the year	89,175	115,225

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. Each new option is entitled to 1 equity share of ₹ 10 each.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	108,248	124,803
Granted during the year	-	-
Exercised during the year	20,614	14,437
Lapsed during the year	2,610	2,118
Forfeited during the year	-	-
Outstanding options, end of the year	**85,024**	**108,248**
Options vested and exercisable, end of the year	85,024	108,248

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 ₹ 10 each. The contractual life of each option is 4 years after the date of the grant.

Particulars	Year ended March 31,	
	2014	2013
Outstanding options, beginning of the year	135,000	151,667
Granted during the year	-	20,000
Exercised during the year	45,000	36,667
Lapsed during the year	10,000	-
Forfeited during the year	25,000	-
Outstanding options, end of the year	**55,000**	**135,000**
Options vested and exercisable, end of the year	41,666	76,667

Program 7 [(ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received by the Group from the BSE and NSE for 1,135,000 equity shares of ₹ 10 each. No options have been granted under the program as at March 31, 2014.

Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

ERSP 2012 was instituted with effect from July 16, 2012 to further issue upto 1,000,000 equity shares of nominal value of ₹ 10 each. Shares under this program are granted to employees at an exercise price of not less than ₹ 10 per equity share or such higher price as decided by the Board of Directors. Shares shall vest over such term as determined by the Board of Directors not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

Particulars	Year ended March 31,	
	2014	2013
Outstanding shares, beginning of the year	-	-
Granted during the year	18,594	7,831
Exercised during the year	18,594	7,831
Lapsed during the year	-	-
Forfeited during the year	-	-
Outstanding shares, end of the year	-	-
Shares vested and exercisable, end of the year	-	-

During the year ended March 31, 2014, 18,594 shares were granted by the Group under Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was ₹ 1,138 using the Black-Scholes model with the following assumptions:

Weighted average grant date share price	₹ 1,150
Weighted average exercise price	₹ 10
Dividend yield %	0.27%
Expected life	1 year
Risk free interest rate	8.22%
Volatility	106.05%

During the year, the Group has also granted Stock Appreciation Rights ('SAR') units and letter of intent to issue shares under ERSP 2012 plan to some of its employees which is subject to certain vesting conditions. Details of the grant/issue are given below.

Particulars	SAR	ERSP 2012 plan
No of units/ shares	382,500	115,000
Contractual life	4 years	5 years
Date of grant	18-Jul-13	18-Jul-13*
Price per share/ unit	Grant price of ₹ 910	Exercise price of ₹ 10*

*Based on Letter of Intent

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was ₹ 898 using the Black-Scholes model with the following assumptions:

Weighted average grant date share price	₹ 914
Weighted average exercise price	₹ 10
Dividend yield %	0.17 % - 0.30%
Expected life	5 years
Risk free interest rate	8.29%
Volatility	104.65% - 107.7%

The following table summarizes information about the weighted average exercise price of options/ shares exercised under various programs:

Amount in ₹

Particulars	Year ended March 31,	
	2014	2013
Program 1	-	10.00
Program 2	50.00	50.00
Program 3	-	-
Program 4	507.14	336.84
Program 5	387.64	404.63
DSOP 2006	560.00	259.27
ERSP 2012	10.00	10.00

The following tables summarize information about the options/ shares outstanding under various programs as at March 31, 2014 and March 31, 2013 respectively:

Particulars	As at March 31, 2014		
	Number of options/shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 1	-	-	-
Program 2	31,229	1.13	50.00
Program 3	-	-	-
Program 4	147,250	1.78	496.58
Program 5	85,024	2.28	393.90
DSOP 2006	55,000	1.24	558.55
ERSP 2012	-	-	-

Particulars	As at March 31, 2013		
	Number of options/shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 1	-	-	-
Program 2	47,918	2.00	50.00
Program 3	-	-	-
Program 4	304,650	2.62	491.45
Program 5	108,248	3.21	392.82
DSOP 2006	135,000	1.95	559.41
ERSP 2012	-	-	-

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

The Group uses the intrinsic value method of accounting for its employee stock options. The Group has therefore adopted the pro-forma disclosure provisions of Guidance Note on "Accounting for Employee Share-based Payments" issued by the ICAI with effect from 1 April 2005.

Had the compensation cost been determined according to the fair value approach described in the aforesaid Guidance Note, the Group's net profit and EPS as reported would have been adjusted to the pro-forma amounts indicated below:

Particulars	Year ended March 31,	
	2014	2013
Net profit as reported	4,508	3,393
Add: Stock-based employee compensation expense (intrinsic value method)	79	-
Less: Stock-based employee compensation expense (fair value method)	18	(74)
Pro forma net profit	4,605	3,319
Basic earnings per share as reported	108.40	82.79
Pro forma basic earnings per share	110.73	80.98
Diluted earnings per share as reported	107.60	81.75
Pro forma diluted earnings per share	109.92	79.96

3.1.2 Reserves and surplus

Particulars	As at March 31,	
	2014	2013
Capital reserve		
Opening balance	87	87
Additions during the year	-	-
	87	**87**
Securities premium reserve		
Opening balance	2,087	1,770
Additions during the year on exercise of employee stock options/restricted shares	83	317
	2,170	**2,087**
General reserve		
Opening balance	1,091	752
Add: Transfer from statement of profit and loss	451	339
	1,542	**1,091**
Share option outstanding account		
Opening balance	48	48
Additions during the year	20	-
	68	**48**
Hedge reserve		
Opening balance	173	(250)
Additions during the year	(124)	423
	49	**173**
Surplus (Balance in the statement of profit and loss)		
Opening balance	9,236	6,760
Add: Amount transferred from statement of profit and loss	4,508	3,393
Amount available for appropriations	**13,744**	**10,153**
Appropriations:		
Interim dividend	(624)	(289)
Final dividend*	(417)	(208)
Dividend distribution tax	(180)	(81)
Amount transferred to general reserve	(451)	(339)
	12,072	**9,236**
Total	**15,988**	**12,722**

*Includes special dividend as at March 31, 2014.

3.2 Non-current liabilities

3.2.1 Long-term borrowings

Particulars	As at March 31,	
	2014	2013
(Unsecured)		
Other loans and advances	27	32
Total	**27**	**32**

Long-term borrowings represent the amount received from Council for Scientific and Industrial Research (CSIR) to develop a project under "Development of Intelligent Video Surveillance Server (IVSS) system".

The loan is an unsecured loan carrying a simple interest of 3% p.a on the outstanding amount of loan. Repayment of loan is in 10 equal annual installments from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay.

There is no continuing default in the repayment of the principal loan and interest amounts.

3.2.2 Other long-term liabilities

Particulars	As at March 31,	
	2014	2013
Other long-term liabilities	97	57
Employee related liabilities	32	-
Total	**129**	**57**

3.2.3 Long-term provisions

Particulars	As at March 31,	
	2014	2013
Provision for discount	39	-
Total	**39**	**-**

Refer note 3.3.3 for the disclosure of provisions movement as required under the provisions of Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets' ('AS 29').

3.3 Current liabilities

3.3.1 Short-term borrowings

Particulars	As at March 31,	
	2014	2013
(Secured)		
Packing credit loan from banks	-	217
Total	**-**	**217**

During the year ended March 31, 2014, the Group has availed packing credit loans of USD 10 million and has repaid packing credit loans of USD 14 million. These packing credit loans were secured against the trade receivables of the Group. As at March 31, 2014, the Group has no outstanding packing credit loan (As at March 31, 2013: USD 4 million). The Group had taken forward exchange contracts with respect to this loan. In accordance with 'AS 11' the forward premium arising at inception was amortized as an expense over the life of the contract.

Details of interest rate and repayment terms in respect of above packing credit loan are as below:

Name of the bank	As at March 31, 2014			As at March 31, 2013		
	₹	Rate of interest p.a.	Date of repayment	₹	Rate of interest p.a.	Date of repayment
HSBC	-	-	-	217	1.98%	29-May-13
Total	**-**			**217**		

3.3.2 Other current liabilities

Particulars	As at March 31,	
	2014	2013
Current maturities of long-term debt*	5	5
Interest accrued but not due on borrowings	1	2
Unearned income	100	36
Unpaid dividends	4	3
Creditors for capital goods	175	105
Advances from customers	103	42
Employee related liabilities	1,246	1,023
Book overdraft	85	136
Other liabilities**	1,019	814
Total	**2,738**	**2,166**

*The details of interest rates, repayment and other terms are disclosed under note 3.2.1.

**Includes derivative liability of ₹ 44 (As at March 31, 2013: ₹ 13).

As at March 31, 2014, the Group has outstanding forward contracts amounting to USD 47.5 million (As at March 31, 2013: USD 112.75 million) and Euro 5 million (As at March 31, 2013: Euro 11 million). These derivative instruments have been entered to hedge highly probable forecasted sales.

In accordance with the provisions 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 gain/ (loss) has been credited/ (debited) to hedge reserve (Refer Note 3.1.2). As of March 31, 2014, the Group does not have any derivative instruments that do not qualify for hedge accounting. However such instruments that were prevalent in the previous year has been fair valued at the balance sheet date and the resultant exchange gain of ₹ 308 for the year ended March 31, 2013 was recorded in the statement of profit and loss.

3.3.3 Short-term provisions

Particulars	As at March 31,	
	2014	2013
Provision for employee benefits		
- Gratuity	2	11
- Compensated absences	320	262
Provision for taxes	219	199
Provision for discount	231	145
Dividend payable	626	374
Dividend distribution tax payable	106	61
Provision for forseeable losses on contracts	3	-
Provision for post contract support services	4	3
Provision for disputed dues*	63	57
Total	**1,574**	**1,112**

*Represents disputed tax dues provided pursuant to unfavourable order received from the tax authorities against which the Group has preferred an appeal with the relevant authority. In respect of the provisions of AS 29, the disclosures required have not been provided in accordance with paragraph 72 of AS 29.

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

Particulars	As at March 31,	
	2014	2013
Change in projected benefit obligations		
Obligations at the beginning of the year	324	276
Service cost	74	62
Interest cost	26	19
Benefits settled	(36)	(41)
Actuarial (gain)/loss	(23)	8
Obligations at end of the year	**365**	**324**
Change in plan assets		
Plan assets at the beginning of the year, at fair value	313	275
Expected return on plan assets	26	23
Actuarial gain/ (loss)	-	1
Contributions	60	55
Benefits settled	(36)	(41)
Plan assets at the end of the year, at fair value	**363**	**313**

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Fair value of plan assets at the end of the year	363	313	275	257	212
Present value of defined obligations as at the end of the year	(365)	(324)	(276)	(265)	(208)
Asset/(liability) recognised in the balance sheet	(2)	(11)	(1)	(8)	4

Particulars	For the year ended March 31,	
	2014	2013
Gratuity cost		
Service cost	74	62
Interest cost	26	19
Expected return on plan assets	(26)	(23)
Actuarial (gain)/loss	(23)	7
Net gratuity cost	**51**	**65**
Actual return on plan assets	26	24
Assumptions		
Interest rate	8.80%	7.96%
Expected rate of return on plan assets	8%	8%
Salary increase	6%	6%
Attrition rate	13%	13.38%
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.

The disclosure of provisions movement as required under the provisions of AS 29 is as follows:-

Provision for post contract support services

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	3	5
Provisions made during the year	1	-
Utilisations during the year	-	-
Released during the year	-	(2)
Provision at the end of the year	4	3

Provision for discount

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	145	109
Provisions made during the year	290	144
Utilisations during the year	(154)	(95)
Released during the year	(11)	(13)
Provision at the end of the year	270	145
Current	231	145
Non-current	39	-

Provision for foreseeable losses on contracts

Particulars	For the year ended March 31,	
	2014	2013
Balance at the beginning of the year	-	4
Provisions made during the year	3	-
Utilisations during the year	-	(4)
Released during the year	-	-
Provision at the end of the year	3	-

The current provisions are expected to be utilized over a period of one year and the non- current provisions are expected to be utilized over a period of two to three years.

3.4 Non-current assets

3.4.1 Fixed assets

Assets	Gross block				Accumulated depreciation				Net book value	
	As at April 1, 2013	Additions during the year	Deletions during the year	As at March 31, 2014	As at April 1, 2013	For the year	Deletions during the year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible assets										
Leasehold land	425	-	-	425	71	12	-	83	342	354
Buildings	1,626	285	-	1,911	289	59	-	348	1,563	1,337
Leasehold improvements	1,186	417	1	1,602	865	173	1	1,037	565	321
Computer systems	1,296	483	209	1,570	1,018	276	209	1,085	485	278
Test equipment	219	-	1	218	198	20	1	217	1	21
Furniture and fixtures	151	41	1	191	138	20	1	157	34	13
Electrical installations	247	114	1	360	205	52	1	256	104	42
Office equipment	482	119	1	600	370	67	1	436	164	112
Motor vehicles	2	1	1	2	2	-	1	1	1	-
Plant and machinery	8	-	-	8	1	-	-	1	7	7
Total (A)	**5,642**	**1460**	**215**	**6,887**	**3,157**	**679**	**215**	**3,621**	**3,266**	**2,485**
Intangible assets										
Intellectual property	67	-	-	67	39	13	-	52	15	28
Computer Software	698	197	3	892	622	117	2	737	155	76
Total (B)	**765**	**197**	**3**	**959**	**661**	**130**	**2**	**789**	**170**	**104**
Total (A+B)	**6,407**	**1657**	**218**	**7,846**	**3,818**	**809**	**217**	**4,410**	**3,436**	**2,589**
Previous year	5,820	626	39	6,407	3,229	624	35	3,818	2,589	

3.4.2 Non-current investments

Particulars	As at March 31,	
	2014	2013
Investment in mutual funds (quoted)	168	223
Investment in equity instruments (unquoted) - trade	8	8
Less: Provision for diminution in value of investments	(1)	(1)
Total	**175**	**230**
Aggregate amount of quoted investments	168	223
Aggregate market value of quoted investments	170	224
Aggregate amount of unquoted investments	8	8

Details of investment in mutual funds are as given below:

Particulars	As at March 31,	
	2014	2013
JP Morgan Mutual Fund	-	70
Birla Sun Life Mutual Fund	-	30
IDFC Mutual Fund	-	28
Tata Mutual Fund	40	95
Reliance Mutual Fund	28	-
UTI Mutual Fund	100	-
Total	**168**	**223**

Details of investment in trade unquoted investment are as given below:

Particulars	As at March 31,	
	2014	2013
2,400 (previous year: 2,400) equity shares in Career Community.com Limited	1	1
643,790 (previous year: 643,790) Series A convertible Preferred Stock at US$ 0.0001 each fully paid at premium of US$ 0.2557 each in 30 Second Software Inc	7	7
Total	**8**	**8**

3.4.3 Taxes

Particulars	For the year ended March 31,	
	2014	2013
Tax expense		
Current tax	1,317	887
Deferred tax	(42)	(40)
Total	**1,275**	**847**

The Group has units at Bangalore, Hyderabad 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.

The Group also has STPI units at Bangalore and Pune which are registered as a 100 percent Export Oriented Unit, which were earlier entitled to a tax holiday under Section 10B and Section 10A of the Income Tax Act, 1961.

Deferred tax assets (net):

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

Particulars	As at March 31,	
	2014	2013
Excess of depreciation as per books over depreciation allowed under Income Tax Act,1961	213	215
Provision for doubtful debts	31	10
Provision for compensated absence	100	84
Provision for volume discount	29	34
Others	29	17
Total deferred tax assets	**402**	**360**

3.4.4 Long-term loans and advances

Particulars	As at March 31,	
	2014	2013
(Unsecured considered good)		
Capital advances	136	127
Security deposits*	512	426
Advances recoverable in cash or in kind or for value to be received*	110	64
Total	**758**	**617**

*Refer note 3.10 for related party balances.

3.4.5 Other non-current assets

Particulars	As at March 31,	
	2014	2013
(Unsecured considered good)		
Advance tax and tax deducted at source, net of provision for taxes	853	848
MAT credit entitlement	160	165
Others non-current assets	26	33
Total	**1,039**	**1,046**

3.5 Current assets

3.5.1 Current investments

Particulars	As at March 31,	
	2014	2013
Investment in mutual funds (quoted)	4,760	3,628
Less: Provision for diminution in the value of investments	-	(1)
Term deposits	400	400
Total	**5,160**	**4,027**
Aggregate amount of quoted investments	4,760	3,628
Aggregate market value of quoted investments	4,912	3,710
Aggregate amount of unquoted investments	400	400

Details of investment in mutual funds are as given below:

Particulars	As at March 31,	
	2014	2013
ICICI Prudential Mutual Fund	366	409
IDFC Mutual Fund	365	228
UTI Mutual Fund	193	248
HSBC Mutual Fund	80	70
Franklin Templeton Mutual Fund	449	310
DSP Blackrock Mutual Fund	419	248
Birla Sun Life Mutual Fund	440	371
Reliance Mutual Fund	367	349
Tata Mutual Fund	306	152
DWS Mutual Fund	156	198
SBI Mutual Fund	315	358
HDFC Mutual Fund	513	440
Axis Mutual Fund	103	51
Principal Mutual Fund	-	30
Kotak Mutual Fund	54	51
JP Morgan Mutual Fund	203	-
Sundaram Mutual Fund	106	50
Pinebridge Mutual Fund	30	30
L & T Mutual Fund	142	-
IDBI Mutual Fund	153	35
Total	**4,760**	**3,628**

Details of investments in term deposit are as given below:

Particulars	As at March 31,	
	2014	2013
HDFC Limited	400	400
Total	**400**	**400**

3.5.2 Trade receivables

Particulars	As at March 31,	
	2014	2013
(Unsecured)		
Debts overdue for a period exceeding six months		
- considered good	95	175
- considered doubtful	131	36
Other debts		
- considered good	5,909	4,333
- considered doubtful	5	10
Less: Provision for doubtful debts	(136)	(46)
Total	**6,004**	**4,508**

3.5.3 Cash and bank balances

Particulars	As at March 31,	
	2014	2013
Balances with banks in current and deposit accounts^ *	1,180	1,249
Cash on hand	-	-
Other bank balances**	4	3
Total	**1,184**	**1,252**

^The deposits maintained by the Group with banks comprises time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

* Balances with banks include the following:

Particulars	As at March 31,	
	2014	2013
Balance with banks held as margin money towards guarantees	1	1

**Other bank balances represent balances in respect of unpaid dividends and are considered restricted in nature.

3.5.4 Short-term loans and advances

Particulars	As at March 31,	
	2014	2013
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received*	628	440
Less: Provision for doubtful advances	(15)	(10)
Total	**613**	**430**

*Refer note 3.10 for related party balances.

