TECH MAHINDRA LIMITED
ANNUAL REPORT 2006 - 2007

CREATE THE NEXT WAVE

CREATE THE NEXT WAVE

Tech Mahindra
IT Services and Telecom Solutions

Board of Directors

Mr. Anand G. Mahindra – Chairman

Mr. Vineet Nayyar – Vice Chairman, Managing Director & CEO

Hon. Akash Paul

Mr. Al-Noor Ramji

Mr. Anupam Pradip Puri

Mr. Arun Seth

Mr. Bharat Doshi

Mr. Clive Goodwin

Mr. Paul Zuckerman

Dr. Raj Reddy

Mr. Ulhas N. Yargop

Mr. Paul Ringham (Alternate Director to Mr. Clive Goodwin)

Committees of Directors

Audit Sub-committee

Mr. Anupam Puri – Chairman

Mr. Clive Goodwin

Dr. Raj Reddy

Mr. Paul Zuckerman

Compensation Committee

Hon. Akash Paul – Chairman

Mr. Arun Seth

Mr. Ulhas N. Yargop

Investor Grievances-cum-Share Transfer Committee

Mr. Ulhas N. Yargop – Chairman

Mr. Clive Goodwin

Mr. Vineet Nayyar

Assistant Company Secretary & Compliance Officer

Mr. Vikrant C. Gandhe

Registered Office

Gateway Building,
Apollo Bunder,
Mumbai – 400 001

Corporate Office

Sharada Centre,
Off. Karve Road,
Erandawane,
Pune - 411 004

Auditors

Deloitte Haskins & Sells,

Chartered Accountants

Bankers

Industrial Development Bank of India Ltd.

The Hongkong and Shanghai Banking Corporation Ltd.

State Bank of India

Kotak Mahindra Bank Ltd.

Punjab National Bank

FINANCIAL PERFORMANCE FOR LAST FIVE YEARS

Particulars	2003		2004		2005		2006		2007	
	Rs Mn	US$Mn	Rs Mn	US$Mn	Rs Mn	US$Mn	Rs Mn	US$Mn	Rs Mn	US$Mn
Revenue	6,214	129.9	7,417	163.4	9,456	210.4	12,427	280.1	29,290	648.0
Total Income	6,419	134.1	7,565	166.7	9,542	212.2	12,767	287.7	29,367	649.9
EBIDTA (Operating Profit)*	1,956	40.9	798	17.6	1,350	30.2	2,679	60.2	7,366	162.9
PBT	1,932	40.4	720	15.9	1,115	24.9	2,621	58.9	6,866	152.0
PAT before exceptional item	1,631	34.1	637	14.0	1,024	22.8	2,354	52.9	6,126	135.6
PAT after exceptional item	1,631	34.1	637	14.0	1,024	22.8	2,354	52.9	1,215	24.3
EBIDTA Margin %*	31%	31%	11%	11%	14%	14%	22%	22%	25%	25%
PAT Margin %*	26%	26%	9%	9%	11%	11%	19%	19%	21%	21%
Equity Capital	202	4.2	203	4.5	203	4.65	208	4.7	1,212	27.9
Net Worth	3,792	79.50	4,067	89.8	4,861	111.1	6,155	138.0	9,185	211.2
Net Block Incl CWIP	1,431	29.99	1,544	34.1	1,781	40.7	2,898	65.0	4,421	101.7
Current Assets	2,975	62.4	3,228	71.3	3,740	85.4	5,676	127.2	10,451	240.3
Current Liabilities & Provisions	968	20.3	1,241	27.4	1,906	43.5	4,036	90.5	6,455	148.4
Net Working Capital	2,007	42.1	1,987	43.9	1,834	41.9	1,640	36.8	3,996	91.9
Total Assets	4760	99.8	5,309	117.2	6,767	154.6	10,191	228.4	15,926	366.2
Current Ratio	3.1	3.1	2.6	2.6	2.0	2.0	1.4	1.4	1.6	1.6
Total Assets Turnover	1.3	1.3	1.4	1.4	1.4	1.4	1.2	1.2	1.8	1.8
Fixed Assets Turnover	4.3	4.3	4.8	4.8	5.3	5.3	4.3	4.3	6.6	6.6
ROCE %*	54%	54%	18%	18%	25%	25%	48%	48%	89%	89%

* Before exceptional items

Table of Contents

Dear Shareholders,

In many ways the year 2006- 2007 will be seen as a 'watershed' in the life of Tech Mahindra. This year saw us going public, and growing our revenues by 136% and earnings by 160%. We broadened the scope of our offerings by entering into 'value added' space through a joint venture with Motorola, and by an acquisition to further enrich our security offering. The year culminated in Tech Mahindra winning the largest offshore transformation deal, ever awarded to the Indian IT industry. Our leadership position was further endorsed by a series of awards of excellence and global rankings.

From a strategic perspective, we continue to focus on the telecom ecosystem. Our aim is to create new and innovative solutions to keep pace with the changing dynamics of the industry. One of the key facets of the year was the strong demand for offshore IT services from telecom service providers, led by the need to launch innovative products and services with reduced 'cycle times' and the necessity of being 'right first time'. In line with our objectives of meeting evolving client expectations, we have diversified our service offerings to now include Business Process Outsourcing, Infrastructure Management Services and Value Added Services.

Our goal is to build enduring relationships, both with the existing and the new clients. Tech Mahindra's exposure and expertise in the telecom domain, has led to growth in size, scope and nature of our engagements with existing clients. With new clients, we seek to provide value added and differentiated set of solutions by leveraging our in depth industry experience. We have successfully managed our growth by investing in infrastructure and rapidly recruiting and training new professionals.

A key milestone during the year was Tech Mahindra's initial public offering. We were overwhelmed by the incredible response and are committed to honour the trust reposed in Tech Mahindra.

Our commitment to deliver quality solutions to our customers has been acknowledged in the form of several excellence awards and rankings. Tech Mahindra has been recognized for technology innovation, innovative HR practices and leadership in the telecom space. We stand today as leaders in the telecom vertical in India and the 3rd largest BSS system Integrator in the world. These endorsements reflect our focus on transformation, excellence and innovation.

In the last year, we successfully navigated dynamic market environments without losing momentum in meeting our goals. It was also a year that validated our strategy — focus on the telecom market, deep domain knowledge, building a comprehensive portfolio of service offerings, and acquiring new clients and markets, while maintaining strict operating discipline with a continuous attention to the bottom line. As we head into the next year, I want to thank our employees for their immense dedication and hard work; our customers for placing their trust in us and vesting us with critical responsibilities and our shareholders for their continued support. We are committed to do everything in our might to justify the faith reposed in us.

Sincerely,

Vineet Nayyar
Vice Chairman, Managing Director & CEO

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Twentieth Annual Report together with the audited accounts of your Company for the year ended March 31, 2007.