3.5.5 Other current assets

Particulars	As at March 31,	
	2014	2013
Unbilled revenue	1,014	637
Other current assets*	713	643
Total	**1,727**	**1,280**

*Includes derivative asset of ₹ 93 (As at March 31, 2013: ₹ 181)

3.6 Other income

Particulars	For the year ended March 31,	
	2014	2013
Interest income	66	64
Dividend income	150	128
Net gain on sale of investments	130	133
Foreign exchange gain/ (loss)	120	-
Other non-operating income	30	25
Total	**496**	**350**

3.7 Expenses

Employee benefits expense	For the year ended March 31,	
	2014	2013
Salaries and wages	16,189	13,029
Contribution to provident and other funds	1,404	1,107
Expense on employee stock based compensation	79	2
Staff welfare expenses	148	136
Total	**17,820**	**14,274**

Finance Costs	For the year ended March 31,	
	2014	2013
Interest expense	4	10
Total	**4**	**10**

Other expenses	For the year ended March 31,	
	2014	2013
Travel expenses	1,466	935
Sub-contractor charges	1,406	861
Computer consumables	325	256
Legal & Professional charges	386	249
Power and fuel	255	206
Rent (Refer note 3.11)	538	412
Repairs to buildings	42	55
Repairs to machinery	28	20
Insurance	40	20
Rates and taxes	74	72
Exchange loss, net	-	340
Other expenses	1,836	1,394
Total	**6,396**	**4,820**

3.8 Contingent liabilities and commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2014 is ₹ 854 (March 31, 2013: ₹ 470).

b) As of the balance sheet date, the Group's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is ₹ 5,683 (March 31, 2013: ₹ 4,018).

c) The Group has received an income tax assessment for the financial year 2008-09 wherein demand of ₹ 24 has been raised against the Group on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from the manner of adjustment of brought forward losses in arriving at the taxable profits of the Group and disallowance of portion of profit earned outside India from the STP and SEZ units.

Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal against the demands received.

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

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

e) The Group has received income tax assessments under Section 143(3) of the Income- tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 wherein demand of ₹ 91,₹ 49, ₹ 61, ₹ 28, ₹ 58, ₹ 119, ₹ 214 and ₹ 63 respectively has been raised against the Group. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Group has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Group has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Group has deposited ₹ 15 with the department against these demands. The department has adjusted pending refunds amounting to ₹ 363 against these demands.

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

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

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

The Group has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Group has filed an appeal before Income Tax Appellate Tribunal. The final order giving effect by the Assessing Officer is completed and the demand is reduced to ₹ 33. The Group has deposited ₹ 5 with the department against this demand.

g) The Group has received a draft assessment order for financial year 2009-10 from the Deputy Commissioner of Income Tax with a demand amounting to ₹ 60 due to non- adjustment of brought forward losses and transfer pricing adjustments. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group will file an appeal with Commissioner of Income Tax (Appeals) once the final order is received.

3.9 Segmental reporting

Effective April 1, 2013, the Group has restructured its organisational and management structure and its internal financial reporting structure to be better aligned to market needs. Pursuant to such re-organization, the Group has identified Manufacturing, BFSI, Hitech, Travel and Transportation and Others as its reportable business segments. Accordingly, as required by the accounting standards, comparatives have been restated and presented in line with the current segments.

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

Statement of profit and loss	For the year ended March 31,	
	2014	2013
Segment revenue		
Manufacturing	6,528	4,498
BFSI	6,986	5,293
Hitech	8,464	7,210
Travel & Transportation	6,077	4,691
Others	2,261	1,926
Total	**30,316**	**23,618**
Segment operating income		
Manufacturing	1,594	875
BFSI	450	642
Hitech	1,805	1,547
Travel & Transportation	1,363	1,103
Others	888	697
Total	**6,100**	**4,864**
Unallocable expenses	(809)	(964)
Profit for the year before interest, other income and tax	**5,291**	**3,900**
Interest expense	(4)	(10)
Other income	496	350
Net profit before taxes	**5,783**	**4,240**
Income taxes	(1,275)	(847)
Net profit after taxes	**4,508**	**3,393**

Geographical segments

Revenues	For the year ended March 31,	
	2014	2013
America	17,558	13,411
Europe	8,540	6,944
India	1,449	1,462
Rest of World	2,769	1,801
Total	**30,316**	**23,618**

3.10 Related party transactions

Name of related party	Nature of relationship
Janaagraha Centre for Citizenship & Democracy	Entity with common key management person
Amalgamated Bean Coffee Trading Company Limited ('ABCTCL') Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.84 % equity stake in Mindtree and the group has a nominee on the Mindtree Board.

Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	For the year ended March 31,	
		2014	2013
Amalgamated Bean Coffee Trading Company Limited	Procurement of supplies	17	13
Janaagraha Centre for Citizenship & Democracy	Donation paid	3	-
Tanglin Developments Limited	Leasing office buildings and land	399	310
	Advance/deposits paid:		
	- towards electricity deposit/ charges	3	220
	- towards lease rentals	486	259
	Advance received back:		
	- towards electricity deposit/ charges	48	108
	- towards lease rentals	327	147
	Interest on advance towards electricity charges/deposit	22	3

Balances payable to related parties are as follows:

Name of related party	As at March 31,	
	2014	2013
Tanglin Developments Limited	-	9

Balances receivable from related parties are as follows:

Name of related party	Nature of transaction	As at March 31,	
		2014	2013
Tanglin Developments Limited	Rental advance		
	- Current	126	112
	- Non-current	94	-
	Advance towards electricity charges		
	- Current	48	48
	- Non-current	16	64
	Security deposit (including electricity deposit) returnable on termination of lease	399	345
	Interest accrued on advance towards electricity charges	3	3

Key managerial personnel:

Subroto Bagchi	Executive Chairman
Krishnakumar Natarajan	CEO & Managing Director
S. Janakiraman	Executive Director, President and Chief Technology Officer
N.S. Parthasarathy	Executive Director, President and Chief Operating Officer
Dr. Albert Hieronimus	Independent Director and Non-Executive Vice Chairman
V.G.Siddhartha	Non-Executive Director
Prof. David B. Yoffie	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan	Independent Director
Apurva Purohit	Independent Director
Rostow Ravanan	Chief Financial Officer and Alternate Director to Mr. N.S.Parthasarathy
Anjan Lahiri**	-
R. Srinivasan*	-

*R Srinivasan retired with effect from July 19, 2013

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

The Board of Directors appointed Apurva Purohit as an Independent Director and N S Parthasarathy as an Executive Director, effective January 1, 2014. Further, the Board of Directors appointed Rostow Ravanan as an Alternate Director to N S Parthasarathy, effective January 17, 2014.

Remuneration paid to key managerial personnel during the year ended March 31, 2014 amounts to ₹ 151 (for the year ended March 31, 2013: ₹ 96). Dividends paid to directors during the year ended March 31, 2014 amounts to ₹ 134 (for the year ended March 31, 2013 amounts to ₹ 30).

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

3.11 Lease Transactions

Lease rental expense under non-cancellable operating lease during the year ended March 31, 2014 amounted to ₹ 266 (for the year ended March 31, 2013: ₹ 161). Future minimum lease payments under non-cancellable operating lease are as below:

Particulars	As at March 31,	
	2014	2013
Payable -- Not later than one year	267	203
Payable -- Later than one year and not later than five years	473	521

Additionally, the Company leases office facilities and residential facilities under cancellable operating leases. The rental expense under cancelable operating lease during the year ended March 31, 2014 was ₹ 272 (for the year ended March 31, 2013: ₹ 251).

3.12 Earnings per share

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

Particulars	For the year ended March 31,			
	2014		2013	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	41,588,758	41,588,758	40,974,712	40,974,712
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	307,651	-	521,584
Weighted average number of equity shares for calculation of earnings per share	41,588,758	41,896,409	40,974,712	41,496,296

3.13 The Group has a development center at Gainesville, Florida, US. The state of Florida has offered various incentives targeted to the needs of the development center. The nature and the extent of the government grant is given below:

Nature of expenses	Year ended March 31,	
	2014	2013
Reimbursement of rent	3	2
Grant towards workforce training	28	4
Total	**31**	**6**

The Group has availed a non-monetary grant of USD 950,000 for renovation of project facility in the previous year. This grant is subject to fulfillment of certain conditions such as creation of minimum employment with specified average salary and capital investment at the development center at Gainesville, Florida, US.

3.14 The financial statements are presented in ₹ in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ in million are given as follows:

Balance Sheet items

Amount in ₹

Particulars	As at March 31,	
	2014	2013
Share application money pending allotment	27,235	-
Cash on Hand	25,277	12,328

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

As per our report of even date attached

For **Mindtree Limited**

For **B S R & Co.**
Chartered Accountants
Firm registration No. 101248W

Subroto Bagchi
Chairman

N. Krishnakumar
CEO & Managing Director

Supreet Sachdev
Partner
Membership No. 205385

Rostow Ravanan
Chief Financial Officer

Rajesh Srichand Narang
Company Secretary

Place: Bangalore
Date : April 16, 2014

Place: Bangalore
Date : April 16, 2014

Unaudited consolidated statements of financial position

(₹ in million, except share data)

	Note	As at March 31, 2014	As at March 31, 2013 Restated*	As at April 1, 2012
Assets				
Property, plant and equipment	4	3,539	2,818	2,330
Intangible assets	5	172	104	100
Available-for-sale financial assets	6	181	235	11
Deferred tax assets		517	470	590
Non-current tax assets		853	846	742
Other non-current assets	9	1,013	851	794
Total non-current assets		**6,275**	**5,324**	**4,567**
Trade receivables	7	6,004	4,508	4,077
Other current assets	9	1,670	1,348	892
Unbilled revenues		1,014	637	479
Available-for-sale financial assets	6	4,912	3,710	2,803
Derivative assets		93	181	36
Cash and cash equivalents	8	1,185	1,252	602
Total current assets		**14,878**	**11,636**	**8,889**
Total assets		**21,153**	**16,960**	**13,456**
Equity				
Share capital		417	415	405
Share premium		2,429	2,325	1,876
Retained earnings		14,230	10,635	7,632
Other components of equity		219	247	(166)
Equity attributable to owners of the Company		17,295	13,622	9,747
Non-controlling interests		-	-	-
Total equity		**17,295**	**13,622**	**9,747**
Liabilities				
Loans and borrowings	10	21	24	26
Other non-current liabilities	12	134	63	44
Provisions	12	39	-	-
Total non-current liabilities		**194**	**87**	**70**
Loans and borrowings and book overdraft	10	90	358	537
Trade payables and accrued expenses	11	815	850	749
Unearned revenue		100	36	19
Current tax liabilities		219	199	257
Derivative liabilities		44	13	597
Employee benefit obligations	13	322	273	229
Other current liabilities	12	1,773	1,317	1,084
Provisions	12	301	205	167
Total current liabilities		**3,664**	**3,251**	**3,639**
Total liabilities		**3,858**	**3,338**	**3,709**
Total equity and liabilities		**21,153**	**16,960**	**13,456**

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

*Refer note 26

Unaudited consolidated statements of income

(₹ in million, except share data)

	Note	Year ended March 31, 2014	Year ended March 31, 2013
Revenues		30,194	23,532
Cost of revenues	17	(19,116)	(15,020)
Gross profit		**11,078**	**8,512**
Selling, general and administrative expenses	17	(5,808)	(4,476)
Results from operating activities		**5,270**	**4,036**
Foreign exchange gain/ (loss)		119	(340)
Finance expenses		(7)	(12)
Finance and other income	19	412	380
Profit before tax		**5,794**	**4,064**
Income tax expense	15	(1,275)	(847)
Profit for the year		**4,519**	**3,217**
Attributable to:			
Owners of the Company		4,519	3,217
Non-controlling interests		-	-
		4,519	**3,217**
Earnings per equity share:	20		
Basic		108.66	78.81
Diluted		107.90	77.75
Weighted average number of equity shares used in computing earnings per equity share:			
Basic		41,588,758	40,974,712
Diluted		41,883,999	41,496,296

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

Unaudited consolidated statements of comprehensive income

(₹ in million, except share data)

	Year ended March 31,	
	2014	2013
Profit for the year	4,519	3,217
Other comprehensive income, net of taxes		
Items that will not be reclassified to profit or loss		
- Defined benefit plan acturial gains/ (losses)	18	-
Items that may be reclassified subsequently to profit or loss		
- Net change in fair value of cash flow hedges	(97)	355
- Net change in fair value of available-for-sale financial assets	59	20
Total other comprehensive income, net of taxes	(20)	375
Total comprehensive income for the year	**4,499**	**3,592**
Attributable to:		
Owners of the Company	4,499	3,592
Non-controlling interests	-	-
	4,499	**3,592**

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

Unaudited consolidated statements of changes in equity

(₹ in million, except share data)

Particulars	No. of shares	Share capital	Share premium	Retained earnings	Share based payment reserve	Other components of equity		Equity attributable to owners of the Company	Non-controlling interests	Total equity
						Cash flow hedging reserve	Other reserves			
Balance as at April 1, 2012	40,543,923	405	1,876	7,632	4	(219)	49	9,747	-	9,747
Issue of equity shares on exercise of options/restricted shares	991,132	10	449	-	-	-	-	459	-	459
Profit for the year		-	-	3,217	-	-	-	3,217	-	3,217
Other comprehensive income		-	-	-	-	355	20	375	-	375
Compensation cost related to employee share based payment transaction		-	-	-	38	-	-	38	-	38
Cash dividend paid (including dividend tax thereon)				(214)	-	-	-	(214)	-	(214)
As at March 31, 2013	**41,535,055**	**415**	**2,325**	**10,635**	**42**	**136**	**69**	**13,622**	**-**	**13,622**
Balance as at April 1, 2013	41,535,055	415	2,325	10,635	42	136	69	13,622	-	13,622
Issue of equity shares on exercise of options/restricted shares	154,676	2	104	-	-	-	-	106	-	106
Profit for the year		-	-	4,519	-	-	-	4,519	-	4,519
Other comprehensive income		-	-	-	-	(97)	77	(20)	-	(20)
Compensation cost related to employee share based payment transaction		-	-	-	(8)	-	-	(8)	-	(8)
Cash dividend paid (including dividend tax thereon)		-	-	(924)	-	-	-	(924)	-	(924)
As at March 31, 2014	**41,689,731**	**417**	**2,429**	**14,230**	**34**	**39**	**146**	**17,295**	**-**	**17,295**

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

Unaudited consolidated statements of cash flow

(₹ in million, except share data)

	Year ended March 31,	
	2014	2013
Cash flow from operating activities		
Profit for the year	4,519	3,217
Adjustments for :		
Depreciation & amortisation	791	616
Amortization of stock compensation	71	171
Interest expense	6	12
Income tax expense	1,275	847
Interest / dividend income	(251)	(222)
Gain on sale of property, plant and equipment	(3)	(5)
Gain on sale of available-for-sale financial assets	(130)	(133)
Provision for diminution in the value of investments	(1)	-
Unrealised exchange difference on derivatives	-	(303)
Effect of exchange differences on translation of foreign currency borrowings	25	28
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(70)	(30)
Changes in operating assets and liabilities:		
Trade receivables	(1,496)	(430)
Unbilled revenues	(377)	(158)
Other assets	(431)	(358)
Trade payables and accrued expenses	(35)	87
Unearned revenues	64	17
Other liabilities	610	265
Net cash provided by operating activities before taxes	4,567	3,621
Income taxes paid	(1,297)	(968)
Net cash provided by operating activities	**3,270**	**2,653**
Cash flow from investing activities		
Expenditure on property, plant and equipment	(1,520)	(1,066)
Proceeds from sale of property, plant and equipment	3	9
Interest /dividend received from available-for-sale financial assets	222	179
Inter-corporate deposits	-	(75)
Investments in available-for-sale financial assets	(11,443)	(11,057)
Redemption of available-for-sale financial assets	10,495	10,091
Net cash used in investing activities	**(2,243)**	**(1,919)**
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	63	322
Interest paid on loans	(5)	(11)
Proceeds from short-term borrowings	564	719
Repayment of loans and borrowings	(811)	(941)
Dividends paid (including distribution tax)	(924)	(214)
Net cash used in financing activities	**(1,113)**	**(125)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	70	30
Net (decrease)/ increase in cash and cash equivalents	**(16)**	**639**
Cash and cash equivalents at the beginning of the year	1,116	477
Cash and cash equivalents at the end of the year (Note 8)	**1,100**	**1,116**

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

Notes to the unaudited consolidated financial statements

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

1. Company overview

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

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bangalore, Karnataka, India and has offices in United States of America, United Kingdom, Japan, Singapore, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, France, Malaysia and Republic of China. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. These unaudited consolidated financial statements were authorized for issuance by the Company's Board of Directors and Audit Committee on April 16, 2014.

2. Basis of preparation of financial statements

(a) Statement of compliance

These unaudited consolidated financial statements as at and for the year ended March 31, 2014 have been prepared in accordance with the International Financial Reporting Standards and its interpretations ("IFRS") issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

The unaudited consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant IFRS:

i. Derivative financial instruments; and

ii. Available-for-sale financial assets; and

iii. Share based payment transactions

(c) Functional and presentation currency

The unaudited consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent company and all its subsidiaries which is the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest million.

(d) Use of estimates and judgement

The preparation of unaudited consolidated financial statements in conformity with IFRS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the unaudited consolidated financial statements is included in the following notes:

i) Revenue recognition: The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

ii) Income taxes: The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Also refer to Note 15.

iii) Other estimates: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

3. Significant accounting policies

(i) Basis of consolidation

Subsidiaries

The unaudited consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company (its subsidiaries and controlled trusts).

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

Special purpose entities

The Company has established certain special purpose entities ("SPEs") for business purposes. These SPE are consolidated based on an evaluation of the substance of its relationship with the Company and the SPE's risks and rewards. SPEs controlled by the Company were established under terms that impose strict limitations on the decision- making powers of the SPE's management and that result in the Company receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to risks incident to the SPE's activities and retaining the majority of the residual or ownership risks related to the SPE or its assets.

(ii) Functional and presentation currency

Items included in the unaudited consolidated financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). These unaudited consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of Mindtree Limited and its subsidiaries.

(iii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

(iv) Financial instruments

Financial instruments of the Company are classified in the following categories : non- derivative financial instruments comprising of loans and receivables, available-for-sale financial assets and trade and other liabilities; derivative financial instruments under the category of financial assets or financial liabilities at fair value through profit or loss.

The classification of financial instruments depends on the purpose for which those were acquired. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial instruments

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Loans and receivables are represented by trade receivables, unbilled revenue, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or are not classified in any of the other categories. Available-for-sale financial assets are recognized initially at fair value plus transaction costs. Subsequent to initial recognition these are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items are recognized in other comprehensive income and presented within equity. When an investment is derecognized, the cumulative gain or loss in equity is transferred to the statement of income.

(iii) Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

b) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction cost are recognized in statement of income as cost.

(i) *Cash flow hedges:* Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of income upon the occurrence of the related forecasted transaction.

(ii) *Others:* Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the statement of income and reported within foreign exchange gains/(losses), net under results from operating activities.

(v) Property, plant and equipment

a) **Recognition and measurement:** Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

b) **Depreciation:** The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life or the related lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Category	Useful life
Buildings	25 to 30 years
Computer systems	1 to 3 years
Furniture, fixtures and equipment	3 to 5 years
Vehicles	4 to 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of income when incurred. The cost and related accumulated depreciation are eliminated from the unaudited consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of income.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(vi) Business combination, Goodwill and Intangible assets

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition.

Transaction costs incurred in connection with a business combination are expensed as incurred.

a) Goodwill

The excess of the cost of acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, a bargain purchase gain is recognized immediately in the statement of income.

b) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful life for intellectual property related intangibles is estimated at 5 years and computer software is estimated at 1 to 2 years.

(vii) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of income over the lease term.

(viii) Impairment

a) Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

(i) Loans and receivables

Impairment losses on trade and other receivables are recognized using separate allowance accounts.

(ii) Available-for-sale financial asset

When the fair value of available-for-sale financial assets declines below acquisition cost and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized in other comprehensive income, a component of equity in other reserve is transferred to the statement of income. An impairment loss may be reversed in subsequent periods, if the indicators for the impairment no longer exist. Such reversals are recognized in other comprehensive income.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash- generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

c) Reversal of impairment loss

An impairment loss for financial assets is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset other than goodwill and available- for-sale financial assets that are equity securities is recognized in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

(ix) Employee Benefit

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following employee benefit plans:

a) Provident fund

Employees receive benefits from a provident fund. The employer and employees each make periodic contributions to the government administered plan equal to a specified percentage of the covered employee's salary.

b) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company and SBI Life Insurance Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. In the current period, the Company has applied IAS 19 (as revised in June 2011) Employee Benefits ('IAS 19R') and the related consequential amendments. IAS 19R has been applied retrospectively in accordance with transitional provisions. As a result, all actuarial gains or losses are immediately recognized in other comprehensive income and permanently excluded from profit or loss. Further, the profit or loss will no longer include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. The adoption of Revised IAS 19 did not have a material impact on the consolidated financial statements. Also, the comparative information has not been restated as the effect of the change in the accounting policy is not material on the consolidated financial statements.

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes

accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of income.

(x) Share based payment transaction

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of income with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

The fair value of the amount payable to the employees in respect of SARs, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognized in statement of income.

(xi) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(xii) Revenue

The Company derives revenue primarily from software development and related services. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

a) Time and materials contracts

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered.

b) Fixed-price contracts

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered are presented as 'Advance from customers'.

c) Maintenance contracts

Revenue from maintenance contracts is recognized ratably over the period of the contract using the percentage of completion method. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognized on a straight line basis over the specified period or under some other method that better represents the stage of completion.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in IAS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in IAS 18

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

The Company accrues the estimated cost of post contract support services at the time when the revenue is recognized. The accruals are based on the Company's historical experience of material usage and service delivery costs.

(xiii) Finance income and expense

Finance income consists of interest income on funds invested (including available-for- sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognized as it accrues in the statement of income, using the effective interest method.

Dividend income is recognized in the statement of income on the date that the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings and impairment losses recognized on financial assets (other than trade receivables). Borrowing costs are recognized in the statement of income using the effective interest method.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

(xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of income except to the extent it relates to items directly recognized in equity or in other comprehensive income.

(a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

(b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(xvi) Government grants

Grants from the government are recognised when there is reasonable assurance that:

(i) the Group will comply with the conditions attached to them; and

(ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of income over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a nominal value.

The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending March 31, 2014.

Changes in accounting policies

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

- IFRS 10 Consolidated Financial Statements (2011) (see 3(i))
- IFRS 13 Fair Value Measurement (see (a) below) *
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) (see (c))
- IAS 19 Employee Benefits (2011) (see (3)(ix)(b))
- Annual Improvements to IFRS 2009–2011 Cycle *
- IFRS 11 Joint Arrangements *
- IFRS 12 Disclosure of interest in other entities *

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

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

(a) Fair value measurement

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

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

(b) Presentation of items of other comprehensive income

As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its consolidated statement of profit or loss and other comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly.

The adoption of the amendment to IAS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

(c) IAS 1 Clarification of the requirement for comparative information (Amendment)

These amendments clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period.

The amendments clarify that the opening statement of financial position (as at 1 January 2012 in the case of the Group), presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1 January 2012. The amendments affect presentation only and have no impact on the Group's financial position or performance.

New standards and interpretations not yet adopted

(a) IFRS 9 Financial Instruments: In November 2009, the International Accounting Standards Board issued IFRS9, Financial Instruments: Recognition and Measurement, to reduce the complexity of the current rules on financial instruments as mandated in IAS39. The effective date to adopt IFRS 9 is yet to be notified. IFRS 9 has fewer classification and measurement categories as compared to IAS39 and has eliminated the categories of held to maturity, available for sale and loans and receivables. Further it eliminates the rule-based requirement of segregating embedded derivatives and tainting rules pertaining to held-to maturity investments. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss. IFRS 9, was further amended in October 2010, and such amendment introduced requirements on accounting for financial liabilities. This amendment addresses the issue of volatility in the profit or loss due to changes in the fair value of an entity's own debt. It requires the entity, which chooses to measure a liability at fair value, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income. The Company is currently evaluating the requirements of IFRS9, and has not yet determined the impact on the consolidated financial statements.

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

- an entity currently has a legally enforceable right to set-off if that right is:

- not contingent on future event; and

- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties;

- gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that:

- eliminate or result in insignificant credit and liquidity risk; and

- process receivables and payables in a single settlement process or cycle.

The Company is required to adopt amendments to IAS 32 by accounting year commencing April 1, 2014. The Company is currently evaluating the requirements of IAS 32 amendments and has not yet determined the impact on the consolidated financial statements

(c) Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27): These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. This amendment is not expected to be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

(d) IFRIC 21 Levies: IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Company is currently evaluating the requirements to IFRS 21, and has not yet determined the impact on the consolidated financial statements.

(e) **IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39:** These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has not novated its derivatives during the current period. The Company is currently evaluating the requirements to IAS 39, and has not yet determined the impact on the consolidated financial statements.

(f) **Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets:** These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. The Group is currently evaluating the requirements of IAS 36, and has not yet determined the impact in the consolidated financial statements.

4. Property, plant and equipment

Particulars	Land	Building	Computer systems	Furniture, fixtures and equipment	Vehicles	Total
Gross carrying value:						
As at April 1, 2012	97	1,626	1,044	2,062	2	4,831
Additions	-	-	258	262	-	520
Disposal/adjustments	-	-	5	33	-	38
As at March 31, 2013	97	1,626	1,297	2,291	2	5,313
Accumulated depreciation/impairment:						
As at April 1, 2012	4	232	885	1,463	2	2,586
Depreciation	1	57	134	323	-	515
Disposal/adjustments	-	-	5	30	-	35
As at March 31, 2013	5	289	1,014	1,756	2	3,066
Capital work-in-progress						571
Net carrying value as at March 31, 2013	**92**	**1,337**	**283**	**535**	**-**	**2,818**
Gross carrying value:						
As at April 1, 2013	97	1,626	1,297	2,291	2	5,313
Additions	-	285	483	691	1	1,460
Disposal/adjustments	-	-	209	5	1	215
As at March 31, 2014	97	1,911	1,571	2,977	2	6,558
Accumulated depreciation/impairment:						
As at April 1, 2013	5	289	1,014	1,756	2	3,066
Depreciation	1	59	276	327	-	663
Disposal/adjustments	-	-	208	5	1	214
As at March 31, 2014	6	348	1,082	2,078	1	3,515
Capital work-in-progress						496
Net carrying value as at March 31, 2014	**91**	**1,563**	**489**	**899**	**1**	**3,539**

The depreciation expense for the year ended March 31, 2014 and March 31, 2013 is included in the following line items in the statement of income.

Particulars	Year ended March 31,	
	2014	2013
Cost of revenues	603	469
Selling, general and administrative expenses	60	46
Total	**663**	**515**

The Carrying value of land includes ₹58 and ₹ 59 as at March 31, 2014 and March 31, 2013 towards deposits paid under lease agreement to use the land for 90-95 years and the ownership of the land does not vest with the Group after the lease period.

Further carrying value of land includes ₹ 11 towards deposit paid for use of land for 95 years with an option of renewing the lease subject to fulfillment of certain conditions and restrictions.

5. Intangible assets

Particulars	Intellectual Property	Computer Software	Total
Gross carrying value:			
As at April 1, 2012	67	594	661
Additions	-	106	106
Disposal/adjustments	-	1	1
As at March 31, 2013	67	699	766

Particulars	Intellectual Property	Computer Software	Total
Accumulated amortisation/impairment:			
As at April 1, 2012	25	536	561
Amortisation	14	87	101
As at March 31, 2013	39	623	662
Net carrying value as at March 31, 2013	**28**	**76**	**104**
Gross carrying value:			
As at April 1, 2013	67	699	766
Additions	-	196	196
Disposal/adjustments	-	3	3
As at March 31, 2014	67	892	959
Accumulated amortisation/impairment:			
As at April 1, 2013	39	623	662
Amortisation	13	115	128
Disposal/adjustments	-	3	3
As at March 31, 2014	52	735	787
Net carrying value as at March 31, 2014	**15**	**157**	**172**

The amortisation expense for the year ended March 31, 2014 and March 31, 2013 is included in the following line items in the statement of income.

Particulars	Year ended March 31,	
	2014	2013
Cost of revenues	116	92
Selling, general and administrative expenses	12	9
Total	**128**	**101**

6. Available-for-sale financial assets

Investments in liquid and short term mutual fund units and unlisted equity securities are classified as available-for-sale financial assets.

Cost and fair value of investments in liquid and short term mutual fund units and unlisted equity securities are as follows:

Particulars	As at March 31,	
	2014	2013
Non-current		
Investment in unlisted equity securities and mutual funds		
Cost	177	231
Gross unrealised holding gains	4	4
Fair value	181	235
Current		
Investment in liquid and short term mutual funds		
Cost	4,757	3,628
Gross unrealised holding gains	155	82
Fair value	4,912	3,710
Total available-for-sale financial assets	**5,093**	**3,945**

Net change in fair value of available-for-sale financial assets reclassified to the statement of income was ₹ 96 and ₹ 47 for the year ending March 31, 2014 and March 31, 2013 respectively.

7. Trade receivables

Particulars	As at March 31,	
	2014	2013
Trade receivables	6,140	4,554
Allowance for doubtful accounts receivable	(136)	(46)
Total	**6,004**	**4,508**

8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Particulars	As at March 31,	
	2014	2013
Cash balances	-	-
Current and time deposits with banks #	1,185	1,252
Cash and cash equivalents on statement of financial position	**1,185**	**1,252**
Book overdrafts used for cash management purposes	(85)	(136)
Cash and cash equivalents in the cash flow statement	**1,100**	**1,116**

Balance with banks amounting to ₹ 5 and ₹ 4 as of March 31, 2014 and March 31, 2013 included above represents amount pledged with statutory and other authorities as margin money and unpaid dividends and are therefore restricted.

The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

9. Other assets

Particulars	As at March 31,	
	2014	2013
Non-current		
Capital advances	136	127
Security deposits	564	481
Prepaid expenses	186	179
Others	127	64
	1,013	851
Current		
Interest bearing deposits with corporates	400	400
Prepaid expenses	443	368
Advance to employees	256	207
Advance to suppliers	196	145
Interest accrued and not due	24	29
Deposits	200	115
Others	151	84
	1,670	1,348
Total	2,683	2,199

10. Loans and borrowings

A summary of loans and borrowings is as follows:

Particulars	As at March 31,	
	2014	2013
Non-current		
Unsecured long-term loan	21	24
	21	24
Current		
Current portion of unsecured long-term loan and borrowings	5	5
Secured bank loans	-	217
Bank overdraft	85	136
	90	358
Total	111	382

Unsecured long-term borrowings represent the amount received from Council for Scientific and Industrial Research (CSIR) to develop a project under "Development of Intelligent Video Surveillance Server (IVSS) system".

The loan is an unsecured loan carrying a simple interest of 3% p.a on the outstanding amount of loan. Repayment of loan is in 10 equal annual installments commencing from June 2011. The project implementation period was a moratorium period ending May 2011 and was not liable for repayment of installments and interest during the said period. However, the interest accrued during the period is amortized and is payable in 3 equal annual installments commencing from June 2011. Any delay in repayment entails a liability of 12% p.a. compounded monthly for the period of delay.

During the year ended March 31, 2014, the Company has availed packing credit loans of USD 10 million and has repaid packing credit loans of USD 14 million. These packing credit loans were secured against the trade receivables of the Company. As at March 31, 2014, the Company has no outstanding packing credit loan (As at March 31, 2013: USD 4 million). The Company had taken forward exchange contracts with respect to this loan.

11. Trade payables and accrued expenses

Trade payables and accrued expenses consist of the following:

Particulars	As at March 31,	
	2014	2013
Trade payables	257	294
Accrued expenses	558	556
Total	815	850

12. Other liabilities and provisions

Particulars	As at March 31,	
	2014	2013
Non-current		
Employee related liabilities	32	-
Others	102	63
	134	63

Particulars	As at March 31,	
	2014	2013
Current		
Interest accrued but not due on borrowings	1	2
Advances from customers	103	42
Employee and other liabilities	1,255	1,023
Statutory dues payable	284	238
Other liabilities	130	12
	1,773	1,317
Total	1,907	1,380
Non-current		
Provisions		
Provision for discount	39	-
Total	39	-
Current		
Provisions		
Provision for discount	231	145
Provision for post contract support services	4	3
Others	66	57
Total	301	205

Non-current
Provision for discount

Provision for discount are for volume discounts and pricing incentives to customers accounted for by reducing the amount of revenue recognized at the time of sale.

Particulars	Year ended March 31,	
	2014	2013
Balance as at beginning of the year	-	-
Provisions made during the year	39	-
Utilisations during the year	-	-
Released during the year	-	-
Provision as at the end of the year	39	-

Current
Provision for discount

Particulars	Year ended March 31,	
	2014	2013
Balance as at beginning of the year	145	109
Provisions made during the year	251	144
Utilisations during the year	(154)	(95)
Released during the year	(11)	(13)
Provision as at the end of the year	231	145

Provision for post contract support services

Provision for post contract support services represents cost associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized within a period of 1 year.

Particulars	Year ended March 31,	
	2014	2013
Balance as at beginning of the year	3	5
Provisions made during the year	1	(2)
Provision as at the end of the year	4	3

Other provisions

Other provisions primarily represent provision for tax related contingencies and litigations. The timing of cash flows in respect of these provisions cannot be reasonably determined.

Particulars	Year ended March 31,	
	2014	2013
Balance as at beginning of the year	57	53
Provisions made during the year	9	8
Released during the year	-	(4)
Provision as at the end of the year	66	57

13. Employee benefit obligations

Employee benefit obligations comprises of following:

Particulars	As at March 31,	
	2014	2013
Gratuity	2	11
Compensated absences	320	262
Total	**322**	**273**

14. Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2014 is as follows:

Particulars	Financial assets/ liabilities at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Total carrying amount	Fair value
Assets						
Trade Receivables	-	6,004	-	-	6,004	6,004
Unbilled Revenue	-	1,014	-	-	1,014	1,014
Available-for-sale financial assets	-	-	5,093	-	5,093	5,093
Cash and cash equivalents	-	1,185	-	-	1,185	1,185
Derivative assets	93	-	-	-	93	93
Other assets	-	1,446	-	-	1,446	1,446
Total assets	**93**	**9,648**	**5,093**	**-**	**14,834**	**14,834**
Liabilities						
Loans and borrowings	-	-	-	111	111	111
Trade payables and accrued expenses	-	-	-	815	815	815
Derivative Liabilities	44	-	-	-	44	44
Other liabilities	-	-	-	1,610	1,610	1,610
Total liabilities	**44**	**-**	**-**	**2,536**	**2,580**	**2,580**

The carrying value and fair value of financial instruments by categories as at March 31, 2013 is as follows:

Particulars	Financial assets/ liabilities at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Total carrying amount	Fair value
Assets						
Trade Receivables	-	4,508	-	-	4,508	4,508
Unbilled Revenue	-	637	-	-	637	637
Available-for-sale financial assets	-	-	3,945	-	3,945	3,945
Cash and cash equivalents	-	1,252	-	-	1,252	1,252
Derivative assets	181	-	-	-	181	181
Other assets	-	1,241	-	-	1,241	1,241
Total assets	**181**	**7,638**	**3,945**	**-**	**11,764**	**11,764**
Liabilities						
Loans and borrowings	-	-	-	382	382	382
Trade payables and accrued expenses	-	-	-	850	850	850
Derivative Liabilities	13	-	-	-	13	13
Other liabilities	-	-	-	1,305	1,305	1,305
Total liabilities	**13**	**-**	**-**	**2,537**	**2,550**	**2,550**

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2014 and March 31, 2013:

Particulars	As of March 31, 2014	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Available-for-sale financial asset-Investments in mutual fund units	4,912	4,912		

Particulars	As of March 31, 2014	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Available-for-sale financial asset-Investments in unlisted equity securities	181			181
Derivatives financial instruments-gain on outstanding foreign exchange forward and option	93		93	
Liabilities				
Derivatives financial instruments-loss on outstanding foreign exchange forward and option	44		44	

Particulars	As of March 31, 2013	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Available-for-sale financial asset-Investments in mutual fund units	3,934	3,934		
Available-for-sale financial asset-Investments in unlisted equity securities	11			11
Derivatives financial instruments-gain on outstanding foreign exchange forward and option	181		181	
Liabilities				
Derivatives financial instruments-loss on outstanding foreign exchange forward and option	13		13	

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2014.

A reconciliation of changes in the fair value measurement of investments in unlisted securities in level 3 of the fair value hierarchy is given below:

Particulars	As at March 31,	
	2014	2013
Balance at the beginning of the year	11	11
Add: total gain recognised in other comprehensive income	-	-
Balance at the end of the year	11	11

Income and interest expense for financial assets or financial liabilities that are not at fair value through profit or loss is as follows:

Particulars	Year ended March 31,	
	2014	2013
Income from available-for-sale financial assets	280	261
Interest income on deposits	101	94
Interest expense	(7)	(12)

Derivative financial instruments

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

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

Particulars	As at March 31,	
	2014	2013
Designated derivative instruments (Sell)		
In US $	48	113
In Euro	5	11
Non-designated derivative instruments (Buy) In US $	-	4

The Company recognised a net foreign exchange gain on derivative financial instruments of ₹ 5 and ₹ 303 for the years ended March 31, 2014 and 2013, respectively. These amounts are included in finance income.

In respect of foreign currency derivative contracts designated as cash flow hedges, the Company has recorded a loss of ₹ 97 and a gain of ₹ 355 in other comprehensive income (net of taxes) as a component of equity for the year ended March 31, 2014 and March 31, 2013 respectively.

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

Particulars	As at March 31,	
	2014	2013
Balance at the beginning of the year	173	(250)
Net (gain)/loss reclassified into the statement of income on occurrence of hedged transactions	(173)	250
Changes in fair value of effective portion of derivatives	49	173
Balance at the end of the year	49	173

As at March 31, 2014 and March 31, 2013 there were no significant gains or losses on derivative transactions or portions thereof that have become ineffective as hedges, or associated with an underlying exposure that did not occur.