FINANCIAL RESULTS **Rs. in Million**

For the year ended March 31		**2007**	2006
Income		**27,596.87**	12,284.50
Gross Profit		**6,979.66**	2,780.23
Depreciation		**(462.84)**	(373.80)
Profit before tax		**6,516.82**	2,406.43
Provision for taxation		**(615.13)**	(205.23)
Profit after tax before non-recurring / exceptional items		**5,901.69**	2,201.20
Non-recurring / exceptional items		**(5,249.38)**	-
Profit for the year after tax and non-recurring / exceptional items		**652.31**	2,201.20
Excess tax provision of earlier years written back		**339.50**	-
Balance brought forward from previous year		**4,539.71**	3,753.58
Profit available for appropriation		**5,531.52**	5,954.78
Dividend	– Interim (Paid)	**(266.15)**	(623.32)
	– Final (Proposed)		(415.99)
Tax on dividend	– On interim dividend	**(37.33)**	(87.42)
	– On final dividend		(58.34)
Transfer to General Reserve		**(65.23)**	(230.00)
Balance carried forward		**5,162.81**	4,539.71

DIVIDEND

Your Directors declared two interim dividends for the year under review as under:

Date of declaration	**No. of shares**	**Face value per share (Rs.)**	**Paid-up value per share (Rs.)**	**Rate of Dividend**	**Dividend per share (Rs.)**	**Total Dividend paid (Rs.)**
July 17, 2006	112,685,573	10	10	8%	0.80	90,148,458.40
March 14, 2007	117,331,823	10	10	15%	1.50	175,997,734.50

Your Directors have recommended that these be treated as the only dividends for the year.

CHANGES IN SHARE CAPITAL

In June 2006, the authorized capital of your Company was increased from Rs. 300,000,000 to Rs. 1,750,000,000.

During the year, your Company consolidated its equity shares of Rs. 2 each into equity shares of Rs. 10 each. Your Company also issued four bonus equity shares of Rs. 10 each as fully paid for every one equity share held.

Under the Initial Public Offering, your Company allotted 3,186,480 equity shares to various applicants. In addition, there was an offer for sale of 9,559,520 equity shares by the Promoters of your Company namely, Mahindra & Mahindra Limited and British Telecommunications, plc.

Your Company also allotted 5,589,698 shares of Rs. 10 each on the exercise of stock options, issued under the ESOP 2000, 2004 and 2006. The fresh issue and exercise of options increased the number of issued and subscribed equity shares from 112,440,523 to 121,216,701.

BUSINESS PERFORMANCE

The single minded focus on providing solutions for the telecommunications industry has helped your Company emerge as one of the largest IT solutions providers. Faced with multiple challenges in a dynamic market, telecom operators, driven by economic compulsions are looking at best shore solutions and the need for greater speed to market. Convergence is diffusing traditional boundaries between voice, video and data services leading to increased competition.

Keeping these challenges in mind, your Company has focused on creating new and innovative solutions to keep pace with the changing dynamics of the industry by developing deep domain knowledge that spans the breadth of services that its customers need. Your Company has refined its offerings and moved beyond the provision of conventional IT services to high end, higher value added services such as managed platforms & services and consulting. This has resulted in deeper involvement with its clients' businesses. Your Company has also been able to address various technological changes in the industry and has the ability to provide solutions that support voice-data convergent systems, including Voice over Internet Protocol ("VoIP"), as well as location-based services and next generation services.

Your Company won possibly the largest deal in the history of the Indian IT industry. Your Company signed a 5 year deal with estimated revenues of USD 1 Billion to support British Telecom's (BT) planned growth of managed services to business customers globally. The revenue stream from this deal is in addition to the existing services that Tech Mahindra already provides to BT where it fulfills BT's internal IT needs. Both companies will work together on creating and operating a global delivery organization, by leveraging and augmenting Tech Mahindra's existing delivery centres, to achieve greater flexibility and efficiencies in addressing client requirements.

Your Company has experienced strong growth in revenues and profits in the year under review.

During the year, your Company's total income grew by 125% to Rs. 27,596.87 Million from Rs. 12,284.50 Million in the previous year. On a consolidated level, the income increased to Rs. 29,367.30 Million from Rs. 12,766.79 Million in the previous year.

Profit after tax has increased to Rs. 5,901.69 Million from Rs. 2,201.20 Million – before exceptional items. On a consolidated level, it increased to Rs. 6,126.19 Million from Rs. 2,353.75 Million in the previous year, a growth of 160% - before exceptional items.

Your Company witnessed growth in all the geographies it operates in. Your Company grew by 123%, 131% and 232% in Europe, USA and Rest of the World (ROW) respectively.

During the year, your Company has entered into a Global Sourcing Agreement relating to the development of a global sourcing model for strategic outsourcing services, with a customer for a five year term. As per the terms of the agreement, your Company has made an upfront payment of Rs. 5,249.38 Million to the customer. This payment has been disclosed as an exceptional item in the Profit and Loss account. Profit after tax and exceptional items increased to Rs. 991.80 Million (including tax write back).

Tech Mahindra consolidated head count increased from 10,493 in March 2006 to 19,749 in March 2007, a growth of 88%.

INITIAL PUBLIC OFFERING (IPO)

Your Company made an Initial Public Offering of 12.75 Million shares of face value Rs. 10 each comprising fresh issue of 3.19 Million equity shares of Rs.10 each and offer for sale of 9.56 Million equity shares by Promoters of your Company. The issue constituted approximately 11% of the fully diluted post issue paid-up share capital of your Company. The issue was offered at a price band of Rs. 315 to Rs. 365 and the issue price was fixed at Rs. 365 per share.

Your Directors would like to state, with great pleasure, that the issue received an overwhelming response and was oversubscribed by 69.96 times.

The shares were allotted on August 17, 2006 and were listed on the Bombay Stock Exchange and the National Stock Exchange on August 28, 2006.

The listing of shares has enhanced your Company's brand name and visibility in the marketplace.

IPO funds utilisation statement

Rupees Million

Year	Projections	Actual	Variation
Fiscal 2007	842.10	281.39	560.71

The lower spend on the project is due to delay in getting possession of land and various approvals from Government Authorities.

JOINT VENTURE

In July 2006, your Company formed a joint venture with Motorola to develop a focused entity which would leverage Tech Mahindra's solution integration expertise and Motorola's R&D capabilities. That venture was christened CanvasM Technologies Limited (CanvasM). Your Company holds 80.10% and Motorola holds 19.90% of the equity capital of CanvasM.

CanvasM will focus on developing and delivering innovative application solutions to enable network service providers and enterprises to launch and manage the deployment of those applications which will equip them with an edge over their competitors in the market place, shorten time to revenue and reduce total cost of ownership.

CanvasM will leverage the synergy of capabilities between Tech Mahindra and Motorola to provide cost-effective service delivery through specialized resources that optimize the development and processes required to create and manage a mobile ecosystem.

Your Directors look forward to better business generation and sustained growth from the new joint venture.

ACQUISITIONS

In January 2007, your Company acquired the entire share capital of iPolicy Networks Private Limited (now iPolicy Networks Limited) which develops next-generation, carrier-grade integrated network security solutions for enterprise and service providers.

This acquisition will enable your Company to enhance its offerings in the security solutions and services domain, which is a major segment of its chosen market.

iPolicy and Tech Mahindra together will be able to provide comprehensive solutions to the Telecom ecosystem by servicing Enterprise as well as internal IT systems' requirements.

BRANDING

Tech Mahindra recently announced a new brand positioning which highlights the metamorphosis of the erstwhile Mahindra-British Telecom into Tech Mahindra, which has emerged as the fastest growing provider of IT Solutions & Services in the telecom space.

'Create the next wave' is the new brand mnemonic. This positioning incorporates the success of the past and the promise of the future.

BPO

Keeping in line with its strategy of expanding service offerings, your Company has significantly ramped up its BPO operations during the last two quarters. This is seen as a potential high growth area for your Company. Your Company offers voice and non voice telecom focused solutions in the areas of service provisioning, customer care and transaction based network operations.

QUALITY

Quality is a way of life for your Company and one of the most critical components of its success. The Quality Management Group ensures strict adherence to quality processes which are systematically benchmarked against world-class operating models and global best practices. The group helps foster a culture of process management, compliance and continuous improvement across various aspects of the value chain in the organization. This culture is what ensures best in class services whilst dealing with clients in each engagement.

Assessed by various international agencies and certified at the highest levels in various certifications, your Company is ISO 9001:2000, ISO 20000-1, ISO 27001, SEI-Software CMM Level 5, BS 7799-2:2002, SEI-CMMI Level 5 and P-CMM Level 5 certified.

HUMAN RESOURCES / INTERFACE WITH ACADEMIA

The role of Human Resources continues to remain strategic to your Company's business. Employee engagement and management is a key focus for your Company with processes and policies aligned to enable employees to meet their career objectives. As a P-CMM level 5 organization, your Company has some of the best practices in place to attract and retain skilled talent globally. HR at Tech Mahindra strives continuously to hone and train individuals to take up an array of diverse and responsible roles through a series of continuous learning programmes. The Education Services Group at Tech Mahindra regularly conducts in-house training programmes which address identified skill gaps for future needs. The group also has various professional tie-ups to provide specialized training when required. In addition, graduate trainees at Tech Mahindra also undergo intensive three month training programmes which equip them with necessary skills and enable them to be inducted into ongoing projects thereafter. The Education Services Group has also established professional academic relationships with institutes in India and abroad such as IIT-Mumbai, BITS Pilani, BT MSc – University College of London etc. which offer opportunities to employees to hone and refine their skills and pursue higher studies.

INFRASTRUCTURE

To support its rapid growth, your Company has expanded its footprint with world-class facilities in locations like Kolkata, Noida, Bangalore, Chennai, Hyderabad and Chandigarh in addition to the existing facilities in Mumbai and Pune.

Your Company has commenced construction of its integrated campus in Hinjewadi in Pune. This would be a state-of-the-art campus incorporating world-class design parameters. In the first phase, approximately 5000 seats will be constructed.

KNOWLEDGE MANAGEMENT

Your Company believes that 'Knowledge' is the key enabler of success and growth for industries and organizations who have imbibed mature information sharing practices to stay ahead of the times. Given its importance, your Company has recently launched the 'Knowledge Management' portal as an organization wide, high priority focus area that endeavors to bridge the gap between information and knowledge.

SUBSIDIARY COMPANIES

During the year under review, PT Tech Mahindra Indonesia became a subsidiary of your Company. This is in addition to iPolicy which was acquired this year.

As on March 31, 2007, your Company had 12 subsidiaries. There has not been any material change in the nature of the business of the subsidiaries. Tech Mahindra (R&D Services) Pte. Limited, Singapore, a dormant step subsidiary of your Company had applied for voluntary closure and was struck off the Register of Companies with effect from April 8, 2007. A statement containing brief financial details of the subsidiaries is included in the Annual Report.

As required under the Listing Agreements with the Stock Exchanges, the Consolidated Financial Statements of your Company and all its subsidiaries are attached. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 issued by The Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of your Company and its subsidiaries and associate companies as a single entity, after elimination of minority interest.

Your Company has been granted exemption for the year ended March 31, 2007 by the Ministry of Company Affairs vide its letter dated March 29, 2007 from attaching to its Balance Sheet, the individual Annual Reports of each of its 12 subsidiaries. Documents of the subsidiaries will be submitted on request to any member wishing to peruse a copy, on receipt of such request by the Assistant Company Secretary of the Company.

EMPLOYEE STOCK OPTION PLAN

Details required to be provided under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure I to this Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company, as a responsible corporate entity, believes firmly in executing its social responsibility towards the development of the underprivileged in today's society.

In 2006, your Company instituted the Tech Mahindra Foundation and through this Foundation it hopes to continue meeting its social responsibilities and lending a helping hand to those who have been less fortunate. The Foundation was set up with an initial corpus of Rs. 150 Million and during the course of the year, your Company and its employees have added another Rs. 67 Million to the corpus.

The focus of the Foundation will remain on education and it will accord the highest priority to educating the economically disadvantaged. Your Company believes that quality education is not only a fundamental right of all children but also a developmental imperative if India has to achieve its true potential and it hopes to play its part in providing each child with an equal opportunity in this sphere.

Improving the status of the girl child is equally fundamental to the Foundation and your Company will participate in partnership with NGO's in a number of projects aimed at improving life for the girl child. In addition, your Company also donates computer hardware to schools and charitable institutions and encourages all its employees to participate in these social activities.

Moving forward, your Company intends to contribute 1% of its Profit after Tax every year in order to pursue a number of community service projects.

CORPORATE GOVERNANCE PHILOSOPHY

Your Company believes that Corporate Governance is a voluntary code of self-discipline. In line with this philosophy, Tech Mahindra follows healthy Corporate Governance practices and reports to the shareholders the progress made on the various measures undertaken. Your Directors have reported the initiatives on Corporate Governance adopted by your Company. The same is included in the section 'Corporate Governance' in the Annual Report.

DIRECTORS

Mr. Vineet Nayyar, Mr. Al-Noor Ramji and Mr. Ulhas N. Yargop retire by rotation, and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2007 and of the profit of the Company for the year ended on that date;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The annual accounts have been prepared on a going concern basis.

AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s Deloitte Haskins & Sells to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 224 of the Companies Act, 1956.The Board recommends the re-appointment of M/s Deloitte Haskins & Sells as the Auditors of the Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities that are being carried on by your Company, Rule 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption, respectively are not applicable to your Company. Your Company is, however, beginning to investigate ways of reducing energy consumption as a commitment to the global environment; this will cover office facilities, communications and transport.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of your Company during the year were Rs. 27,335.41 Million (Previous Year Rs. 11,961.61 Million), while the outgoings were Rs. 16,339.65 Million (Previous Year Rs. 4,702.90 Million).