The foreign exchange forward and option contracts mature anywhere between 0-1 year. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the reporting date:

Particulars	As at March 31,	
	2014	2013
Designated derivative instruments (Sell)		
Not later than 1 month	15	13
Later than 1 month but not later than 3 months	30	25
Later than 3 months but not later than 1 year	9	89
Later than 1 year	-	-
Non-designated derivative instruments (Sell)		
Not later than 1 month	-	-
Later than 1 month but not later 3 months	-	-
Later than 3 months but not later 1 year	-	-
Later than 1 year	-	-

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

Particulars	Year ended March 31,	
	2014	2013
Revenue from top customer	2,341	1,876
Revenue from top 5 customers	9,688	7,836

No single customer accounted for more than 10% of the receivables and revenues for the years March 31, 2014 and March 31, 2013 and hence there is no significant concentration of credit risk.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties and does not have any significant concentration of exposures to specific industry sectors.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, available-for-sale financial assets and interest bearing deposits with corporates are neither past due nor impaired. Cash and cash equivalents include deposits with banks with high credit-ratings assigned by international and domestic credit-rating agencies. Available-for-sale financial assets include investment in liquid mutual fund units and unlisted equity instruments. Deposits with corporates represent funds deposited with financial institutions for a specified time period. Of the total trade receivables, ₹ 5,048 and ₹ 3,716 as of March 31, 2014 and March 31, 2013 respectively, were neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade receivables. The Company's credit period generally ranges from 30-90 days. The age wise break up of trade receivables, net of allowances that are past due, is given below:

Period (in days)	As at March 31,	
	2014	2013
Past due 0-30 days	356	378
Past due 30-60 days	218	108
Past due 60-90 days	51	41
Past due over 90 days	331	265
Total past due and not impaired	**956**	**792**

The allowance for impairment in respect of trade receivables for the year ended March 31, 2014 and March 31, 2013 was ₹ 96 and ₹ 28 respectively. The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at March 31,	
	2014	2013
Balance at the beginning of the year	46	40
Additions during the year	95	28
Trade receivables written off	(5)	(22)
Balance at the end of the year	136	46

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at March 31,	
	2014	2013
Cash and cash equivalents	1,185	1,252
Available-for-sale investments	4,912	3,710
Interest bearing deposits with corporates	400	400
Total	**6,497**	**5,362**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2014 and March 31, 2013:

Particulars	As at March 31, 2014		
	Less than 1 year	1-2 years	2 years and above
Loans and borrowings and bank overdraft	89	5	22
Trade payables and accrued expenses	815	-	-
Derivative Liabilities	44	-	-
Other liabilities	1,610	-	-

Particulars	As at March 31, 2013		
	Less than 1 year	1-2 years	2 years and above
Loans and borrowings and bank overdraft	358	5	27
Trade payables and accrued expenses	850	-	-
Derivative Liabilities	13	-	-
Other liabilities	1,305	-	-

Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses (primarily in U.S. dollars, British pound sterling and euros) and foreign currency borrowings (in U.S. dollars). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has a foreign currency advisory committee which meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Company uses derivative financial instruments, such as foreign exchange forward and option contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

The Company has designated certain derivative instruments as cash flow hedge to mitigate the foreign exchange exposure of forecasted highly probable cash flows.

The details in respect of the outstanding foreign exchange forward and option contracts are given under the derivative financial instruments section.

In respect of the Company's forward and option contracts, a 1% decrease/increase in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

a) an approximately ₹ 33 increase/decrease in the Company's hedging reserve and an approximately ₹ Nil increase/decrease in the Company's net profit as at March 31, 2014;

b) an approximately ₹ 69 increase/decrease in the Company's hedging reserve and an approximately ₹ Nil increase/decrease in the Company's net profit as at March 31, 2013; and

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2014 and March 31, 2013.

As at March 31, 2014

Particulars	US $	Euro	Pound Sterling	*Other currencies	Total
Assets					
Trade Receivables	3,854	981	526	397	5,758
Unbilled Revenue	656	141	221	2	1,020
Cash and cash equivalents	667	84	117	157	1,025
Other assets	190	17	33	25	265
Liabilities					
Loans and borrowings	-	-	-	-	-
Trade payables and accrued expenses	33	2	3	16	54
Other liabilities	183	25	56	80	344
Net assets/liabilities	**5,151**	**1,197**	**838**	**485**	**7,671**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen etc

As at March 31, 2013

Particulars	US $	Euro	Pound Sterling	*Other currencies	Total
Assets					
Trade Receivables	2,704	731	396	332	4,163
Unbilled Revenue	564	21	10	9	604
Cash and cash equivalents	459	134	88	133	814
Other assets	103	8	17	9	137
Liabilities					
Loans and borrowings	217	-	-	-	217
Trade payables and accrued expenses	106	10	7	19	142
Other liabilities	111	33	44	49	237
Net assets/liabilities	**3,396**	**851**	**460**	**415**	**5,122**

* Others include currencies such as Singapore $, Australian $, Canadian $, Japanese Yen etc

For the year ended March 31, 2014 and 2013 respectively, every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by 0.40 % and 0.37% respectively.

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's borrowings and investments are primarily short-term, which do not expose it to significant interest rate risk.

For details of the Company's borrowings and investments, refer to note 6 and 10 above.

15. Income taxes

Income tax expense in the statement of income consists of:

Particulars	Year ended March 31,	
	2014	2013
Current taxes		
Domestic	1,078	673
Foreign	239	214
Total	**1,317**	**887**
Deferred taxes		
Domestic	(31)	(18)
Foreign	(11)	(22)
Total	**(42)**	**(40)**
Grand total	**1,275**	**847**

Income tax expense has been allocated as follows:

Particulars	Year ended March 31,	
	2014	2013
Income tax expense as per the statement of income	1,275	847
Income tax included in other comprehensive income on:		
- unrealised gains on available-for-sale financial assets	13	10
- gains/(losses) on cash flow hedging derivatives	(28)	68
- acturial gains/ (losses) on defined benefit plans	4	-
	(11)	78
Total	**1,264**	**925**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	Year ended March 31,	
	2014	2013
Profit before tax	5,794	4,064
Enacted income tax rate in India	33.99%	32.45%
Computed expected tax expense	1,969	1,319
Effect of:		
Income exempt from tax	(804)	(501)
Temporary differences reversed during the tax holiday period	45	(3)
Expenses disallowed for tax purposes	(23)	69
Foreign Tax (Net)	113	63
Tax reversals	(21)	(101)
Others	(4)	1
Total income tax expense	**1,275**	**847**

The tax rates under Indian Income Tax Act, for the year ended March 31, 2014 and March 31, 2013 is 33.99% and 32.45% respectively.

The Company has not created deferred tax assets on the following:

Particulars	As at March 31,	
	2014	2013
Unused tax losses (long term capital loss) which expire in		
- FY 2015-16	-	1
- FY 2016-17	2	3
- FY 2018-19	163	163
- FY 2019-20	34	34
Unused tax losses of foreign jurisdiction	199	221

The components of deferred tax assets are as follows:

Particulars	As at March 31,	
	2014	2013
Property, plant and equipment	213	215
Allowances for doubtful accounts receivable	31	10
Compensated absences	100	84
Others	59	51
	403	360
Minimum alternate tax	160	165
Cash flow hedges	(10)	(37)
Available-for-sale financial assets	(31)	(18)
Defined benefit plans	(5)	-
Total deferred tax assets (net)	**517**	**470**

A substantial portion of the profits of the Company's India operations are exempt from Indian income taxes being profits attributable to export operations and profits from undertakings situated in Software Technology Parks and Export Oriented units. Under the tax holiday, the taxpayer can utilize an exemption from income taxes for a period of any ten consecutive years. The tax holidays on all facilities under Software Technology Parks and Export oriented units has expired on March 31, 2011. Additionally, under the Special Economic Zone Act, 2005 scheme, units in designated special economic zones providing service on or after April 1, 2005 will be eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50 percent of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. Profits from certain other undertakings are also eligible for preferential tax treatment. In addition, dividend income from certain category of investments is exempt from tax. The difference between the reported income tax expense and income tax computed at statutory tax rate is primarily attributable to income exempt from tax.

Pursuant to the changes in the Indian income tax laws in fiscal 2007, Minimum Alternate Tax (MAT) has been extended to income in respect of which deduction is claimed under the tax holiday schemes discussed above; consequently, the Company has calculated its tax liability for current domestic taxes after considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried

forward and set-off against future tax liabilities computed under normal tax provisions. The Company was required to pay MAT and accordingly, a deferred tax asset of ₹ Nil and ₹ 165 has been recognized in the statement of financial position as of March 31, 2014 and March 31, 2013 respectively, which can be carried forward for a period of ten years from the year of recognition.

The Company is also subject to US tax on income attributable to its permanent establishment in the United States due to operation of its US branch.

16. Equity

a) Share capital and share premium

The Company has only one class of equity shares. The authorized share capital of the Company is 79,620,000 equity shares of ₹ 10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of the par value is classified as share premium.

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10.

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

The company declares and pays dividends in Indian rupees. A final dividend, including tax thereon, on common stock is recorded as a liability on the date of approval by the shareholders.

An interim dividend, including tax thereon, is recorded as a liability on the date of declaration by the board of directors.

Indian law mandates that any dividend be declared out of accumulated distributable profits only after the transfer to a general reserve of a specified percentage of net profit computed in accordance with current regulations. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable taxes.

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2014 and March 31, 2013 was ₹ 19 and ₹ 4.50 respectively.

The Board of Directors at its meeting held on April 16, 2014 have recommended a third interim dividend of 50% (₹ 5 per equity share of par value ₹ 10 each). Further, the Board has recommended a final dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for the year ended March 31, 2014 and a special dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for completion of 15 years in business. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on July 18, 2014, and if approved, would result in a cash outflow of approximately ₹ 732, inclusive of corporate dividend tax of ₹ 106.

The Board of Directors at their meeting held on April 16, 2014, have recommended an issue of bonus shares on the Company's equity shares in the ratio of 1:1 (one additional equity share for every one existing equity share). The Group is in the process of complying with necessary formalities. If the proposed 1:1 bonus share issue is approved by shareholders prior to the date of the AGM, the final and special dividend amounts would be accordingly reduced to 25% (₹ 2.5 per equity share of ₹ 10 each).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Retained earnings

Retained earnings comprises of the Company's prior years' undistributed earnings after taxes. A portion of these earnings amounting to ₹ 87 is not freely available for distribution.

c) Share based payment reserve

The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share based payment reserve are transferred to share premium upon exercise of stock options by employees.

d) Cash flow hedging reserve

Changes in fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized in other comprehensive income (net of taxes), and presented within equity in the cash flow hedging reserve.

e) Other reserve

Changes in the fair value of available-for-sale financial assets is recognized in other comprehensive income (net of taxes), and presented within equity in other reserve.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

Particulars	As at March 31,	
	2014	2013
Total equity attributable to the equity share holders of the Company	17,295	13,622
As percentage of total capital	99%	97%
Current loans and borrowings	90	358
Non-current loans and borrowings	21	24
Total loans and borrowings	**111**	**382**
As a percentage of total capital	1%	3%
Total capital (loans and borrowings and equity)	**17,406**	**14,004**

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash company with cash and bank balances along with available-for-sale financial assets which is predominantly investment in liquid and short term mutual funds being far in excess of debt.

17. Expenses by nature

Particulars	Year ended March 31,	
	2014	2013
Employee benefits	17,687	14,308
Depreciation and amortisation charges	791	617
Recruitment, staff welfare and training expenses	535	438
Travel and conveyance	1,467	935
Communication expenses	370	282
Sub-contractor charges/Outsourced technical services/software purchases	1,508	958
Consumables/maintenance and repairs	536	449
Post contract support services	1	(1)
Power and fuel	255	206
Lease rentals/charges	699	583
Printing and stationery	21	16
Advertisement	33	21
Bank charges	11	11
Rates, taxes and insurance	114	92
Marketing expenses	190	181
Legal and professional expenses	403	265
Provision for doubtful accounts receivable	95	28
Others	208	107
Total cost of revenues, selling, general and administrative expenses	**24,924**	**19,496**

18. Employee benefits

a) Employee costs include

Particulars	Year ended March 31,	
	2014	2013
Salary and allowances	16,189	13,029
Defined benefit plan - Gratuity cost	51	65
Contribution to provident and other funds	1,376	1,042
Share based compensation	71	172
Total	**17,687**	**14,308**

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

Particulars	Year ended March 31,	
	2014	2013
Cost of revenues	14,781	12,086
Selling, general and administrative expenses	2,906	2,222
Total	**17,687**	**14,308**

b) Defined benefit plans

Amount recognized in the statement of income in respect of gratuity cost (defined benefit plan) is as follows:

Particulars	Year ended March 31,	
	2014	2013
Gratuity cost		
Service cost	74	62
Interest cost	26	19
Expected return on plan assets	(26)	(23)
Actuarial (gain)/loss	(23)	7
Net gratuity cost	**51**	**65**
Actual Return on plan assets	26	24
Assumptions		
Interest rate	8.80%	7.96%
Expected rate of return on plan assets	8%	8%
Salary increase	6%	6%
Attrition rate	13.00%	13.38%
Retirement age	60	60

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

The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The following table sets out the status of the gratuity plan.

Particulars	As at March 31,	
	2014	2013
Change in projected benefit obligations		
Obligations at the beginning of the year	324	276
Service cost	74	62
Interest cost	26	19
Benefits settled	(36)	(41)
Actuarial (gain)/loss	(23)	8
Obligations at end of the year	**365**	**324**
Change in plan assets		
Plan assets at the beginning of the year, at fair value	313	275
Expected return on plan assets	26	23
Actuarial gain/(loss)	-	1
Contributions	60	55
Benefits settled	(36)	(41)
Plan assets at the end of the year, at fair value	**363**	**313**

Historical Information: -

Particulars	Year ended March 31,				
	2014	2013	2012	2011	2010
Present value of defined benefit obligation	(365)	(324)	(276)	(265)	(229)
Fair Value of Plan	363	313	275	257	227
Asset/ (liability) recognised	**(2)**	**(11)**	**(1)**	**(8)**	**(2)**

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

Particulars	As at March 31,	
	2014	2013
Experience adjustment on plan liabilities	(9)	8
Experience adjustment on plan assets	(2)	1

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

As at March 31, 2014	Defined Benefit Obligation	
	Increase	Decrease
Discount rate (1% movement)	(31)	9
Future salary growth (1% movement)	6	(29)
Attrition (1% movement)	(11)	(14)

Maturity profile of defined benefit obligation

Particulars	Year ended March 31, 2014
Within 1 year	34
1-2 years	29
2-3 years	26
3-4 years	22
5-10 years	74

The company expects to contribute ₹ 60 to its defined benefit plans during the next fiscal year.

As at March 31, 2014 and 2013, 100% of the plan assets were invested in insurer managed funds.

19. Finance and other income

Particulars	Year ended March 31,	
	2014	2013
Interest income	101	94
Gain on sale of available-for-sale financial assets	130	133
Gain on sale of property, plant and equipment	3	5
Dividend income	150	128
Others	28	20
Total	**412**	**380**

20. Earnings per equity share

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

Particulars	Year ended March 31,			
	2014		2013	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the period	41,588,758	41,588,758	40,974,712	40,974,712
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	295,241	-	521,584
Weighted average number of equity shares for calculation of earnings per share	41,588,758	41,883,999	40,974,712	41,496,296

21. Employee stock incentive plans

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 seven stock option programs. The terms and conditions of each program is highlighted below.

Program 1 [ESOP 1999]

Options under this program are exercisable at an exercise price of ₹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 ₹ 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.

Program 2 [ESOP 2001]

Options under this program have been granted to employees at an exercise price of ₹ 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 ₹ 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.

Program 3 [ESOP 2006 (a)]

Options under this program have been granted to employees at an exercise price of ₹ 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 ₹ 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.

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 ₹ 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.

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. Each new option is entitled to 1 equity share of ₹ 10 each.

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 ₹ 10 each. The contractual life of each option is 4 years after the date of the grant.

Program 7 [ESOP 2010A]

In-principle approvals for administering the seventh stock option program i.e. ESOP 2010 (A) has been received from the BSE and NSE during the previous year for 1,135,000 equity shares of ₹ 10 each. No options have been granted under the program as at March 31, 2014.

Employee Restricted Stock Purchase Plan 2012 ('ERSP 2012')

ERSP 2012 was instituted with effect from July 16, 2012 to further issue upto 1,000,000 equity shares of nominal value of ₹ 10 each. Shares under this program are granted to employees at an exercise price of not less than ₹ 10 per equity share or such higher price as decided by the Board of Directors. Shares shall vest over such term as determined by the Board of Directors not exceeding ten years from the date of the grant. All shares will have a minimum lock in period of one year from the date of allotment.

Activities in various programs as explained above during the year ended March 31, 2014 and March 31, 2013 are set out below:

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	Number of Share options	Weighted average Exercise Price	Number of Share options	Weighted average Exercise Price
Program 1:				
Outstanding at the beginning	-	10	4,000	10
Forfeited during the year	-	-	-	-
Lapsed during the year	-	10	3,500	10
Exercised during the year	-	10	500	10
Outstanding at the end	-	10	-	10
Exercisable at the end	-	10	-	10
Program 2:				
Outstanding at the beginning	47,918	50	79,367	50
Forteited during the year	-	-	-	-
Lapsed during the year	3,821	50	5,612	50
Exercised during the year	12,868	50	25,837	50
Outstanding at the end	31,229	50	47,918	50
Exercisable at the end	31,229	50	47,918	50
Program 3:				
Outstanding at the beginning	-	-	-	-
Forteited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end	-	-	-	-
Exercisable at the end	-	-	-	-
Program 4:				
Outstanding at the beginning	304,650	491	1,349,038	380
Forteited during the year	71,325	478	41,000	508
Lapsed during the year	28,475	466	97,528	383
Exercised during the year	57,600	507	905,860	337
Outstanding at the end	147,250	497	304,650	491
Exercisable at the end	89,175	515	115,225	501
Program 5:				
Outstanding at the beginning	108,248	393	124,803	390
Forteited during the year	-	-	-	-
Lapsed during the year	2,610	399	2,118	171
Exercised during the year	20,614	388	14,437	405
Outstanding at the end	85,024	394	108,248	393
Exercisable at the end	85,024	394	108,248	393
Program 6: DSOP				
Outstanding at the beginning	135,000	559	151,667	495
Option Granted during the year	-	-	20,000	556
Forteited during the year	25,000	560	-	-
Lapsed during the year	10,000	560	-	-
Exercised during the year	45,000	560	36,667	259
Outstanding at the end	55,000	559	135,000	559
Exercisable at the end	41,666	559	76,667	560
ERSP 2012				
Outstanding at the beginning	-	-	-	-
Option Granted during the year	18,594	10	7,831	10
Forteited during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Exercised during the year	18,594	10	7,831	10
Outstanding at the end	-	-	-	-
Exercisable at the end	-	-	-	-

The weighted average share price of options exercised during the year ended March 31, 2014 and March 31, 2013 were ₹ 408.80 and ₹ 324.74 respectively.

The table below summarises information about share options outstanding as of March 31, 2014:

Particulars	Options outstanding		
	Number of shares arising out of options	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 1	-	-	-
Program 2	31,229	1.13	50.00
Program 3	-	-	-
Program 4	147,250	1.78	496.58
Program 5	85,024	2.28	393.90
DSOP 2006	55,000	1.24	558.55

The table below summarizes information about share options outstanding as of March 31, 2013:

Particulars	Options outstanding		
	Number of shares arising out of options	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
Program 1	-	-	-
Program 2	47,918	2.00	50.00
Program 3	-	-	-
Program 4	304,650	2.62	491.45
Program 5	108,248	3.21	392.82
DSOP 2006	135,000	1.95	559.41

During the year, the Group has also granted stock appreciation rights ('SAR') units and letter of intent to issue shares under ERSP 2012 plan to some of its employees which is subject to certain vesting conditions. Details of the grant/issue are given below.

Particulars	SAR	ERSP 2012 plan
No of units/ shares	382,500	115,000
Contractual life	4 years	5 years
Date of grant	18-Jul-13	18-Jul-13*
Price per share/ unit	Grant price of ₹ 910	Exercise price of ₹ 10*

*Based on Letter of Intent

The weighted average fair value of each unit under the above mentioned ERSP 2012 plan, granted during the year was ₹ 898 using the Black-Scholes model with the following assumptions:

Grant date share price	₹ 914
Exercise price	₹ 10
Dividend yield%	0.17% - 0.30%
Expected life	5 years
Risk free interest rate	8.29%
Volatility	104.65% – 107.7%

22. Operating leases

The Company has various operating leases, mainly for office buildings including land. Lease rental expense under such non-cancellable operating lease during the year ended March 31, 2014 and March 31, 2013 was ₹ 277 and ₹ 172 respectively.