PARTICULARS OF EMPLOYEES

Tech Mahindra has 414 employees who were in receipt of remuneration of not less than Rs. 2,400,000 during the year or Rs. 200,000 per month during any part of the said year. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report being sent to the shareholders does not include this Annexure. Any shareholder interested in perusing a copy of the Annexure may write to the Assistant Company Secretary at the Registered Office / Corporate Office of the Company.

DEPOSITS AND LOANS/ADVANCES

Your Company has not accepted any deposits from the public or its employees during the year under review.

The particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement are furnished separately.

AWARDS/RECOGNITION

This year saw your Company emerge as a true global brand. Several awards and rankings continue to endorse your Company as a thought leader in telecom industry.

AWARDS - 2006

1. **Achievement in Innovation Award,** awarded at the Americas Billing show at Miami
2. Frost & Sullivan **Market Leadership Award for Offshore Security Consulting for Next Generation Network and Applications**
3. Frost & Sullivan Vertical **Market Penetration Leadership Award in Telecom Vertical**
4. APAC HR Award for **Organization with Innovative HR practices** by the Global HR excellence Awards
5. **Business Partnership Award,** awarded by British High Commission - UKTI International Business Award
6. RASBIC AWARD: **Best overall Recruiting & Staffing organization of the year**

RANKINGS - 2006

1. **3rd Largest BSS System Integrators** in the world by Gartner
2. **8th Largest Software exporters in India as rated by NASSCOM**
3. Rated at the **9th** position in the Leaders category in the **Top 20 Global outsourcing companies** - IAOP

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by the employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, STPI, regulatory and Governmental authorities in India and abroad and its shareholders.

For and on behalf of the Board

May 31, 2007 — Anand G. Mahindra
Mumbai — Chairman

Particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement

Loans and advances in the nature of loans to subsidiaries:

Name of the Company	Balance as on March 31, 2007	Maximum outstanding during the year
1) Tech Mahindra (Americas) Inc.	USD 5.00 Million INR 217.45 Million	USD 5.00 Million INR 234.30 Million
2) PT Tech Mahindra Indonesia	Nil	USD 2.25 Million INR 102.23 Million

Loans and advances in the nature of loans to associates, loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below section 372A of the Companies Act, 1956 and loans and advances in the nature of loans to firms/companies in which directors are interested – Nil

Annexure I to the Directors' Report for the year ended March 31, 2007 in terms of clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

	ESOP 2000	ESOP 2004	ESOP 2006
Total options granted under the plan	3,779,850	10,219,860	5,285,305
a. Options granted during the year	Nil	Nil	656,625
b. The pricing formula	Under the scheme, all the options were granted prior to the listing of Company's shares. These options were granted, based on the annual valuation done by an independent chartered accountant.	Under the scheme, all the options were granted prior to the listing of Company's shares. These options were granted, based on the annual valuation done by an independent chartered accountant.	The options granted prior to the listing of Company's shares, were granted, based on the annual valuation done by an independent chartered accountant.The grants made post-listing of the Company's shares on Stock Exchanges have been made in line with the requirements of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 i.e. the latest available closing price, prior to the date of the meeting of the Compensation Committee in which options are granted.
c. Options vested	393,657	4,542,159	463,126
d. Options exercised	674,540	4,542,159	372,999
e. The total number of shares arising as a result of exercise of option	674,540	4,542,159	372,999
f. Options lapsed	18,480	Nil	Nil
g. Variation of terms of options	Nil	In the EGM held on 1st June 2006, the Scheme was amended, consequent to which the exercise of options would give rise to ordinary equity shares instead of non voting equity shares as stipulated in the original scheme.	Nil
h. Money realised by exercise of options	Rs. 49.29 Million	Rs. 304.32 Million	Rs. 30.96 Million
i. Total number of options in force	489,120	5,677,701	4,493,116
j. Employee wise details of options granted to			
i. Senior managerial personnel	Nil	Nil	Mr. Sonjoy Anand : 4,600
ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	Nil	Nil
iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Mr. Vineet Nayyar : 3,406,620 Mr. C P Gurnani : 3,406,620 Mr. Sanjay Kalra : 3,406,620	Nil

Annexure I to the Directors' Report for the year ended March 31, 2007 in terms of clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Contd.)

	ESOP 2000	ESOP 2004	ESOP 2006
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Rs. 7.60	Rs. 7.60	Rs. 7.60
l. Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	The Company uses the intrinsic value-based method of accounting for stock options granted after April 1, 2005. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach, the Company's net income would be lower by Rs 7.35 Million and earnings per share as reported would have been Rs. 7.56	The Company uses the intrinsic value-based method of accounting for stock options granted after April 1, 2005. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach, the Company's net income would be lower by Rs 7.35 Million and earnings per share as reported would have been Rs. 7.56	The Company uses the intrinsic value-based method of accounting for stock options granted after April 1, 2005. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach, the Company's net income would be lower by Rs 7.35 Million and earnings per share as reported would have been Rs. 7.56
m. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	No options were granted during the year.	No options were granted during the year.	See below
n. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: (i) risk-free interest rate, (ii) expected life, (iii) expected volatility, (iv) expected dividends, and (v) the price of the underlying share in market at the time of option grant.	Nil	Nil	See below

ESOP 2006 – m.

Grant Date	8-06-06	11-07-06	18-07-06	05-12-06	18-01-07
Exercise price (Rs.)	127	127	127	1,113	1,981
Fair Value (Rs.)	2.42	5.09	5.09	367.88	694.48

ESOP 2006 – n.

Grant dates	8-06-06	11-07-06	18-07-06	05-12-06	18-01-07
(i)	7.25%	7.73%	7.75%	7.44%	7.71%
(ii)	4.00	4.00	4.00	4.00	4.00
(iii)	0.00%	0.00%	0.00%	54.69%	62.69%
(iv)	6.89%	6.89%	6.89%	6.89%	6.89%
(v)	127.08	127.08	127.08	1,112.75	1,898.55

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure, developments and Outlook

Overview

Tech Mahindra Limited was formed in 1986 as a joint venture between Mahindra and Mahindra Ltd., one of the India's leading conglomerates and British Telecommunications, plc., one of the world's leading telecommunication companies. In fiscal 2006, it was ranked by NASSCOM as the eighth largest Indian IT services company in terms of export revenues. It is a leading provider of IT services and solutions to the global telecommunication industry.

Global Telecommunications Industry

The Global Telecom Industry is comprised of three segments, namely Telecom Service Providers (TSP's) Telecom Equipment Manufacturers (TEM's) and Independent Service Providers (ISV's).

The global telecommunication services industry historically has been driven by monopoly control at the national level. Telecommunications Service Providers ("TSPs") either were owned and operated by the respective state or were private entities regulated under government norms. The telecommunications services industry since then has undergone a series of changes . This was led primarily due to state-owned TSPs being privatized and governments driving liberalization measures to promote competition. In addition, mobile services have played a major role in transforming the global telecommunications services industry. The telecom industry size reached US $2.1 trillion in sales in the year 2006 with broadband and high-speed services being growth areas, with a 12.1% growth. The worldwide market is on track to hit US $3 trillion in sales by 2010.

The industry is undergoing significant changes due to the increasing number of players in the global telecom arena, both conventional telecom players and non conventional players like cable operators and ISPs. TSP's are facing the twin challenges of increased competition and finding new avenues to increase market share. At the same time, TSP's are looking to install next generation networks which will allow them to offer value added services and increase brand pull.

The combination of increased competition and the need for investments is driving an increasing trend to outsource services to low cost destinations.

The Telecommunication Service Provider Industry

According to Datamonitor, during the period 2000 to 2004, the global wireless tele communication services market grew at a CAGR of 23.0% to reach a size of US$ 554.2 billion. During the same period, the global fixed-line services market grew at a CAGR of 2.7% to reach a size of US$ 555.6 billion. From 2004 onwards, Datamonitor projects that the global wireless telecom services market will grow at a CAGR of 11.8% to reach a size of US$ 969.9 billion by 2009, and the global fixed-line telecommunication services market will grow at a CAGR of 4.6% to reach a size of US$ 696.1 billion by 2009.

The main priority for TSPs is the development of innovative value-added services that are capable of retaining existing customers while attracting new subscribers. These services will require converged "next generation" networks, which carry both voice and data. Accordingly, TSPs in both the fixed and mobile markets must invest in next generation technology in order to remain competitive. Large fixed-line TSPs are overhauling their networks to create convergent IP networks, which will allow them to provide services such as Voice over Internet Protocol ("VoIP").

The Telecommunication Equipment Manufacturers Industry

Telecommunications Equipment Manufacturers ("TEMs") provide the network equipment required by TSPs, including the switches used by fixed-line operators and the handsets used by the customers of mobile TSPs.

After 2002, developments in the telecommunications services market fuelled growth in the telecommunications equipment market as it translated into increased demand for network equipment. According to a Datamonitor report released in 2005, the telecommunications equipment market grew at a CAGR of 1.7% between the years 2002 and 2004 to reach a size of US$ 299.0 billion in 2004. The report projects that the equipment market will grow at a CAGR of 3.06% between the years 2004 and 2009 to reach a size of US$ 347.7 billion in 2009.

Software and IT Services in the Telecommunications Industry

The global telecom software and IT services revenues for 2006 were expected to have reached US $33 billion and are poised to reach US $38.4 billion by 2009 with a CAGR of 5.8%. The main areas of telecommunications service providers' businesses in which software and IT services are required are Business Support Systems ("BSS") and Operations Support Systems ("OSS"). BSS and OSS continue to have the lion's share in the IT expenditure by telecom companies till 2010.

The focus on next generation technology has caused TSPs to rationalise and standardise their legacy networks in order to reduce the maintenance burden and free up capital expenditures for next generation networks. Outsourcing is increasingly the preferred route for this rationalisation process, as TSPs are challenged by the complexity of legacy systems and lack the resources to manage them. We believe that the trend towards rationalisation in this area will drive spending on IT services and software by TSPs.

Software and IT services providers are also key to the strategy of TEMs. TEMs have sought to expand their margins through IT outsourcing. They have also entered into a range of strategic alliances to lower research and development costs through technology exchange and joint product development.

Opportunities

Over the past few years, software and IT services providers have expanded and upgraded their service offerings in order to cater to the changing needs of TSPs. The migration to next generation networks will create increased demand for software and IT services. IT services and software providers must be able to handle the complex business functions of converged networks and provide solutions across multiple network elements, in both legacy and next generation networks. We believe that the migration to next generation networks represents a significant opportunity for IT services and software providers that focus on the telecommunications industry.

The telecommunications IT services and software market is maturing and offers significant opportunities for IT services providers and software vendors in the medium term. Higher spend by TSP's and TEM's on IT and Software services presents significant opportunities for players like Tech Mahindra with its deep domain knowledge , global delivery network and long standing client relationships.

The leading TEMs typically spend 10-15% of their revenues on research and development and substantial portion of the R & D expenses are attributable to software and IT services which offer good opportunity for companies like Tech Mahindra.

Tech Mahindra intends to maintain and enhance its position as a leading provider of IT services to the telecommunications industry by offering a comprehensive portfolio of IT services and investing further in competitive strengths, thereby creating value for its shareholders and clients.

Threats

Emerging low cost destinations

India remains the preferred offshore destination for IT Services for its cost effective solutions and huge talent pool. However, several countries like China, Malaysia, Chile, Indonesia, Philippines, Singapore, Thailand, the Czech Republic and Indonesia are emerging as offshoring destinations due to their ability to provide low cost solutions as well.

Global IT service providers emerging as competitors through a growing Indian presence

Global IT service providers, most of them being fortune 500 companies, such as Accenture, EDS, CapGemini and IBM are expanding their presence in India and pose a challenge to home grown IT service companies with their global client relationships, deep pockets and domain knowledge.

Availability of skilled / trained manpower

A few other factors have diluted the Indian advantage – namely the expansion of global IT service and consulting companies in India. This has created significant pricing pressures and also created a strain on availability of skilled resources. While India has a large pool of trained and skilled resources, the demand has outpaced the supply leading to salary hikes and increased attrition.

Risks

Economic slowdown

The primary business of Tech Mahindra is the provision of IT services to the global telecommunications industry. Future revenues and profitability are dependent on growth in spending on IT services by companies in the telecommunications industry. Following a slowdown earlier this decade, the global telecommunications industry stabilised in 2004 and experienced modest growth in 2005 and further in 2006 as reflected in increased capital and operating expenditures by Telecommunications Service Providers ("TSPs") and growing demand for telecommunications services. This growth may not be sustained in future periods. IT spending by telecommunications companies will be impacted by the rate at which they increase their capital expenditures and operating expenditures to respond to growth in voice and data traffic and the commercial development of new services, in particular 3G and other "next generation" services. If the clients' businesses do not grow in the markets in which they operate, in particular the United Kingdom and the United States, our clients may reduce their spending on the services and solutions we provide, which would have a material adverse effect on the business and prospects of the Company.

High customer concentration

In fiscal 2007, our top five clients and top ten clients accounted for 83% and 90% of the revenues, respectively. Most of these clients are in the TSP segment. The telecommunications industry has recently experienced substantial consolidation, as evidenced by the mergers of Sprint and Nextel, Cingular and AT&T Wireless, SBC and

AT&T, Verizon and MCI, Alcatel and Lucent and the recently announced acquisitions of O2 by Telefonica and of BellSouth by AT&T. As service providers increase in size and further consolidation takes place in the industry, it is possible that an even greater percentage of our revenues will be attributable to a smaller number of large service providers and the loss of any such client could have a material adverse effect on our revenues and profitability.

Ability to attract and retain talent

Our ability to develop new software, applications and attract new clients depends significantly on our ability to attract, train, motivate and retain highly qualified IT professionals. We face significant competition in hiring IT professionals, both in our university recruitment programs and in our lateral hiring. We also face staff attrition, which we define as the ratio of the number of employees that have left us during a defined period to the average number of employees on our payroll during such period. Our attrition rates for fiscal 2006 and 2007 were 17% and 21%, respectively. If we are unable to recruit talent or if our attrition rates increase, our ability to develop new software applications and win new clients will be constrained, we could lose market share and our business could be adversely affected.