Future minimum lease payments under non-cancelable operating lease as at March 31, 2014 is as below:

Minimum lease payments	As at March 31,	
	2014	2013
Payable – Not later than one year	278	214
Payable – Later than one year and not later than five years	515	563
Payable – Later than five years	191	201

Additionally, the Company leases office facilities and residential facilities under cancelable operating leases. The rental expense under cancellable operating lease during the year ended March 31, 2014 and March 31, 2013 was ₹ 272 and ₹ 251 respectively.

23. Related party relationships and transactions

Name of the subsidiary	Country of incorporation	Proportion of interest
Mindtree Software (Shanghai) Co. Ltd.	Republic of China	100%

Name of related party	Nature of relationship
Janaagraha Centre for Citizenship & Democracy	Entity with common key management person
Amalgamated Bean Coffee Trading Company Limited ('ABCTCL') Tanglin Developments Limited ('TDL')	These entities are part of Coffee Day Group which through various entities and its promoters holds 19.84 % equity stake in Mindtree, and the group has a nominee on the Mindtree Board.

Transactions with the above related parties during the year were:

Name of related party	Nature of transaction	Year ended March 31,	
		2014	2013
Amalgamated Bean Coffee Trading Company Limited	Procurement of supplies	17	13
Janaagraha Centre for Citizenship & Democracy	Donation paid	3	-
Tanglin Developments Limited	Leasing office buildings and land	399	310
	Advance/deposits paid:		
	- towards electricity deposit/charges	3	220
	- towards lease rentals	486	259
	Advance/deposits received back:		
	- towards electricity deposit/charges	48	108
	- towards lease rentals	327	147
	Interest on advance towards electricity charges/deposit	22	3

Balances payable to related parties are as follows:

Name of related party	As at March 31,	
	2014	2013
Tanglin Developments Limited	-	9

Balances receivable from related parties are as follows:

Name of related party	Nature of transaction	As at March 31,	
		2014	2013
Tanglin Developments Limited	Rental advance		
	- Current	126	112
	- Non-current	94	-
	Advance towards electricity charges		
	- Current	48	48
	- Non-current	16	64
	Security deposit (including electricity deposit) returnable on termination of lease	399	345
	Interest accrued on advance towards electricity charges	3	3

Key managerial personnel:

Subroto Bagchi	Executive Chairman
Krishnakumar Natarajan	CEO & Managing Director
S. Janakiraman	Executive Director, President and Chief Technology Officer
N.S. Parthasarathy	Executive Director, President and Chief Operating Officer
Dr. Albert Hieronimus	Independent Director and Non-Executive Vice Chairman
V.G.Siddhartha	Non-Executive Director
Prof. David B. Yoffie	Independent Director
Prof. Pankaj Chandra	Independent Director
Ramesh Ramanathan	Independent Director
Apurva Purohit	Independent Director
Rostow Ravanan	Chief Financial Officer and Alternate Director to Mr. N.S.Parthasarathy
Anjan Lahiri**	-
R. Srinivasan*	-

*R Srinivasan retired with effect from July 19, 2013

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

The Board of Directors appointed Apurva Purohit as an Independent Director and N S Parthasarathy as an Executive Director, effective January 1, 2014. Further, the Board of Directors appointed Rostow Ravanan as an Alternate Director to N S Parthasarathy, effective January 17, 2014.

Transactions with key management personnel are as given below:

Key management personnel comprise directors and members of the executive council. Particulars of remuneration and other benefits paid to key management personnel during the year ended March 31, 2014 and March 31, 2013 have been detailed below:

Particulars	Year ended March 31,	
	2014	2013
Whole-time directors		
Salaries	33	24
Contribution to Provident fund	1	1
Bonus & Incentives	44	39
Reimbursement of expenses	6	4
Share-Based payments as per IFRS2	30	-
Total Remuneration	**114**	**68**
Non-whole-time directors		
Commission	37	28
Total Remuneration	**151**	**96**

24. Segment information

The CEO & MD of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by IFRS 8 Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes and geographic segmentation of customers. Accordingly, segment information has been presented both along industry classes and geographic segmentation of customers.

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

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

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

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

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

Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognized.

Industry segments

Statement of income	Year ended March 31,	
	2014	2013
Segment revenue		
Manufacturing	6,528	4,498
BFSI	6,919	5,245
Hitech	8,419	7,173
Travel & Transportation	6,067	4,690
Others	2,261	1,926
Total	**30,194**	**23,532**

Statement of income	Year ended March 31,	
	2014	2013
Segment operating income		
Manufacturing	1,585	836
BFSI	440	596
Hitech	1,794	1,481
Travel & Transportation	1,356	1,062
Others	885	681
Total	**6,060**	**4,656**
Unallocable expenses	(790)	(960)
Profit for the year before interest, other income and tax	5,270	3,696
Interest expense	(7)	(12)
Other income/ (expense)	531	380
Net profit before taxes	**5,794**	**4,064**
Income taxes	(1,275)	(847)
Net profit after taxes	**4,519**	**3,217**

Geographical segments

Revenues	Year ended March 31,	
	2014	2013
America	17,433	13,329
Europe	8,540	6,944
India	1,452	1,462
Rest of World	2,769	1,797
Total	**30,194**	**23,532**

25. Contingent liabilities

a) Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2014 is ₹ 854 (March 31, 2013: ₹ 470).

b) As of the balance sheet date, the Group's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is ₹ 5,683 (March 31, 2013: ₹ 4,018).

c) The Group has received an income tax assessment for the financial year 2008-09 wherein demand of ₹ 24 has been raised against the Group on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from the manner of adjustment of brought forward losses in arriving at the taxable profits of the Group and disallowance of portion of profit earned outside India from the STP and SEZ units.

Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Group has filed an appeal against the demands received.

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

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

e) The Group has received income tax assessments under Section 143(3) of the Income - tax Act 1961 pertaining to erstwhile subsidiary Aztecsoft Limited for the financial years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 wherein demand of ₹ 91, ₹ 49, ₹ 61, ₹ 28, ₹ 58, ₹ 119, ₹ 214 and ₹ 63 respectively has been raised against the Group. These demands have arisen mainly on account of transfer pricing adjustments made in the order. The Group has not accepted these orders and has been advised by its legal counsel/ advisors to prefer appeals before appellate authorities and accordingly the Group has filed appeals before the Commissioner of Income Tax (Appeals) and ITAT. The Group has deposited ₹ 15 with the department against these demands. The department has adjusted pending refunds amounting to ₹ 363 against these demands.

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

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

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

The Group has received the order from the Commissioner of Income Tax (Appeals) wherein the Commissioner of Income Tax (Appeals) accepted the grounds in part and in respect of unfavorable grounds, the Company has filed an appeal before Income Tax Appellate Tribunal. The final order giving effect by the Assessing Officer is completed and the demand is reduced to ₹ 33. The Group has deposited ₹ 5 with the department against this demand.

g) The Company has received a draft assessment order for financial year 2009-10 from the Deputy Commissioner of Income Tax with a demand amounting to ₹ 60 due to non-adjustment of brought forward losses and transfer pricing adjustments. 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 will file an appeal with Commissioner of Income Tax (Appeals) once the final order is received.

26. Current tax assets amounting to ₹ 846 for March 31, 2013 and ₹ 742 for March 31, 2012 have been regrouped to non-current tax assets. Further, computer software has been regrouped from Property, plant and equipment to Intangible assets amounting to ₹ 76 (net of amortisation ₹ 623) for March 31, 2013 and ₹ 58 (net of amortization ₹ 536) for March 31, 2012. The restatement in the current year does not have any impact on statement of income.

27. The Group has a development center at Gainesville, Florida, US. The State of Florida has offered various incentives targeted to the needs of the development center. The nature and the extent of the government grant is given below:

Nature of expenses	Year ended March 31,	
	2014	2013
Reimbursement of rent	3	2
Grant towards workforce training	28	4
Total	**31**	**6**

The Group has availed a non-monetary grant of USD 950,000 for renovation of project facility in the previous year. This grant is subject to fulfillment of certain conditions such as creation of minimum employment with specified average salary and capital investment at the development center at Gainesville, Florida, US

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Notice of the Fifteenth Annual General Meeting

NOTICE is hereby given that the fifteenth Annual General Meeting of the Members of Mindtree Limited will be held on Friday, July 18, 2014 at 10:30 a.m. IST at 'The Chancery Hall' Hotel Atria, #1, Palace Road, Bangalore 560001, to transact the following businesses as :

Ordinary Business:

1. To receive, consider, approve and adopt (a) the Audited Financial Statement of the Company as on March 31, 2014 together with the Reports of the Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statement of the Company for the financial year 2013-14.
2. To confirm the payment of the first interim dividend of 50%, second interim dividend of 50% and third interim dividend of 50% respectively (aggregating to ₹ 15/- per equity of ₹ 10/- each and already paid) and to declare an additional final dividend of 50% and a special dividend of 50% per Equity Share of ₹ 10/- each, for the financial year 2013-14*.

   * The Board has recommended a final dividend of 50% (₹ 5/- per equity share of par value ₹ 10/- each) for the year ended March 31, 2014 and a special dividend of 50% (₹ 5/- per equity share of par value ₹ 10/- each) for completion of 15 years in business. If the proposed 1:1 bonus equity share issue is approved by Shareholders prior to the date of the fifteenth AGM, the final & special dividend amount would be accordingly reduced to 25% (₹ 2.5 per equity share of ₹ 10/- each).
3. To appoint a Director in place of Mr. V.G. Siddhartha (holding DIN 00063987), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Janakiraman Srinivasan (holding DIN 00145811), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. BSR & Co. LLP, (previously, BSR & Co.,) Chartered Accountants, (Firm Registration No. 101248W), the retiring Auditors, to hold office as the Statutory Auditors of the Company from the conclusion of the fifteenth Annual General Meeting until the conclusion of the sixteenth Annual General Meeting and to authorise the Board of Directors or any Committee thereof to fix their remuneration.

Special Business:

6. **To approve the appointment of Mr. Namakal Srinivasan Parthasarathy (Mr. N.S.Parthasarathy) as a Director, liable to retire by rotation, to approve the appointment of Mr. N.S. Parthasarathy as an Executive Director of the Company and also to approve the remuneration payable**

   To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

   *"**RESOLVED THAT**, Mr. N.S. Parthasarathy (holding DIN 00146954), who was appointed as an Additional Director with effect from January 1, 2014 and who holds office until the date of this Annual General Meeting pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s) or re-enactment thereof) and in respect of whom the Company has received a notice in writing from a Member under the applicable provisions of the Companies Act, 2013 and the Rules thereof (including any statutory modification(s) or re-enactment thereof) proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation.*

   ***RESOLVED FURTHER THAT,** pursuant to the the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government if required and such other consents and permission as may be necessary and subject to such modifications, variations as approved and acceptable to Mr. N.S. Parthasarathy and the Company, the consent of the Members of the Company be and is hereby accorded for the appointment of Mr. N.S. Parthasarathy as an Executive Director of the Company with effect from January 1, 2014, at such remuneration on the terms and conditions approved by the Compensation Committee and the appointment be upon terms and conditions as set out in the existing employment contract and as stated in the Explanatory Statement.*

   ***RESOLVED FURTHER THAT,** all actions taken by the Board of Directors (including any Committee thereof) and all matters related thereto are specifically approved and ratified.*

   ***RESOLVED FURTHER THAT,** wherever in any Act, Articles, Contract or otherwise it has been provided that any item relating to above matters shall have express approval of the Shareholders of the Company or the Company could carry out that transaction/activity only if the Shareholders so authorizes, then and in that case, this resolution hereby expressly authorizes and approves those transactions and it shall be deemed that such transactions/activities have been approved and permitted without any further action from the Shareholders.*

   ***RESOLVED FURTHER THAT,** the Board of Directors (including any Committee thereof) be and is hereby authorised to do all such things, deeds, matters and acts as may be required to give effect to this resolution and all things incidental and ancillary thereto including but not limited to the power to alter or amend or revise or vary the terms of remuneration from time to time and obtaining the Central Government's approval if any and to do all things incidental and ancillary thereto."*

7. **To approve the re-appointment of Mr. Krishnakumar Natarajan as CEO & Managing Director of the Company and also to approve the remuneration payable**

   To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

   *"**RESOLVED THAT,** pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government if required and such other consents and permission as may be necessary and subject to such modifications, variations as approved and acceptable to Mr. Krishnakumar Natarajan and the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Krishnakumar Natarajan (holding DIN 0014772) as the CEO & Managing Director of the Company for a period commencing from April 1, 2014 to June 30, 2017, payment of remuneration for the aforesaid period on the terms and conditions approved by the Compensation Committee and the appointment be upon terms and conditions as set out in the existing employment contract and as stated in the Explanatory Statement.*

RESOLVED FURTHER THAT, *all actions taken by the Board of Directors (including a Committee thereof) and all matters related thereto are specifically approved and ratified.*

RESOLVED FURTHER THAT, *wherever in any Act, Articles, Contract or otherwise it has been provided that any item relating to above matters shall have express approval of the Shareholders of the Company or the Company could carry out that transaction/activity only if the Shareholders so authorizes, then and in that case this resolution hereby expressly authorizes and approves those transactions and it shall be deemed that such transactions/activities have been approved and permitted without any further action from the Shareholders.*

RESOLVED FURTHER THAT, *the Board of Directors (including any Committee thereof) be and is hereby authorised to do all such things, deeds, matters and acts as may be required to give effect to this resolution and all things incidental and ancillary thereto including but not limited to the power to alter or amend or revise or vary the terms of remuneration from time to time and obtaining the Central Government's approval if any and to do all things incidental and ancillary thereto."*

8. To approve the appointment of Mr. Rostow Ravanan as a Director, liable to retire by rotation, to approve the appointment of Mr. Rostow Ravanan as an Executive Director of the Company and also to approve the remuneration payable

To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

*"**RESOLVED THAT,** Mr. Rostow Ravanan (holding DIN 00144557), appointed as an Additional Director with effect from May 20, 2014 and who holds office until the date of this Annual General Meeting pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s) or re-enactment thereof) and in respect of whom the Company has received a notice in writing under the applicable provisions of the Companies Act, 2013 and the Rules thereof (including any statutory modification(s) or re-enactment thereof) proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation.*

RESOLVED FURTHER THAT, *pursuant to the the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government if required and such other consents and permission as may be necessary and subject to such modifications, variations as approved and acceptable to Mr. Rostow Ravanan and the Company, the approval and consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Rostow Ravanan as an Executive Director of the Company with effect from May 20, 2014, at such remuneration on the terms and conditions approved by the Compensation Committee and the appointment be upon terms and conditions as set out in the existing employment contract and as stated in the Explanatory Statement.*

RESOLVED FURTHER THAT, *all actions taken by the Board of Directors (including any Committee thereof) and all matters related thereto are specifically approved and ratified.*

RESOLVED FURTHER THAT, *wherever in any Act, Articles, Contract or otherwise it has been provided that any item relating to above matters shall have express approval of the Shareholders of the Company or the Company could carry out that transaction/activity only if the Shareholders so authorizes, then and in that case, this resolution hereby expressly authorizes and approves those transactions and it shall be deemed that such transactions/activities have been approved and permitted without any further action from the Shareholders.*

RESOLVED FURTHER THAT, *the Board of Directors (including any Committee thereof) be and is hereby authorised to do all such things, deeds, matters and acts as may be required to give effect to this resolution and all things incidental and ancillary thereto including but not limited to the power to alter or amend or revise or vary the terms of remuneration from time to time and obtaining Central Government approval if any and to do all things incidental and ancillary thereto."*

9. To alter the term of office of Dr. Albert Hieronimus as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

*"**RESOLVED THAT,** Dr. Albert Hieronimus(holding DIN 00063759), who was appointed as an Independent Director of the Company with effect from October 24, 2006 and whose term of office as an Independent Director was liable to determination by retirement by rotation, shall be altered and amended and Dr. Albert Hieronimus shall hold office of an Independent Director till March 31, 2017 and with effect from this Annual General Meeting onwards, his term of office as an Independent Director shall not be liable to determination by retirement by rotation.*

RESOLVED FURTHER THAT, *pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and subject to approval of the Members in this Annual General Meeting and such other consents and permission as may be necessary and subject to such modifications, variations as may be approved and acceptable to Dr. Albert Hieronimus and the Company, the approval and consent of the Members of the Company be and is hereby accorded for the alteration of appointment to the office of Independent Director of Dr. Albert Hieronimus as an Independent Director of the Company till March 31, 2017 and whose period of office shall not be liable to determination by retirement by rotation, at such remuneration on the terms and conditions approved by the Board or any Committee thereof, subject to all appropriate and/or authorized deductions as per the prevailing law(s).*

RESOLVED FURTHER THAT, *the Board or any Committee thereof of the Company has the power to add new heads or items for payment(s), modify, alter or amend or revise or otherwise vary the terms of remuneration, other benefits, commission based on net profits, perquisites, reimbursement of expenses, sitting fees, etc., such that the overall amounts of remuneration are computed in terms of the applicable provisions of the Companies Act, 2013, including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force).*

RESOLVED FURTHER THAT, *the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."*

10. To approve the appointment of Ms. Apurva Purohit as an Independent Director and also to approve the remuneration payable

To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

*"**RESOLVED THAT,** Ms. Apurva Purohit (holding DIN 00190097), who was appointed as an Additional Independent Director with effect from January*

1, 2014 and who holds office until the date of this Annual General Meeting pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and in respect of whom the Company has received a notice in writing from a Member under the applicable provisions of the Companies Act, 2013 and the Rules thereof (or any statutory modification(s) or re-enactment thereof) proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company whose period of office shall not be liable to determination by retirement by rotation and be valid for a term of 5 (five) years till December 31, 2018.

***RESOLVED FURTHER THAT,** pursuant to the the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and subject to approval of the Members in this Annual General Meeting and such other consents and permission as may be necessary and subject to such modifications, variations as may be approved and acceptable to Ms. Apurva Purohit and the Company, the approval and consent of the Members of the Company be and is hereby accorded for the appointment to the office of Independent Director of Ms. Apurva Purohit as an Independent Director of the Company till December 31, 2018 and whose period of office shall not be liable to determination by retirement by rotation, at such remuneration on the terms and conditions approved by the Board or any Committee thereof, subject to all appropriate and/or authorized deductions as per the prevailing law(s).*

***RESOLVED FURTHER THAT,** the Board or any Committee thereof of the Company has the power to add new heads or items for payment(s), modify, alter or amend or revise or otherwise vary the terms of remuneration, other benefits, commission based on net profits, perquisites, reimbursement of expenses, sitting fees, etc., such that the overall amounts of remuneration are computed in terms of the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force).*

***RESOLVED FURTHER THAT,** the Board of Directors (including any Committee thereof), be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."*

11. To approve the appointment of Ms. Manisha Girotra as an Independent Director and also to approve the remuneration payable

To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

*"**RESOLVED THAT,** Ms. Manisha Girotra (holding DIN 00774574), appointed as an Additional Independent Director with effect from May 20, 2014 and who holds office until the date of this Annual General Meeting pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and in respect of whom the Company has received a notice in writing from a Member under the applicable provision of the Companies Act, 2013 and the Rules thereof (or any statutory modification(s) or re-enactment thereof) proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company whose period of office shall not be liable to determination by retirement by rotation and be valid for a term of 5 (five) years till May 19, 2019.*

***RESOLVED FURTHER THAT,** pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and subject to approval of the Members in this Annual General Meeting and such other consents and permission as may be necessary and subject to such modifications, variations as may be approved and acceptable to Ms. Manisha Girotra and the Company, the approval and consent of the Members of the Company be and is hereby accorded for the appointment to the office of Independent Director of Ms. Manisha Girotra as an Independent Director of the Company till May 19, 2019 and whose period of office shall not be liable to determination by retirement by rotation, at such remuneration on the terms and conditions approved by the Board or any Committee thereof, subject to all appropriate and/or authorized deductions as per the prevailing law(s).*

***RESOLVED FURTHER THAT,** the Board or any Committee thereof of the Company has the power to add new heads or items for payment(s), modify, alter or amend or revise or otherwise vary the terms of remuneration, other benefits, commission based on net profits, perquisites, reimbursement of expenses, sitting fees, etc., such that the overall amounts of remuneration are computed in terms of the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force).*

***RESOLVED FURTHER THAT,** the Board of Directors (including any Committee thereof), be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."*

12. To approve the remuneration to Non-Executive/Independent Directors

To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

*"**RESOLVED THAT,** subject to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s) or re-enactments thereof) and 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/or Independent Directors of the Company, the following remunerations during their tenure:*

(a) Commission based on the net profits of the Company, as the Board or any Committee thereof, may determine from time to time, within the limits prescribed under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s) or re-enactments thereof for the time being in force) the Board or any Committee thereof shall have the power to fix the actual remuneration to Non-Executive and /or Independent Directors.