Withdrawal of Tax benefits

Currently, we benefit from certain tax incentives under Section 10A of the Income Tax Act for the IT services that we provide from specially designated "Software Technology Parks", or STPs. As a result of these incentives, our operations in India have been subject to relatively low tax liabilities. We incurred minimal income tax expense in fiscal 2007 as a result of the tax holiday, compared to the tax expense that we would have incurred if the tax holiday had not been available for that period. Under current laws, the tax incentives available to these units terminate on the earlier of the ten year anniversary of the commencement of operations of the unit or March 31, 2009. We intend to set up units in SEZs, which under current tax laws would also provide us with tax benefits. There is no assurance that the Indian government will not enact laws in the future that would adversely impact our tax incentives and consequently, our tax liabilities and profits. When our tax incentives expire or terminate, our tax expense will materially increase, reducing our profitability.

Currency Exchange Risks

The exchange rate between the Indian rupee and the British pound and Indian rupee and the US dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. During fiscal 2007, the value of the rupee against the British pound depreciated by approx 8.2% and the value of the rupee against the US dollar depreciated by 2.3%. However, rupee is appreciating continuously against various currencies over last few months and in Q4 of fiscal 2007, rupee has appreciated significantly against US dollar and is expected to strengthen further in the near future.

Accordingly, our operating results have been and will continue to be impacted by fluctuations in the exchange rate between the Indian rupee and the British pound and the Indian rupee and the US Dollar, as well as exchange rates with other foreign currencies. Any strengthening of the Indian rupee against the British pound, the US dollar or other foreign currencies could adversely affect our profitability.

Discussion on Financial Performance

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

The Consolidated Financial Statements have been prepared in compliance with the Accounting Standard AS 21 , AS 23 and AS 27 issued by the Institute of Chartered Accountants of India (ICAI).

The discussions on financial performance in the Management Discussion and Analysis relate primarily to the standalone accounts of Tech Mahindra Limited. Wherever it is appropriate, information pertaining to consolidated accounts for Tech Mahindra Limited is provided. For purposes of comparison with other firms in this industry as well as to see the positioning and impact that Tech Mahindra Limited has in the marketplace, it is essential to take the figures as reflected in the Consolidated Financial Statements.

A. FINANCIAL POSITION :

1. Share Capital

The authorized share capital of the Company is Rs. 1750.00 Million, divided into 175 Million equity shares of Rs. 10 each. The paid up share capital stands at Rs. 1,212.17 Million as on March 31, 2007 compared to Rs. 208.00 Million on March 31, 2006. The increase in paid- up capital during the year is due to: a) allotment of 90.15 Million equity shares of Rs. 10/- each as fully paid-up bonus shares by way of capitalisation of Profit and Loss Account, b) Conversion of options into shares by employees under Employee Stock Option Plan and c) Fresh issue of shares through Initial Public Offering (IPO).

2. Reserves and surplus

a) Share premium account

The addition to the share premium account of Rs. 2,010.12 Million during the year is due to the premium received on issue of 3.19 Million equity shares to the public and premium received on issue of 5.59 Million equity shares, on exercise of options under employee stock option plans.

b) General reserve

General reserve stands at Rs 1,013.66 Million as on March 31, 2007 compared to Rs. 948.43 Million on March 31, 2006. Rs. 65.23 Million has been transferred to general reserve from P & L account during the year.

c) Profit and Loss account

In June 2006, the Company issued bonus shares by way of capitalization of Undistributed Profits. The balance retained in the profit and loss account as of March 31, 2007 is Rs. 4,261.33 Million.

3. Loan Funds

Loan funds as at March 31, 2007 stand at Rs. 526.54 Million which include Secured loan of Rs. 100.10 Million and Unsecured loans of Rs. 426.44 Million, compared to Nil in the previous year.

4. Fixed Assets

The movement in Fixed Assets is shown in the table below-

Rs. in Million

As of March 31	**2007**	**2006**
Gross Book Value		
Land - free-hold	82.16	-
- lease-hold	220.64	-
Buildings	1,411.07	1,411.07
Leasehold Improvements	83.52	-
Plant and Machinery	739.44	390.03
Computer Equipments	1,245.07	782.13
Furniture and Fixtures	545.69	391.83
Vehicles		
- Leased	66.95	74.35
- Owned	32.99	20.14
Total	**4,427.53**	**3,069.55**
Less : Accumulated depreciation	1,957.18	1,501.58
Net Block	**2,470.35**	**1,567.97**
Add : Capital work-in-progress	546.48	193.30
Net Fixed Assets	**3,016.83**	**1,761.27**

The Net Block of Fixed Assets and Capital work-in-progress increased to Rs. 3016.83 Million from Rs. 1761.27 Million as at March 31, 2006. During the year, Company incurred capital expenditure of Rs. 1699.82 Million (previous year Rs. 391.98 Million). The major items of capital expenditure are Land-freehold and leasehold, Plant and Machinery, Computer Equipments and Furniture and Fixtures.

5. Investments

The summary of Company's investments is given below:

Rs. in Million

Investments	**As at March 31, 2007**	**As at March 31, 2006**
Trade Investment (at cost)	2,470.18	2,193.90
Investment in Mutual Funds	727.35	1,119.04
Total Investments	**3,197.53**	**3,312.94**
Less : Provision for diminution in value	365.42	365.42
Net Investments	**2,832.11**	**2,947.52**

I. Investment in Subsidiaries

The Company has investment in the following subsidiaries

a) Tech Mahindra (Americas) Inc.

Tech Mahindra (Americas) Inc. was incorporated in November 1993. It acts as a service provider for sales, marketing, onsite software development and other related services for the US and Canada region.

b) Tech Mahindra GmbH

Tech Mahindra GmbH was established in July 2001 to provide marketing support in Central Europe region.

c) Tech Mahindra (Singapore) Pte. Ltd.

Tech Mahindra (Singapore) Pte. Ltd. is Tech Mahindra's representative in Singapore and acts as a service provider for sales, marketing, onsite software development and other related services.

d) Tech Mahindra (R & D Services) Ltd.

Tech Mahindra R & D Services Ltd. (formerly known as Axes Technologies (India) Private Limited) was acquired in November 2005. TM R&D provides technology solutions to leading Telecom Equipment Manufacturers (TEM) in the areas of Research & Development (R&D), Product Engineering and Life Cycle Support. This acquisition has helped Tech Mahindra to strengthen its capabilities in the TEM segment.

e) Tech Mahindra (Thailand) Ltd.

Tech Mahindra (Thailand) Ltd. was established in August 2005 to strengthen its marketing infrastructure in Thailand.

f) PT Tech Mahindra Indonesia

PT Tech Mahindra Indonesia is Tech Mahindra's representative in Indonesia and acts as a service provider for sales, marketing, onsite software development and other related services.

g) CanvasM Technologies Ltd.

CanvasM was set up as a joint venture between Tech Mahindra Limited and Motorola Cyprus Holding Ltd in October 2006 with an objective to provide software services and solutions to wire line and wireless telecom service providers, cable companies, enterprise, media and broadcast companies; using SI expertise of Tech Mahindra and R&D investments of Motorola Cyprus Holding Ltd. Tech Mahindra owns 80.10% of the shareholding while the balance 19.90% is held by Motorola Cyprus Holding Ltd.

h) iPolicy Networks Ltd.

Tech Mahindra acquired iPolicy Networks Ltd. ("iPolicy") formerly known as iPolicy Networks Pvt. Ltd. in January 2007. This acquisition will complement Tech Mahindra's strong security services capabilities.

i) Tech Mahindra Foundation

Tech Mahindra Foundation was incorporated under Section 25 of the Companies Act, 1956 by Tech Mahindra Ltd. with the objective of promoting social and charitable activities Tech Mahindra Foundation primarily focuses on education and will accord the highest priority to educating the economically disadvantaged.

II. Investment in mutual funds

The Company has been investing in various debt based mutual funds. These are typically investments in short-term funds to gainfully use the excess cash balance with the Company. While investing in short-term instruments, the Company typically balances tax-efficient returns with risks involved in such investments. The investments as at March 31, 2007 were Rs. 727.35 Million, compared to Rs. 1119.04 Million as at March 31, 2006.

6. Deferred Tax Assets

The Company recorded deferred tax assets of Rs. 13.73 Million as of March 31, 2007 (Rs. 4.87 Million as of March 31, 2006). Deferred tax assets represent impact of timing differences in the financial and tax books arising from depreciation of assets and provision for doubtful debts. The Company assesses the likelihood that the deferred tax asset will be recovered from future taxable income.

7. Sundry Debtors

Sundry debtors increased to Rs. 7,920.19 Million (net of provision for doubtful debts amounting to Rs. 219.29 Million) as of March 31, 2007 from Rs. 4,127.57 Million (net of provision for doubtful debts amounting to Rs. 179.84 Million) as of March 31, 2006. The increase is mainly on account of increase in volume of business. Debtor days as of March 31, 2007, (calculated based on per-day sales in the last quarter) were 85 days, compared to 107 days as of March 31, 2006. We continue to focus on reducing receivables period by improving our collection efforts.

8. Cash and Bank Balance

The bank balances in India include both Rupee accounts and foreign currency accounts. The bank balances in overseas accounts are maintained to meet the expenditure of the overseas branches and overseas project-related expenditure.

Rs. in Million

As of March 31	**2007**	**2006**
Bank balances in India		
Current accounts	13.07	(25.21)
Deposit accounts	160.88	275.97
EEFC accounts in foreign currency	8.60	17.84
Unclaimed dividend account	1.14	0.05
Bank balances - overseas		
Current accounts	105.50	247.18
Total cash and bank balances *	**289.19**	**515.83**

* excluding unrealised (gain)/loss on foreign currency

9. Loans and Advances

Loans and advances as on March 31, 2007 were Rs. 1,615.46 Million (Rs. 699.44 Million as on March 31, 2006). Significant items of loans and advances include payments towards security deposits for various rental premises, loans to subsidiary and advance tax.

10. Current Liabilities and Provisions

Current liabilities and provisions were Rs. 6,379.76 Million as of March 31, 2007 compared to Rs. 4,077.85 Million as of March 31, 2006. Liabilities and provisions increased mainly because of accrual of higher employee-related liabilities following increase in headcount.

B. RESULTS OF OPERATIONS :

The following table sets forth certain income statement items as well as these items as a percentage of our revenue for the periods indicated:

	Fiscal 2007		Fiscal 2006	
	(Rs. in Million)	% of Revenue	(Rs. in Million)	% of Revenue
INCOME				
Revenue from Services	27,532.20	100.0%	11,971.44	100.0%
Other Income	64.67		313.06	
Total Income	**27,596.87**		**12,284.50**	
EXPENDITURE				
Personnel	8,404.06	30.5%	4,675.76	39.1%
Operating and Other Expenses	12,143.96	44.1%	4,828.51	40.3%
Depreciation	462.84	1.7%	373.80	3.1%
Interest	69.19	0.3%	-	-
Total Expenditure	**21,080.05**	**76.6%**	**9,878.07**	**82.5%**
Profit before tax and exceptional item	**6,516.82**	**23.7%**	**2,406.43**	**20.1%**
Provision for Taxation	(615.13)	2.2%	(205.23)	1.7%
Profit after taxation and before exceptional item	**5,901.69**	**21.4%**	**2,201.20**	**18.4%**
Exceptional item	(5,249.38)	19.1%	-	-
Net profit for the year	**652.31**	2.4%	**2,201.20**	18.4%
Excess provision for income-tax in respect of earlier period written back	339.50	1.2%	-	-
Profit available for appropriations	**991.81**	**3.6%**	**2201.20**	**18.4%**

1. Revenues

The Company derives revenues principally from technology services provided to clients in the telecommunications industry.

The revenues increased by 130% to Rs. 27,532.20 Million in fiscal 2007 from Rs. 11,971.44 Million in fiscal 2006. This reflected an increase in the number of clients served during the respective years as well as an increase in the amount of business from these clients. Revenues from Europe as a percentage of total revenues were 77% in fiscal 2007 compared to 80% in fiscal 2006, reflecting the increase in revenues from other geographic segments. Revenues from the Americas remained the same at 15% while the share of revenues attributable to the Rest of the World segment increased from 5% in fiscal 2006 to 8% in fiscal 2007 as a result of an increase in number of clients and growth in business from existing clients, particularly in the Asia-Pacific region.

Consolidated Revenues

Consolidated Revenue for the fiscal 2007 stood at Rs. 29,290.36 Million compared to Rs. 12,426.66 Million in fiscal 2006, a growth of 136%. Consolidated revenues grew at a CAGR of 58% over the last 3 years.

Consolidated revenue by Geography

Europe contributed 72.5% of the consolidated revenues in fiscal 2007 while Americas and Rest of the World contributed 18.4% and 9.1% respectively. The revenue share from Europe, Americas and Rest of the World in fiscal 2006 was 76.7%, 17.9% and 5.4% respectively.

Consolidated Revenue by Segment

For fiscal 2007, 91.3% of revenues came from TSP segment, 6.3% from TEM, 2.2% from ISV and others , while 0.2% came from BPO segment. The revenue share in fiscal 2006 from TSP, TEM and ISV segment was 91.1%, 5.8% and 3.1% respectively.

2. Other Income

Other income includes interest income, dividend income, foreign exchange gain/loss and miscellaneous income.

Interest income mainly consists of interest received on bank deposits. Dividend income includes dividend received on current investments. Exchange gain / loss consists of mainly realized or revaluation gain or loss on foreign currency transactions.