(b) From year to year, besides sitting fees, profit related commission and all other permitted modes, the Board or any Committee thereof shall fix the remuneration for each such Non-Executive and/or Independent Directors at such amounts and method of payment as it may deem fit, subject to the limits as prescribed under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s) or re-enactments thereof).

RESOLVED FURTHER THAT, *the Board of Directors (including any Committee thereof) be and is hereby authorised to do all such things, deeds, matters and acts as may be required to give effect to this resolution and all things incidental and ancillary thereto including but not limited to the power to alter or amend or revise or vary the terms of commission/remuneration from time to time and obtaining Central Government's approval, if required and to do all things incidental and ancillary thereto."*

By the order of the Board of Directors

for Mindtree Limited

Place: Bangalore
Date: May 20, 2014

Rajesh S Narang
Vice President – Legal & Company Secretary

Mindtree Limited
Registered Office Address: Global Village, RVCE Post, Mysore Road, Bangalore-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
Ph: + 91 80 6706 4000 Fax: + 91 80 6706 4100 E-mail: investors@mindtree.com, Website: www.mindtree.com

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE ANNUAL GENERAL MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting is annexed hereto.
3. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility, for its Members to enable them to cast their votes electronically on the proposed resolutions in this notice, instead of Voting in the Annual General Meeting. Instructions for e-voting are as below:

INSTRUCTIONS FOR E-VOTING

1. **In case of Members receiving e-mail from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)]:**
   (i) Open e-mail and open PDF file viz. "Mindtree e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
   (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/
   (iii) Click on Shareholder-Login.
   (iv) Put user ID and Password as initial password noted in step (i) above. Click Login.
   (v) Password change menu appears, Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
   (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
   (vii) Select Electronic Voting Event Number (EVEN) of Mindtree Limited.
   (viii) Now you are ready for "e-voting" as "Cast Vote" page opens.
   (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
   (x) Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: seshwar@eshwars.com, with a copy marked to evoting@nsdl.co.in.
   (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
   (xii) Once you have voted on the Resolution(s), you will not be allowed to modify your vote.
2. **In case of Members receiving Notice by Post and desiring to cast e-vote:**

   In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
   (i) Initial password is provided at the bottom of the Attendance Slip for the AGM: EVEN (E Voting Event Number) USER ID PASSWORD/PIN.
   (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
   (iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
   (iv) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.
   (v) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
   (vi) The e-voting period commences on July 12, 2014 at 12.00 a.m. IST and ends on July 14, 2014 at 11.59 p.m. IST. During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 13, 2014, must cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
   (vii) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of June 13, 2014.
   (viii) Mr. S Eshwar, Practising Company Secretary (Membership No. F6097) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(ix) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Shareholders shall not be allowed to change it subsequently.

(x) The results shall be declared on or after the fifteenth AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.mindtree.com under the investors section and also on the website of NSDL within two (2) days of passing of the Resolutions at the fifteenth AGM of the Company and communicated to the Stock Exchanges on which the Company is listed.

(xi) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the "downloads" section of www.evoting.nsdl.com or contact NSDL on 022-2499 4600.

4. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, July 11, 2014 to Friday, July 18, 2014 (both days inclusive).

5. Subject to provision of Section 123 of the Companies Act, 2013, the final dividend and the special dividend as recommended by the Board of Directors, if declared and approved at the fifteenth AGM, will be paid on or before July 25, 2014:

   a) To those Members whose names appear on the Register of Members of the Company on Friday, July 11, 2014.

   b) In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares available as on the closing hours of business on Friday, July 11, 2014 as per the details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), the Depositories, for this purpose.

6. Pursuant to Clause 49 of the Listing Agreement, the brief resume/details of the Directors being appointed, re-appointed are annexed hereto.

7. The Reserve Bank of India (RBI) has instructed banks to move to the National Electronic Clearing Service (NECS)/NEFT/RTGS platform. In this regard, please note that if the Members have not provided to the Company or their Depository Participants (DP), the new bank account number, if any, allotted to them, after implementation of Core Banking System (CBS), credit of dividend through NECS/NEFT/RTGS to their old bank account number, may be rejected or returned by the banking system. In the above circumstances, the Members are requested to furnish the new bank account number, if any, allotted to them by their bank after it has implemented the CBS together with name of the Bank, Branch, 9 digit MICR Bank / Branch code, account type by quoting their folio number, DP ID and Client ID and a photocopy of the cheque pertaining to their new bank account, so that the dividend can be credited to the said bank account. Members who have not opted or updated their accounts are now requested to opt for this to avoid losses and delays. Members holding shares in physical form for availing the NECS/NEFT/RTGS facility should furnish a request in this regard to the Company/Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, (Share Transfer Agent) in the NECS NEFT/RTGS form available with the Company.

8. The Company is obliged to print such bank's details on the dividend warrants as furnished by the DPs and the Company cannot entertain any request for deletion/ change of bank details already printed on the dividend warrant(s) based on the information received from the concerned DPs, without confirmation from them. In this regard, Members are advised to contact their DPs and furnish them the particulars of any change desired, if not already provided.

9. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the amount of dividend which remains unpaid/ unclaimed for a period of 7 (seven) years is to be compulsorily transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government. Consequent to such transfer, Members would not be able to claim any amount of dividend so transferred to the IEPF. Members who have not yet encashed their dividend warrants are requested, in their own interest, to immediately write to the Company's Share Transfer Agent for claiming their outstanding dividend, declared by the Company. Any unclaimed/unpaid dividend amount shall be paid only on receipt of a valid request in this regard and the satisfactory compliance of the requisite procedure, as prescribed by the Company/ Share Transfer Agent.

10. Members must quote their Folio Number/DP ID & Client ID and contact details such as email address, contact no. etc. in all correspondences with the Company/ Share Transfer Agent.

11. Securities and Exchange Board of India ("SEBI") has made it mandatory to quote Permanent Account Number (PAN) for transfer/ transmission of shares in physical form and hence, the transferee(s)/legal heir(s) is required to furnish a copy of his/her PAN to the Company/ Share Transfer Agent.

12. Pursuant to the provisions of Section 72 of the Companies Act, 2013 the Members holding shares in physical form may nominate, in the prescribed manner, any person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. A nomination form for this purpose is available with the Company or its Share Transfer Agent. Members holding shares in demat form may contact their respective DPs for availing this facility.

13. Members holding shares in physical form are requested to notify immediately any change of their respective addresses and bank account details. Please note that request for change of address, if found incomplete in any respect shall be rejected. In case of shares held in electronic mode, the request for change of address should be made to the respective DPs with whom the Members are holding the demat account.

14. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2014 will be sent in electronic form to those Members who have registered their e-mail addresses with their DPs and made available to the Company

by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, such Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to investors@mindtree.com/ rnt.helpdesk@linkintime.co.in. Accordingly, the Company shall update its database by incorporating/updating the designated e-mail addresses in its records. Please note that the said documents will also be uploaded on the website of the Company at www.mindtree.com/investors and made available for inspection at the Registered Office of the Company during business hours of the Company.

15. Members holding shares in demat form are requested to notify any change in their addresses, e-mail ids and/or bank account mandates to their respective DPs only and not to the Company/Share Transfer Agent for effecting such changes. The Company uses addresses, e-mail ids and bank account mandates furnished by the Depositories for updating its records of the Shareholders holding shares in electronic/demat form.
16. Guidelines for attending the fifteenth Annual General Meeting (AGM) of the Company:
    a) Members/proxies are requested to affix their signature at the space provided for in the attendance slip and handover the same at the entrance of the venue of the fifteenth AGM.
    b) Corporate Members intending to send their authorised representatives to attend are requested to send a certified copy of Board Resolution authorising such representative to attend and vote on its behalf at the fifteenth AGM.
    c) Members are requested to bring the copy / notes of the Annual Report to the fifteenth AGM.
    d) The identity/signature of the Members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the Depository Participant (DP ID), account number (Client ID) and the relevant identity card for easier identification and recording of attendance at the fifteenth AGM.
17. All documents as mentioned in the Resolutions and/or Explanatory Statement are available for inspection by the Members at the Registered Office of the Company from 10.00 a.m. to 12.00 noon on any working day and will also be made available at the venue of the fifteenth AGM.
18. The Certificate from Statutory Auditors of the Company certifying that the Company's Stock Option Plans are being implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, is available for inspection by the Members at the venue of the fifteenth AGM and also at the Registered Office of the Company from 10.00 a.m. to 12.00 noon on any working day.
19. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company Secretary, at least seven days before the date of the fifteenth AGM.
20. After receiving no response from the Shareholders/Members for the required reminders sent as per Clause 5A (II) of the Listing Agreement, the Company/Share Transfer Agent has transferred the unclaimed/undelivered 16,766 physical shares belonging to 326 Shareholders of Aztecsoft Limited (subsequently merged with Mindtree Limited), into one folio and subsequently transferred the said unclaimed shares to the unclaimed suspense demat account opened by the Company as required under the Listing Agreement.
21. If any Shareholder/Member intends to claim the said unclaimed shares, please send the documents listed below to the Company's Share Transfer Agent to enable them to give credit to the respective Shareholder/Member's demat account or dispatch of share certificate, in case any Shareholder/Member does not have demat account:
    a) Request letter duly signed by the Shareholder(s);
    b) Self-attested copy of PAN card(s) & Address Proof;
    c) Letter from the Bank Manager of the bank where the Shareholder/Member has an account, identifying the person and verifying along with account details for signature attestation;
    d) Copy of the Client Master List provided by the DP; and
    e) Original old share certificates of Aztec Software and Technology Services Limited for exchange of Mindtree Limited's Share Certificate.
22. Any Member(s) who require any special assistance of any kind at the venue of the fifteenth AGM are requested to send details of their special needs in writing to the Company Secretary at, rajesh_narang@mindtree.com/investors@mindtree.com at least three days before the date of the fifteenth AGM.

Information pursuant to Clause 49 of the Listing Agreement regarding appointment of new Directors or /re-appointment of Directors:

1. Mr. V.G. Siddhartha - Non-Executive Director

Member-Strategic Initiatives Committee, Compensation Committee, Audit Committee and Nomination & Corporate Governance Committee

Mr. V.G. Siddhartha (Siddhartha) aged about 54 years is the promoter of the Coffee Day Group. His family has been in the coffee growing business for more than 130 years. The Coffee Day Group has interests in coffee retailing, logistics, technology parks (SEZ and STP scheme), financial services and investments in technology and software companies. The coffee retailing business under the brand Café Coffee Day is the market leader in India.

Siddhartha was awarded the 'Entrepreneur of the year' for 2002-03 by the Economic Times, for crafting a successful pan-Indian brand from a commodity business. He succeeded in giving the Indian consumer a new lifestyle experience, which is within the reach of the common man.

In 2011, Siddhartha was awarded the 'NextGen Entrepreneur' by Forbes India for transforming a commodity business into one of India's largest retail brands.

Names of other companies/firms/body corporate/other than Mindtree Limited where Siddhartha was a Director/held interest during FY 2013-14

Name of the Company/Firm/Body Corporate/ Association of individuals/Proprietorship	Nature of interest or concern/Change in interest or concern	Committee Name & Position
1. Public Limited Companies		
Amalgamated Bean Coffee Trading Co Ltd	Managing Director	Audit Committee-Member
Kesar Marble and Granite Limited	Member	-
2. Private Limited Companies		-
Coffee Day Resorts Private Limited	Director/Member	-
Sivan Securities Private Limited	Director/Member	-
Devadarshini Info Technologies Private Limited	Member	-
Coffee Day Private Limited	Member	-
Coffee Day Natural Resources Private Limited	Director/Member	-
Coffee day Resorts (MSM) Private Limited	Director/Member	-
Shankar Resources Private Limited	Member	-
Rajagiri and Sankhan Estates Private Limited	Member	-
Vaitarna Timber Trading Private Limited	Member	-
Sampigehutty Estates Private Limited	Director/Member	-
Chandrapore Estates Private Limited	Member	-
Kurkenmutty Estates Private Limited	Member	-
Alps Stone Private Limited	Member	-
Way2Wealth Securities Private Limited	Member	-
Vakrathunda Holding Private Limited	Member	-
ITTIAM Systems Private Limited	Director	-
Tanglin Property Developments (Mumbai) Private Limited	Director	-
3. Partnership Firms		-
Bhadra Estates	Partner	-
Chethanahalli B Estates	Partner	-
Chethanahalli C Estates	Partner	-
Chethanahalli (Kailash Ganga) Estates	Partner	-
Shaban Ramzan Estates	Partner	-
Vaz Enterprises	Partner	-
Balaji Plantations	Partner	-
Sipani & Co	Partner	-
4. Proprietary Concerns		-
Sivan & Co.	Proprietor	-
Devadarshini Estates	Proprietor	-
Chethanahalli D Estates	Proprietor	-
Chandrapore & Heggodlu Estatates	Proprietor	-
Bynekhan Estates	Proprietor	-
Lalbagh Estate	Proprietor	-
Yelnoorkhan Estate	Proprietor	-
5. Organizations / Trust / Societies etc.,		
S.V.G.H Education Trust	Managing Trustee	-
Way 2 Wealth Employee Welfare Trust	Trustee	-

Siddhartha held 1,257,000 equity shares of ₹ 10/- each, in the Company as on March 31, 2014.

2. **Mr. Janakiraman Srinivasan-President, Chief Technology Officer (CTO) and Executive Director**

Mr. Janakiraman Srinivasan (Jani), aged about 57 years, has over 30 years of experience in the IT Industry and is acknowledged as an authority in technology. Jani directs Mindtree's technology vision and is responsible for aligning the Company's technical competence with the emerging trends and futuristic technologies, relevant to our customers and the industry.

Prior to Mindtree, Jani spent 19 years with Wipro, leaving as the Chief Executive of its Global R&D division.

Jani is the President of the Indo-Japan Chamber of Commerce & Industries (IJCCI), Karnataka. He is the founding member of India's Semiconductor Association (ISA), serving its Executive Council for the first five years and later as Chairman and Advisor of ISA.

Jani holds a Bachelor's degree in Electronics and Communications from the National Institute of Technology (NIT), Trichy, India and a Master's degree in Electrical Engineering from the Indian Institute of Technology (IIT), Chennai, India.

Jani held 875,137 equity shares of ₹10/- each, in the Company as on March 31, 2014

3. **Mr. Namakal Srinivasan Parthasarathy – President, Chief Operating Officer (COO) and Executive Director**
Member-Corporate Social Responsibility Committee and Administrative Committee

Mr. Namakal Srinivasan Parthasarathy (Partha), aged about 53 years, has over 28 years of IT industry experience. Partha is known for his expertise in setting up large Offshore Development Centers (ODC) handling global delivery and operations. Partha's vision and passion for delivery excellence has helped Mindtree deliver best-in-class service, with significant value to our customers. Partha also heads all the Enterprise Service Lines at Mindtree. Prior to co-founding Mindtree, Partha was the General Manager of Wipro's technology solutions division, where he led the relationship for some large customers.

Partha has received a Masters (Honors) degree in Mathematics from BITS Pilani, M.Tech. in Computer Science from IIT, Kharagpur and has completed Advanced Management Program (AMP) at Harvard Business School, Massachusetts, USA.

Name/s of other companies/firms/body corporate/other than Mindtree Limited where Partha was a Director/held interest during FY 2013-14

Name of the Company/Firm/Body Corporate/ Association of individuals/Proprietorship	Nature of interest or concern/Change in interest or concern	Committee Name & Position
White Swan Foundation for Mental Health	Director	-

Partha held 611,921 equity shares of ₹ 10/- each in the Company as on March 31, 2014.

4. **Mr. Krishnakumar Natarajan – Chief Executive Officer (CEO) and Managing Director**
Chairman- Strategic Initiatives Committee and Administrative Committee

Mr. Krishnakumar Natarajan (KK), aged about 57 years, has over 30 years of IT industry expertise and is a respected authority in the global IT sector. KK has played key roles in Mindtree, including setting up the US operations, driving expansion in Europe, Asia Pacific and transforming Mindtree's IT services business. Today, KK's mission as CEO is to lead the Company to be an expertise-led organization.

KK was the Chairman & active participant in many activities of NASSCOM. In this role, KK worked towards strengthening the Indian IT industry to be a globally competitive ecosystem. KK is an active member of other professional industry organizations, such as Confederation of Indian Industry (CII). He is a regular speaker at reputed conferences and is a faculty member at management schools worldwide.

As a member of the Mindtree Board, KK is actively engaged in ensuring a high quality of governance. He has been involved in recruiting and bringing diversity to the Mindtree Board.

Prior to co-founding Mindtree, KK was the Chief Executive of the e-commerce and financial solutions division at Wipro and held several key positions from 1982 until 1999. During this time, KK started and grew the e-commerce division of Wipro, served as Group Vice President of human resources and was also Chief Marketing Officer for Wipro's IT business.

The industry has honored KK with several awards, including the Business Today-PWC Top 100 CEOs in India for 2013, the AIMA award for India's best young manager, Bloomberg UTV's award as the CEO of the year 2010 in the emerging company category and Chief Executive Magazine's recognition as one of the twelve global leaders of tomorrow.

KK has a bachelor's degree in mechanical engineering from the College of Engineering, Chennai, India and a Master's in Business Administration majoring in marketing and systems from the Xavier Institute, Jamshedpur, India

Name/s of other companies/firms/body corporate/other than Mindtree Limited where KK was a Director/held interest during FY 2013-14

Name of the Company/Firm/Body Corporate/ Association of individuals/Proprietorship	Nature of interest or concern/Change in interest or concern	Committee Name & Position
Data Security Council of India	Nominee Director	-

KK held 2,001,043 equity shares of ₹ 10/- each in the Company as on March 31, 2014.

5. **Mr. Rostow Ravanan – Chief Financial Officer (CFO) and Executive Director**
Member-Administrative Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee

Rostow Ravanan, (Rostow), aged about 43 years, has over 15 years of experience in the area of corporate finance. Currently, Rostow is responsible for the finance, treasury, compliance, legal, administration and facilities, procurement and travel and immigration functions at Mindtree.

Rostow led Mindtree's IPO in February 2007, which was amongst the most successful IPOs of 2007. He was also responsible for defining and implementing processes for good governance that led Mindtree to be ranked amongst the top 25 best governed companies in India.

Prior to co-founding Mindtree, Rostow had worked with Lucent Technologies as Business Value Manager, responsible for long term strategic planning at Bell Laboratories' product realization center in India. Before joining Lucent, Rostow had worked with KPMG's corporate finance and specialized in strategy consulting, mergers and acquisitions and valuations across various industries.

He holds a bachelor's degree in commerce from Bangalore University, is a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.

Name/s of other companies/firms/body corporate/other than Mindtree Limited where Rostow was a Director/held interest during FY 2013-14

Name of the Company/Firm/Body Corporate/ Association of individuals/Proprietorship	Nature of interest or concern/Change in interest or concern	Committee Name & Position
Mindtree Foundation	Director	-
Mindtree Software (Shanghai) Co. Ltd.,	Chairman & Director	-

Rostow held 295,809 equity shares of ₹ 10/- each, as on May 20, 2014.

6. **Dr. Albert Joseph Hieronimus-Vice Chairman and Independent Director**
Chairman-Stakeholders Relationship Committee and Nomination & Corporate Governance Committee
Member-Strategic Initiatives Committee and Audit Committee

Dr. Albert Joseph Hieronimus (Dr. Hieronimus) aged about 67 years, has been on the Mindtree Board since 2006. He was the Chairman of the Board from April 1, 2011 to March 31, 2012.

Dr. Hieronimus has also been the Chairman of the Executive Board at Bosch Rexroth AG, since February 2008 and has over 30 years of experience at Mannesmann and Bosch Group companies. In 2003, he was made Chairman of the Executive Board of Motor Industries Co. Ltd. (MICO), where he was responsible for the sales, application and development departments.

Dr. Hieronimus' knowledge and experience ranges from sales, finance and planning to management accounting, human resources, development and information processing. A Ph.D. mathematician, Dr. Hieronimus is an alumnus of the University of Cologne.

Name/s of other companies/firms/body corporate/other than Mindtree Limited where Dr. Hieronimus was a Director/held interest during FY 2013-14

Name of the Company/Firm/Body Corporate/ Association of individuals/Proprietorship	Nature of interest or concern/Change in interest or concern	Committee Name & Position
Bosch Rexroth AG,	Director	-

Dr. Hieronimus did not hold any equity shares of the Company as on March 31, 2014

7. **Ms. Apurva Purohit- Independent Director and Member of Audit Committee**

Ms. Apurva Purohit (Apurva) aged about 47 years is the CEO of Music Broadcast Private Limited, which operates Radio City 91.1 FM, India's first and leading FM radio brand. Apurva has graduated from IIM Bangalore in 1989 and she is a specialist in the media business and has been managing media organizations for a large part of her career.

Prior to her entry into radio, she was part of the television industry where she worked in leadership roles with Bennett Coleman and Company Limited (BCCL) & Zee Telefilms. She has launched successful TV brands like Zoom, India's first lifestyle channel and fashioned the re-launch strategy for Zee TV, the flagship channel of Zee Telefilms.

She pioneered the concept of consolidated media buying in India by launching the first-ever independent media buying agency, Lodestar in 1995. Lodestar is amongst the top 5 agencies in the country today and is now a part of IPG, one of the big four advertising holding companies globally.

Apurva was the first President of the Association of Radio Operators for India (AROI). She is a member of the Ministry of Information and Broadcasting's Sectoral Council on Innovation.

Apurva is the author of the national bestselling book "Lady, You're not a Man – the Adventures of a Woman at Work". She lectures extensively at institutes and corporates on issues ranging from leadership skills and building great organizational cultures, managing gender diversity, creating the balance between home and work and making successful career choices.

Name/s of other companies/firms/body corporate/other than Mindtree Limited where Apurva was a Director/held interest during FY 2013-14

Name of the Company/Firm/Body Corporate/ Association of individuals/Proprietorship	Nature of interest or concern/Change in interest or concern	Committee Name & Position
Music Broadcast Private Limited	CEO	-

Apurva did not hold any equity shares of the Company as on March 31, 2014.

8. Ms. Manisha Girotra- Independent Director

Ms. Manisha Girotra (Manisha) aged about 45 years, is currently the Chief Executive Officer and Managing Director of Moelis & Company India Private Limited in India. She was previously the CEO and Country Head for UBS in India, with a career spanning 16 years with UBS in Mumbai, Delhi and London. Prior to UBS, Manisha ran Barclays de Zoete Wedd's investment bank activities in Delhi.

At UBS, Manisha oversaw the multiple businesses of the firm in India, including investment banking, equities trading, a propriety equity/equity linked investment book , etc.,

Manisha graduated in Economics from St. Stephen's College, Delhi and was awarded the Dr. Manmohan Singh Gold Medal for academic excellence for her Masters degree from the Delhi School of Economics.

Others:

- Board Member of Technip, a leading Construction and Engineering Company;
- Trustee of the Neurology Foundation & Trust;
- Strong Advocacy of contribution of Women in Indian Society;
- Nominated as a Young Global Leader (YGL) 2010 by the World Economic Forum;
- Named as one of the '15 Women to Watch in Asia' by Forbes in 2008;
- Amongst the '50 Women to Watch' by the Wall Street Journal survey in 2007;
- Nominated to Fortune Most Powerful Women in Business Club' in 2011; and
- Top 25 Most Powerful Women in Business in India by Business Today for 5 consecutive years.

Name/s of other companies/firms/body corporate/other than Mindtree Limited where Manisha was a Director/held interest during FY 2013-14

Name of the Company/Firm/Body Corporate/ Association of individuals/Proprietorship	Nature of interest or concern/Change in interest or concern	Committee Name & Position
Moelis & Company India Private Limited	CEO & MD	-
Technip France	Director	-

Manisha did not hold any equity shares of the Company as on May 20, 2014.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6

The Board of Directors of Mindtree Limited vide Circular Resolution dated December 24, 2013 had appointed Mr. Namakal Srinivasan Parthasarathy (Partha) as an Additional Director of the Company pursuant to the applicable provisions of the Companies Act, 1956 including any Schedules and the relevant Rules thereof (including any statutory modification(s) or re-enactment thereof) and then appointed him as an Executive Director for a period of 5 (five) years with effect from January 1, 2014 to December 31, 2018. This appointment as an Executive Director is subject to the approval of the Members at the fifteenth AGM. Partha holds office upto the date of the fifteenth AGM.

The Board of Directors at its meeting held on January 16, 2014 had taken on record that, Partha who was appointed as an Alternate Director to Mr. Janakiraman Srinivasan, Executive Director, with effect from October 22, 2012, be relieved from being an Alternate Director to Mr. Janakiraman Srinivasan (consequent to his vacation of office as an Alternate Director).

Under Section 160 of the Companies Act, 2013, any Member desirous of appointing a Director shall nominate, in writing, any person for the position of directorship not less than 14 days prior to the general meeting and the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, signifying the Member's intention to propose the candidature of Partha for the office of Director of the Company at the fifteenth AGM along with the requisite deposit.

Consequently, your Directors send this notice to each one of you in compliance under the applicable provisions of the Companies Act, 2013 and Rules and your Directors recommend the passing of the Resolutions as specified in Item No. 6 of the Notice convening the fifteenth AGM.

Copy of the notice received from Member and receipt issued for money received is available for inspection by the Members of the Company at the Registered Office of the Company from 10.00 a.m. to 12.00 noon on any working day of the Company.

Brief Profile of Partha has been provided above under information pursuant to Clause 49 of the Listing Agreement regarding appointment of new Directors or re-appointment of Directors.

I **Brief Terms of appointment of Partha as an Executive Director:**

1. The appointment of Partha as an Executive Director is with effect from January 1, 2014 and his term of office shall be liable to determination by retirement by rotation. He will be a Member of the Board of Directors of the Company entrusted with powers of management having control on general conduct and management of the business affairs of the Company.
2. Partha will be based at Bangalore and will undertake such travel in and outside India as may be necessary from time to time in relation to the business of the Company.
3. Partha shall perform such duties and responsibilities as may be entrusted to him from time to time subject to the superintendence and control of the Board of Directors of the Company in connection with and in the best interests of the business of the Company and the

business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Managing Director and/or the Board from time to time, by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

4. No sitting fee shall be paid to Partha as Director for attending the meetings of the Board of Directors or any Committee/s thereof.
5. The employment agreement entered into with Partha can be terminated for convenience by either Mindtree or Partha by way of notice of three months to the other party, provided that, the Company has the right of waiver of the notice, with or without any conditions at the discretion of the Chairman of the Board of Directors of the Company.
6. Shareholding & stock options- Partha holds 611,921 equity shares of ₹ 10/- each, amounting to 1.47% shareholding of the Company as on March 31, 2014. There are no outstanding Stock options to Partha as on March 31, 2014.

II **Brief Terms of Remuneration payable to Partha as an Executive Director:**

1. **Financial Year 2013-14**

Subject to the applicable provisions of the Companies Act, 2013, Income Tax Act and any other applicable regulations, the Managerial Remuneration payable to Partha will be as follows:

The fixed compensation for Partha effective from November 1, 2013 will be ₹ 6,814,084/- per annum, subject to all appropriate and/or authorized deductions. In addition, Partha will be entitled to the following:

a) Variable incentive payment linked to achievement of annual performance objectives, and/or Commission determined as a percentage of net profits of the Company as determined by the Compensation Committee from year to year. The scheme shall provide for under/over achievement based on the actual performance against the financial objectives. The amount for financial year 2013-14 under this component shall not exceed 200% of the fixed compensation;
b) Variable incentive payment, linked to long term financial objectives of the Company, as determined by the Compensation Committee, either as a general scheme for senior management team members or specifically for Partha. The amount for financial year 2013-14 under this component shall not exceed 200% of the fixed component;
c) The performance evaluation payment/Commission/variable incentive payments will be paid monthly/quarterly/annually as per the scheme approved by the Compensation Committee;
d) Grant of Phantom Stock Options – 55,000 units have been granted and further may be approved from time to time by the Compensation Committee;
e) Leave on full pay and allowances, as per the Company's rules with encashment of leave facility;
f) Provision of car with chauffeur, telephone, fax and internet and other facilities as per the Company's rules;
g) Medical, personal accident and other policies as per the rules of the Company;
h) Gratuity and other deferred benefits payable as per the rules of the Company;
i) Other benefits and allowances including but not limited to, rent free furnished accommodation, reimbursement of gas, electricity, water charges and medical expenses for self and Family members, furnishings, payment of premiums on personal accident and health insurance, club fees, use of car with chauffeur, telephones, house maintenance allowance, leave travel allowance, contributions to provident fund, superannuation fund, gratuity, leave entitlement, encashment of leave and housing, grant of phantom stock option rights, etc., and such other perquisites, benefits and allowances as per the rules of the Company; and
j) Such other benefits, amenities, facilities and perquisites as per the rules of the Company as applicable to Senior Executives and as may be permitted by the Board of Directors to the Executive Director (collectively, Managerial Remuneration).

Explanation: Family shall mean, spouse, dependent children and dependent parents.

The Managerial Remuneration is subject to all appropriate and/or authorized deductions.

2. **Financial Years 2014-19 (April 1, 2014 to December 31, 2018)**

Subject to the applicable provisions of the Companies Act, 2013, Income Tax Act and any other applicable regulations, the Managerial Remuneration payable to Partha for financial year 2014-15 and thereafter will be as follows:

a) Managerial Remuneration in such heads as stated above for financial year 2013-14 or as amended from time to time by the Compensation Committee;
b) An annual salary increase of the fixed salary compensation from the financial year 2014-15 onwards as approved by the Compensation Committee;
c) Variable incentive payment, linked to annual or long term financial objectives of the Company, as approved by the Compensation Committee and subject to the limits set by the Compensation Committee; and
d) Grant of Phantom Stock Options as per the numbers and scheme approved by the Compensation Committee.

The above payments for all the financial years are subject to all appropriate and/or authorized deductions as per prevailing law(s).

The aggregate amounts of Managerial Remuneration for all the financial years to Partha individually, shall always be within the overall ceiling laid down under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and is commensurate with the responsibility in a Company of this size and extent of business operations.

Where if in any financial year the Company has no profits or its profits are inadequate, Partha shall be entitled to receive the same enhanced Managerial Remuneration subject to compliance with applicable provisions of the Companies Act, 2013 and to the extent necessary, with the approval of the Central Government. For any increase in the remuneration of Partha, the Company would seek approval of Shareholders or the Compensation Committee of the Board, as may be applicable.

Partha does not suffer any of the disqualification(s) prescribed under law and hence, qualifies for appointment as an Executive Director of the Company.

Section 196 read with Schedule V and other applicable provisions of the Companies Act 2013, requires Shareholders to approve the appointment and remuneration payable to the Whole-time-Directors.

Accordingly, your Directors recommend the passing of the Resolutions as specified in Item No. 6 of the notice convening the fifteenth AGM

Memorandum of Concern or Interest

No Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise other than Partha (along with his respective relatives) who is interested in or concerned in the aforesaid Resolution.

The appointment letter of Partha is kept open for inspection of the Members at the Registered Office situated at, Global Village, RVCE Post, Mysore Road, Bangalore-560059, on any working day of the Company between 10.00 a.m. to 12.00 noon. The terms and conditions of appointment will be placed before the Members for their confirmation at this Annual General Meeting of the Shareholders.

Item No. 7

The Board of Directors at its meeting held on January 16, 2014 had re-appointed Mr. Krishnakumar Natarajan as the CEO & Managing Director of the Company for a period commencing from April 1, 2014 to June 30, 2017 as per the applicable provisions of the Companies Act, 1956, including any Schedules and the relevant Rules thereof. This re-appointment as CEO and Managing Director is subject to the approval of the Members at the fifteenth AGM of the Company and any other regulatory approvals, if applicable.

Brief Profile of Mr. Krishnakumar Natarajan (KK) has been provided above under Information pursuant to Clause 49 of the Listing Agreement regarding appointment of new Directors or re-appointment of Directors.

I **Brief Terms of Re- appointment of KK as CEO & Managing Director:**

The re-appointment of KK as CEO & MD is for a period commencing from April 1, 2014 to June 30, 2017 (unless earlier terminated in accordance with the employment agreement). Upon expiry of the term, the agreement may be renewed, subject to the Company and KK executing another employment agreement and obtaining necessary corporate and regulatory approvals under the applicable laws as per the applicable provisions of the Companies Act, 2013. KK will be a Member of the Board of Directors of the Company entrusted with substantial powers of management having total control on general conduct and management of the business affairs of the Company.

1. KK will be based at Bangalore and will undertake such travel in and outside India as may be necessary from time to time in relation to the business of the Company.
2. KK shall perform such duties and responsibilities as may be entrusted to him from time to time subject to the superintendence and control of the Board of Directors of the Company.
3. No sitting fee shall be paid to KK as Director/Managing Director for attending the meetings of the Board of Directors or any Committee/s thereof.
4. The employment agreement entered into with KK can be terminated for convenience by either Mindtree or KK by way of notice of twelve months to the other party.
5. Shareholding & stock options- KK holds 2,001,043 equity shares of ₹ 10/- each, amounting to 4.80% of shareholding of the Company as on March 31, 2014. There are no outstanding Stock options to KK as on March 31, 2014.

II **Brief Terms of Remuneration payable to KK as CEO & Managing Director:**

1. Financial Year 2013-14

Subject to the applicable provisions of the Companies Act, 2013, Income Tax Act and any other applicable regulations, the remuneration payable to KK will be as follows:

The fixed compensation for KK effective from October 1, 2013 will be ₹ 7,022,855/- per annum, subject to all appropriate and/or authorized deductions. In addition, KK will be entitled to the following:

a) Variable incentive payment linked to achievement of annual performance objectives, and/or Commission determined as a percentage of net profits of the Company as determined by the Compensation Committee from year to year. The scheme shall provide for under/ over achievement based on the actual performance against the financial objectives;
b) Variable incentive payment, linked to long term financial objectives of the Company, as determined by the Compensation Committee, either as a general scheme for senior management team members or specifically for KK;
c) The performance evaluation payment/Commission/variable incentive payments will be paid monthly/quarterly/annually as per the scheme approved by the Compensation Committee;
d) Grant of Phantom Stock Options – 108, 333 units have been granted and further may be approved from time to time by the Compensation Committee;
e) Leave on full pay and allowances, as per the Company's rules with encashment of leave facility;
f) Provision of car with chauffeur, telephone, fax and internet and other facilities as per the Company's rules;
g) Medical, personal accident and other policies as per the rules of the Company;
h) Gratuity and other deferred benefits payable as per the rules of the Company;
i) Other benefits and allowances including but not limited to, rent free furnished accommodation, reimbursement of gas, electricity, water charges and medical expenses for self and Family members, furnishings, payment of premiums on personal accident and health insurance, club fees, use of car with chauffeur, telephones, house maintenance allowance, leave travel allowance, contributions to provident fund, superannuation fund, gratuity, leave entitlement, encashment of leave and housing, grant of phantom stock option rights, etc., and such other perquisites, benefits and allowances as per the rules of the Company; and
j) Such other benefits, amenities, facilities and perquisites as per the rules of the Company as applicable to Senior Executives and as may be permitted by the Board of Directors to the Managing Director (collectively, Managerial Remuneration).

Explanation: Family shall mean, spouse, dependent children and dependent parents.

The Managerial Remuneration is subject to all appropriate and/or authorized deductions.

2. Financial Years 2014-18 (April 1, 2014 to June 30, 2017)

Subject to the applicable provisions of the Companies Act, 2013, Income Tax Act and any other applicable regulations, the Managerial Remuneration payable to KK for financial year 2014-15 and thereafter will be as follows:

a) Managerial Remuneration in such heads as stated above for financial year 2013-14 or as amended from time to time by the Compensation Committee;

b) An annual salary increase of the fixed salary compensation from the financial year 2014-15 onwards as approved by the Compensation Committee;

c) Variable incentive payment, linked to annual or long term financial objectives of the Company, as approved by the Compensation Committee and subject to the limits set by the Compensation Committee; and

d) Grant of Phantom Stock Options –as per the numbers & scheme approved by the Compensation Committee.

The above payments for all the financial years are subject to all appropriate and/or authorized deductions as per prevailing law(s).

The aggregate amounts of Managerial Remuneration for all the financial years to KK individually, shall always be within the overall ceiling laid down under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and is commensurate with the responsibility in a Company of this size and extent of business operations.

Where if in any financial year the Company has no profits or its profits are inadequate, KK shall be entitled to receive the same enhanced Managerial Remuneration subject to compliance with applicable provisions of the Companies Act, 2013 and to the extent necessary, with the approval of the Central Government. For any increase in the remuneration of KK, the Company would seek approval of Shareholders or the Compensation Committee of the Board, as may be applicable.

KK does not suffer any of the disqualification prescribed under law and hence, qualifies for appointment as CEO & Managing Director of the Company.

Section 196 read with Schedule V and other applicable provisions of the Companies Act 2013, requires Shareholders to approve the appointment and remuneration payable to the Whole-time-Directors.

Accordingly, your Directors recommend the passing of the Resolutions as specified in Item No. 7 of the notice convening the fifteenth AGM.

Memorandum of Concern or Interest

No Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise other than KK (along with his respective relatives), who is interested in or concerned in the aforesaid Resolution.

The appointment letter of KK is kept open for inspection of the Members at the Registered Office situated at, Global Village, RVCE Post, Mysore Road, Bangalore-560059, on any working day of the Company between 10.00 a.m. to 12.00 noon. The terms and conditions of appointment will be placed before the Members for their confirmation at this Annual General Meeting of the Shareholders.

Item No. 8

The Board of Directors at its meeting held on May 20, 2014 have taken on record that, Mr. Rostow Ravanan (DIN No. 00144557) who was appointed as an Alternate Director to Mr. Namakal Srinivasan Parthasarathy (DIN No 00146954), Executive Director, with effect from January 17, 2014, be relieved from being an Alternate Director to Mr. Namakal Srinivasan Parthasarathy (consequent to his vacation of office as an Alternate Director), with effect from the closing hours of May 19, 2014.

The Board of Directors at its meeting held on May 20, 2014 have appointed Mr. Rostow Ravanan as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 and then appointed him as an Executive Director with effect from May 20, 2014 liable to retire by rotation. This appointment as an Executive Director is subject to the approval of the Members at the fifteenth AGM. Mr. Rostow Ravanan holds office upto the date of the fifteenth AGM.

Under Section 160 of the Companies Act, 2013 any Member desirous of appointing a Director shall nominate, in writing, any person for the position of directorship not less than 14 days prior to the general meeting and the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Rostow Ravanan for the office of Director of the Company at the fifteenth AGM along with the requisite deposit.

Consequently, your Directors send this notice to each one of you in compliance with Section 160 of the Companies Act, 2013 and all other applicable provisions of the said Act and your Directors recommend the passing of the resolutions as specified in Item No. 8 of the Notice convening the fifteenth AGM.

Copy of the notice received from Member and receipt issued for money received is available for inspection by the Members of the Company at the registered office from 10.00 a.m. to 12.00 noon on any working day of the Company.

Brief Profile of Mr. Rostow Ravanan (Rostow) has been provided above under Information pursuant to Clause 49 of the Listing Agreement regarding appointment of new Directors or re-appointment of Directors.

I **Brief Terms of appointment of Mr. Rostow as an Executive Director:**

1. The appointment of Rostow as an Executive Director is with effect from May 20, 2014 and his term of office shall be liable to determination by retirement by rotation. He will be a Member of the Board of Directors of the Company entrusted with powers of management having control on general conduct and management of the business affairs of the Company.
2. Rostow will be based at Bangalore and will undertake such travel in and outside India as may be necessary from time to time in relation to the business of the Company.
3. Rostow shall perform such duties and responsibilities as may be entrusted to him from time to time subject to the superintendence and control of the Board of Directors of the Company in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Managing Director and/or the Board from time to time, by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.
4. No sitting fee shall be paid to Rostow as Director for attending the meetings of the Board of Directors or any Committee/s thereof.
5. The employment agreement entered into with Rostow can be terminated for convenience by either Mindtree or Rostow by way of notice of three months to the other party, provided that, the Company has the right of waiver of the notice, with or without any conditions at the discretion of the Chairman of the Board of Directors of the Company.
6. Shareholding & stock options- Rostow holds 295,809 equity shares of ₹ 10/- each, amounting to 0.71% shareholding of the Company as on May 20, 2014. There are no outstanding Stock options to Rostow as on May 20, 2014.

II Brief Terms of Remuneration payable to Rostow as an Executive Director:

1. Financial Year 2014-15

Subject to the applicable provisions of the Companies Act, 2013, Income Tax Act and any other applicable regulations, the remuneration payable to Rostow will be as follows:

The fixed compensation for Rostow effective from November 1, 2013 will be ₹ 6,581,544 per annum, subject to all appropriate and/or authorized deductions. In addition, Rostow will be entitled to the following:

a) Variable incentive payment linked to achievement of annual performance objectives, and/or Commission determined as a percentage of net profits of the Company as determined by the Compensation Committee from year to year. The scheme shall provide for under/over achievement based on the actual performance against the financial objectives. The amount for FY 2014-15 under this component shall not exceed 200% of the fixed compensation;

b) Variable incentive payment, linked to long term financial objectives of the Company, as determined by the Compensation Committee, either as a general scheme for senior management team members or specifically for Rostow. The amount for FY 2014-15 under this component shall not exceed 200% of the fixed component;

c) The performance evaluation payment/Commission/variable incentive payments will be paid monthly/quarterly/annually as per the scheme approved by the Compensation Committee;

d) Grant of Phantom Stock Options- 55,000 units have been granted and further may be approved from time to time by the Compensation Committee;

e) Leave on full pay and allowances, as per the Company's rules with encashment of leave facility;

f) Provision of car with chauffeur, telephone, fax and internet and other facilities as per the Company's rules;

g) Medical, personal accident and other policies as per the rules of the Company;

h) Gratuity and other deferred benefits payable as per the rules of the Company;

i) Other benefits and allowances including but not limited to, rent free furnished accommodation, reimbursement of gas, electricity, water charges and medical expenses for self and Family members, furnishings, payment of premiums on personal accident and health insurance, club fees, use of car with chauffeur, telephones, house maintenance allowance, leave travel allowance, contributions to provident fund, superannuation fund, gratuity, leave entitlement, encashment of leave and housing, grant of phantom stock option rights, etc., and such other perquisites, benefits and allowances as per the rules of the Company; and

j) Such other benefits, amenities, facilities and perquisites as per rules of the Company as applicable to Senior Executives and as may be permitted by the Board of Directors to the Executive Director (collectively, Managerial Remuneration).

Explanation: Family shall mean, spouse, dependent children and dependent parents.

The Managerial Remuneration is subject to all appropriate and/or authorized deductions.

Subject to applicable provisions of the Companies Act, 2013, Income Tax Act and any other applicable regulations, the Managerial Remuneration payable to Rostow for the financial year 2015-16 and thereafter will be as follows:

a) Managerial Remuneration in such heads as stated above for financial year 2014-15 or as amended from time to time by the Compensation Committee;

b) An annual salary increase of the fixed salary compensation from the financial year 2015-16 onwards as approved by the Compensation Committee;

c) Variable incentive payment, linked to annual or long term financial objectives of the Company, as approved by the Compensation Committee, and subject to the limits set by the Compensation Committee; and

d) Grant of Phantom Stock Options –as per the numbers & scheme approved by the Compensation Committee.

The above payments for all the financial years are subject to all appropriate and/or authorized deductions as per prevailing law(s).

The aggregate amounts of Managerial Remuneration for all the financial years to Rostow individually, shall always be within the overall ceiling laid down under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and is commensurate with the responsibility in a Company of this size and extent of business operations.

Where if in any financial year the Company has no profits or its profits are inadequate, Rostow shall be entitled to receive the same enhanced Managerial Remuneration subject to compliance with applicable provisions of Companies Act, 2013 and to the extent necessary, with the approval of the Central Government. For any increase in the remuneration of Rostow, the Company would seek approval of Shareholders or Compensation Committee of the Board, as may be applicable.

Rostow does not suffer any of the disqualification(s) prescribed under law and hence, qualifies for appointment as an Executive Director of the Company.

Section 196 read with Schedule V and other applicable provisions of the Companies Act 2013, requires Shareholders to approve the appointment and remuneration payable to the Whole-time-Directors.

Accordingly, your Directors recommend the passing of the Resolutions as specified in Item No. 8 of the notice convening the fifteenth AGM.

Memorandum of Concern or Interest

No Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise other than Rostow (along with his respective relatives), who is interested in or concerned in the aforesaid Resolution.

The appointment letter of Rostow is kept open for inspection of the Members at the Registered Office situated at, Global Village, RVCE Post, Mysore Road, Bangalore-560059, on any working day of the Company between 10.00 a.m. to 12.00 noon. The terms and conditions of appointment will be placed before the Members for their confirmation at this Annual General Meeting of the Shareholders.

Item No. 9

Dr. Albert Hieronimus was appointed as Independent Director and his office as Independent Director was liable to determination by retirement by rotation. However, as per the provisions of Section 149 of Companies Act, 2013 (which has been notified with effect from April 1, 2014), the

Independent Directors shall not retire by rotation. Hence, to be in compliance with the applicable provisions of law, the Board proposes to alter the terms of appointment of Dr. Albert Hieronimus with respect to his term of office as an Independent Director and his term of office as an Independent Director shall not be liable to determination by retirement by rotation.

Accordingly, your Directors recommend the passing of the Resolutions as specified in Item No. 9 of the notice convening the fifteenth AGM.

Copy of the appointment letter of Dr. Albert Hieronimus is available for inspection by the Members of the Company at the Registered Office from 10.00 a.m. to 12.00 noon on any working day of the Company.

No Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise other than Dr. Albert Hieronimus (along with his respective relatives), who is interested in or concerned in the aforesaid Resolution.

In the opinion of the Board, Dr. Albert Hieronimus, fulfils the conditions specified under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof.

Item No. 10

The Board of Director of the Company vide Circular Resolution dated December 24, 2013 had appointed Ms. Apurva Purohit as an Additional Director. Pursuant to Section 161 of the Companies Act, 2013. Ms. Apurva Purohit holds office upto the date of the fifteenth AGM.

Under Section 160 of the Companies Act, 2013, any Member desirous of appointing a Director shall nominate, in writing, any person for the position of directorship not less than 14 days prior to the general meeting.

The Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Ms. Apurva Purohit for the office of Independent Director of the Company at the fifteenth AGM along with the requisite deposit.

Consequently, your Directors send this notice to each one of you in compliance with Section 160 and all other applicable provisions of the Companies Act, 2013 and recommend that Ms. Apurva Purohit be appointed as an Independent Director of the Company whose period of office shall not be liable to determination by retirement by rotation and be valid for a term of 5 (five) years till December 31, 2018.

Ms. Apurva Purohit does not suffer any of the disqualification prescribed under law and hence, qualifies for appointment as an Independent Director of the Company.

In the opinion of the Board, Ms. Apurva Purohit, fulfils the conditions specified under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof, for appointment as an Independent Director.

Accordingly, your Directors recommend the passing of the Resolutions as specified in Item No. 10 of the notice convening the fifteenth AGM.

Copy of the notice received from Member and receipt issued for money received and the appointment letter of Ms. Apurva Purohit is available for inspection by the Members of the Company at the Registered Office from 10.00 a.m. to 12.00 noon on any working day of the Company.

No Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise other than Ms. Apurva Purohit (along with her respective relatives), who is interested in or concerned in the aforesaid Resolution.

Item No. 11

The Board of Directors at its meeting held on May 20, 2014 appointed Ms. Manisha Girotra as an additional Independent Director. Pursuant to Section 161 of the Companies Act, 2013. Ms. Manisha Girotra holds office upto the date of the fifteenth AGM.

Under Section 160 of the Companies Act, 2013, any Member desirous of appointing a Director shall nominate, in writing, any person for the position of directorship not less than 14 days prior to the general meeting.

The Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Ms. Manisha Girotra for the office of Independent Director of the Company at the fifteenth AGM along with the requisite deposit.

Consequently, your Directors send this notice to each one of you in compliance with Section 160 and all other applicable provisions of the Companies Act, 2013 and recommend that Ms. Manisha Girotra be appointed as an Independent Director of the Company whose period of office shall not be liable to determination by retirement by rotation and be valid for a term of 5 (five) years till May 19, 2019.

Ms. Manisha Girotra does not suffer any of the disqualification prescribed under law and hence, qualifies for appointment as Independent Director of the Company.

In the opinion of the Board, Ms. Manisha Girotra, fulfils the conditions specified under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof, for appointment as an Independent Director.

Accordingly, your Directors recommend the passing of the Resolutions as specified in Item No. 11 of the notice convening the fifteenth AGM.

Copy of the notice received from Member and receipt issued for money received and the appointment letter of Ms. Manisha Girotra is available for inspection by the Members of the Company at the Registered Office from 10.00 a.m. to 12.00 noon on any working day of the Company.

No Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise other than Ms. Manisha Girotra (along with her respective relatives) is interested in or concerned in the aforesaid Resolution.

Item No. 12

The Members of the Company at the tenth Annual General Meeting held on July 3, 2009, had approved the payment of remuneration to Non-Executive and Independent Directors of the Company.

The role, responsibilities and participation of the Non-Executive and Independent Directors in the affairs of the Company have increased over a period of time. The compensation payable to the Non-Executive and Independent Directors should therefore be commensurate with their increased roles and responsibilities.

With the constitution of various Committees of the Board and the increasing demand over the time of the independent and professional Directors on various matters relating to the Company, it is advisable to put in place an appropriate mechanism to compensate, attract and retain professionals on the Board. Thus it is proposed to remunerate the Directors other than the Managing/Whole-time Directors based on the performance of the Company on yearly basis by way of commission on the net profits and as stated in Resolution herein. The remuneration to Directors other than the Managing /Whole-Time Directors is set out in Resolution No. 12 of the accompanying notice.

Keeping in view the above, the Board, subject to the approval of Members of the Company, has approved by way of an annual payment to the Non-Executive and Independent Directors, a commission, as the Board including any Committee thereof may from time to time determine not exceeding 1% per annum of the net profits of the Company, calculated under the applicable provisions of the Companies Act, 2013,. The said commission shall not exceed the permissible limit under the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof (including any statutory modification(s) or re-enactment thereof).The aforesaid commission shall be paid to all such Directors in addition to the sitting fees paid to them for attending meetings of the Board and Committees thereof.

In order to be consistent with the globally accepted governance practices, it is proposed to adopt a 'Differential Remuneration Policy' for Non-Executive/Independent Directors. As per the proposed Differential Remuneration Policy, the Non-Executive Independent Directors will be paid remuneration linked to their attendance at the meetings of the Board or Committees thereof and depending upon their position in various Committees of the Board, whether that of the Chairman or Member of the Committees.

All the Independent Directors currently in the Board, namely, Dr. Albert Hieronimus, Prof. David B Yoffie, Prof. Pankaj Chandra, Mr. Ramesh Ramanathan, Ms. Apurva Purohit and Ms. Manisha Girotra and Mr. V.G.Siddhartha, Non-Executive Director along with their respective relatives are deemed to be concerned or interested in this Resolution. None of the other Directors and Key Managerial Personnel along with their respective relatives are, in any way, concerned or interested financial other otherwise in this Resolution.

The Shareholders' approval is also sought for payment of service tax at applicable rates, over and above the remuneration paid to the Non-Executive Director/Independent Directors. The remuneration is determined by the Board of Directors of the Company as per the applicable provisions of the Companies Act, 2013, the Articles of Association of the Company and the provisions of any rules/regulations/guidelines issued/framed by appropriate authorities.

Your Directors recommend the Resolution set out in Item No. 12 of the Notice for your approval.

By the order of the Board of Directors
for Mindtree Limited

Place: Bangalore
Date: May 20, 2014

Rajesh S Narang
Vice President – Legal & Company Secretary

Mindtree Limited
Registered Office Address: Global Village, RVCE Post, Mysore Road, Bangalore-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
Ph: + 91 80 6706 4000 Fax: + 91 80 6706 4100 E-mail: investors@mindtree.com, Website: www.mindtree.com

Mindtree
Welcome to possible

Mindtree Limited

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FIFTEENTH ANNUAL GENERAL MEETING – JULY 18, 2014

ATTENDANCE SLIP

Pursuant to Section 108 of the Companies Act, 2013, read with the Companies(Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all Resolutions set forth in the Notice convening the Fifteenth Annual General Meeting to held on Friday, July 18, 2014 at 10:30 a.m. IST. The Company has engaged the services of National Depository Limited (NSDL) to provide the e-voting facility.

The e-voting facility is available at the link https://www.e-voting.nsdl.com

Registered Folio No. / DP ID No./ Client ID No.:	
Name and Address of Shareholder	
Number of Shares held:	

1) I hereby record my presence at the Fifteenth Annual General Meeting of the Company at, 'The Chancery Hall' Hotel Atria, #1, Palace Road, Bangalore 560001, Karnataka, India, on Friday, July 18, 2014 at 10:30 a.m. IST.

2) Signature of the Shareholder/Proxy present

3) Shareholder/Proxy Holder wishing to attend the AGM must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4) Shareholder/Proxy Holder desiring to attend the AGM may bring his/her copy of the Annual Report for reference at the AGM.

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

ELECTRONIC VOTING PARTICULARS

EVEN (e-voting event number)	User ID	Password

Note:
The E-Voting starts from Saturday, July 12, 2014 at 12.00 a.m. IST and ends on Monday, July 14, 2014 at 11.59 p.m. IST. The E-Voting module shall be disabled by NSDL for voting thereafter. Kindly refer the instructions printed in the Notice to fifteenth AGM before exercising your vote. These details and instructions form an integral part of the Notice for the fifteenth AGM to be held on July 18, 2014.

Mindtree
Welcome to possible

Mindtree Limited

Corporate Identity Number (CIN): L72200KA1999PLC025564

Registered office: Global Village, RVCE Post, Mysore Road, Bangalore-560059, Karnataka, India.
Ph: + 91 80 6706 4000 Fax: + 91 80 6706 4100 E-mail: investors@mindtree.com, Website: www.mindtree.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We, being the Member (s) of ..... shares of Mindtree Limited (the above named Company), hereby appoint

Name: ..... Address: .....

E-mail Id: ..... Signature:....., or failing him

Name: ..... Address: .....

E-mail Id: ..... Signature:....., or failing him

Name: ..... Address: .....

E-mail Id: ..... Signature:....., or failing him

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the fifteenth AGM to be held on Friday, July 18, 2014 at, 10:30 a.m. IST at 'The Chancery Hall' Hotel Atria, #1, Palace Road, Bangalore 560001, Karnataka, India, or any adjournment thereof and in respect of such Resolutions as indicated below:

Sl. No.	Resolutions	For	Against
1.	Adoption of Financial Statements and Reports thereof for the financial year 2013-14.		
2.	Approval for of first interim dividend second interim dividend and third interim dividend additional final dividend and a special dividend for the financial year 2013-14.		
3.	Re-appointment of Non-Executive Director - Mr. V.G. Siddhartha, as a Director liable to retire by rotation.		
4.	Re-appointment of Executive Director - Mr. S.Janakiraman as a Director liable to retire by rotation.		
5.	Re-appointment of M/s. BSR & Co. LLP, (previously, BSR & Co.,) as Statutory Auditors and approval of their remuneration.		
6.	Approval for appointment and remuneration of Mr. N.S.Parthasarathy as an Executive Director of the Company.		
7.	Approval for re-appointment and remuneration of Mr. Krishnakumar Natarajan as CEO & Managing Director of the Company.		
8.	Approval for appointment and remuneration of Mr. Rostow Ravanan as an Executive Director of the Company.		
9.	Approval for alteration of the term of office of Dr. Albert Hieronimus as an Independent Director.		
10.	Approval for appointment and remuneration of Ms. Apurva Purohit as an Independent Director .		
11.	Approval for appointment and remuneration of Ms. Manisha Girotra as an Independent Director.		
12.	Approval for Remuneration to Non-Executive/Independent Directors.		

Signed this ..... day of ..... 2014.

Affix revenue stamp

Signature of Shareholder

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. It is optional to indicate your preference. If silent, Proxy can vote on poll as he/she may deem appropriate.

Mindtree
Global Village, behind R V Engineering College
Mylasandra, Mysore Road
Bangalore - 560 059, Karnataka
Tel: +91 80 6706 4000

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company:	Mindtree Limited, Global Village, RVCE Post, Mysore Road, Bangalore – 560059.
2.	Annual financial statements for the year ended	March 31, 2014.
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable.
5.	To be signed by- N. Krishnakumar □ CEO & Managing Director : Krishnakumar Natarajan	
	□ CFO : Rostow Ravanan	
	□ Auditor of the company : For BSR & Co. LLP, (previously, BSR & Co.,), Chartered Accountants, Firm Registration No. 101248W Supreet Sachdev Partner Membership No. 205385	
	□ Audit Committee Chairman: Ramesh Ramanathan	

CERTIFIED TRUE COPY

For Mindtree Limited

Rajesh. S

Vice President Legal & Company Secretary

MINDTREE LIMITED BANGALORE