Miscellaneous income includes the following

- Profit / loss on sale of fixed assets
- Profit on sale of investments
- Excess provision for earlier years/sundry credit balances written back
- Provision for doubtful debts written back

Other income is lower at Rs. 64.67 Million in fiscal 2007 compared to Rs. 313.06 Million in fiscal 2006. This was primarily due to exchange loss of Rs. 110.24 Million in this fiscal.

3. Expenditure

Particulars	FY 2006-07		FY 2005-06		%Inc/(Dec)
	Rs. in Million	**% of Revenue**	**Rs. in Million**	**% of Revenue**	
Personnel Cost	8,404.06	30.5%	4,675.76	39.1%	79.7%
Operating and Other Expenses	12,143.96	44.1%	4,828.51	40.3%	151.5%
Depreciation	462.84	1.7%	373.80	3.1%	23.8%
Interest	69.19	0.3%	-	-	-
Total Expenses	**21,080.05**	**76.6%**	**9,878.07**	**82.5%**	**113.4%**

Personnel cost includes salaries, wages and bonus; contribution to provident fund & other funds and staff welfare costs. The increase in personnel cost is mainly due to increase in headcount and annual increments.

Operating and other expenses mainly include Subcontracting costs, Travelling expenses, Communication expenses, Rent and Repairs & Maintenance. The increase is due to increase in business volumes, increase in number of office locations in India and overseas and overall growth in business activity.

Increase in Depreciation is mainly due to increase in investment in infrastructure and equipment to service our growing business.

The Company incurred interest expense of Rs. 69.19 Million during the year on borrowings through secured and unsecured loans. Substantial portion of the loans has been paid off during the year.

4. Profit before Tax

Profit before tax increased by 171% to Rs. 6,516.82 Million in fiscal 2007 from Rs. 2,406.43 Million in fiscal 2006. Profit before tax as a percentage of revenues was 24% in fiscal 2007 compared to 20% in fiscal 2006.

5. Income Taxes

The provision of current tax, deferred tax and fringe benefit tax for the year ended March 31, 2007 was Rs. 615.13 Million as compared to Rs. 205.23 Million in the previous year, a growth of 200%. As a percentage of revenues, provision for taxes increased to 2.2% in fiscal 2007 from 1.7% in fiscal 2006. The effective tax rate in these years was 9.4% and 8.5%, respectively.

6. Profit after Tax before exceptional item

Profit after tax before exceptional item increased by 168% to Rs. 5,901.69 Million in fiscal 2007 from Rs. 2,201.20 Million in fiscal 2006. Profit after tax as a percentage of revenues was higher at 21% in fiscal 2007, compared to 18% in fiscal 2006.

Consolidated PAT

Consolidated PAT before exceptional item and minority interest for the fiscal 2007 was Rs. 6,126.19 Million compared to Rs. 2,353.75 Million last fiscal, a growth of 160%. PAT as a percentage of revenues was 21% in fiscal 2007 compared to 19 % in fiscal 2006.

7. Exceptional item

During the year, the Company has entered into Global Sourcing Agreement relating to the development of a global sourcing model for strategic outsourcing services, with a customer for a term of five years. As per the terms of agreement, the Company has made an upfront payment of Rs. 5,249.38 Million to the customer which is unconditional, irrevocable and non-refundable. Accordingly, this payment has been disclosed as an exceptional item in the Profit and Loss account.

C. CASH FLOWS

The cash flow position for fiscal 2007 and fiscal 2006 is summarized in the table below:

Rs. in Million

Particulars	**Fiscal Year**	
	2007	**2006**
Net cash flow from operating activities*	32.35	1,334.75
Net cash flow from / (used in) investing activities	(1,423.63)	(2,054.49)
Net cash flow from / (used in) financing activities	1,227.09	(7.26)
Cash and cash equivalents at the beginning of the year	496.49	1,223.49
Cash and cash equivalents at the end of the year	332.30	496.49

* includes unrealized gain / (loss) on foreign currency

D. INTERNAL CONTROL SYSTEMS

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against significant misuse or loss of Company's assets. The Company uses an Enterprise Resource Planning (ERP) package, which enhances the internal control mechanism.

E. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

During fiscal 2007, the Company made substantial addition to human resources. The Company had a net addition of 9,256 (previous year 4,876) employees through recruitment and through acquisitions. The global headcount of the Company as on March 31, 2007 was 19,749, compared to 10,493 as on March 31, 2006, a growth of 88%. The company used various sources for attracting talent during the year. We hired Engineering Graduates and Science Graduates for technical positions whereas MBA's were recruited from Premier management institutes such as IIM's, ISB, XLRI, London Business School, Tshingua University - China etc. for the future leadership positions.

The attrition rate for the year 2007 and 2006 was 21% and 17% respectively . The higher attrition in the year 2007 was primarily due to higher attention in BPO business which was commenced during the year. The Company has been working towards containing the attrition rate by continuously investing in learning and development programs for associates, competitive compensation, creating a compelling work environment, empowering associates at all levels as well as a well-structured reward and recognition mechanism.

The Company believes in promoting and nurturing work environment which is conducive to the development and growth of an individual employee, by employing the best HR practices such as performance management, reward and recognition policy, leadership development program, succession planning , open work culture and effective employee communication.

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company believes that Corporate Governance is a set of guidelines to help fulfill its responsibilities to all its stakeholders. It is a voluntary code of self-discipline to ensure that the company abides by high ethical standards. In line with this philosophy, the Company follows healthy Corporate Governance practices and reports to the shareholders the progress made on the various measures undertaken. Although the Company's shares were listed on August 28, 2006, your Directors have been reporting the initiatives on Corporate Governance adopted by your Company for last 6 years.

II. BOARD OF DIRECTORS:

Your Company has a balanced mix of executive, non-executive and independent directors on the Board. The total strength of Board of Directors is 11. Mr. Clive Goodwin, Director of the Company has appointed Mr. Paul Ringham as his alternate. Your Company has a Non-executive Chairman and the number of Independent Directors is 4 which is more than 1/3rd of the total number of Directors. The number of Non-Executive Directors is 10 which is more than 50% of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

The Company is managed by the Vice – Chairman & Managing Director and the Management Team. The Board reviews and approves strategy and oversees the performance to ensure that the long term objectives of enhancing stakeholder value are met.

The Independent Directors and the Senior Management have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

The Board meets at least four times a year and the maximum gap between two meetings is not more than four months. During the year 2006-07, 6 meetings of the Board of Directors were held on May 4, 2006, July 17, 2006, October 18, 2006, December 13, 2006, January 18, 2007 and March 14, 2007.

The names and categories of the Directors on the Board, their attendance at the Board and the Annual General Meeting held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below.

Sr. No.	Name	Category	No. of Board Meetings attended (Held = 6)	Attendance at the AGM held on July 18, 2006	Directorship in other Companies (*)	No. of Committee positions held in other public companies (*)	
						As Chairman	As Member
1	Mr. Anand G. Mahindra	Non-Executive Chairman	6	No	11	Nil	1
2	Mr. Vineet Nayyar	Vice Chairman, Managing Director & CEO	4[1]	Yes	7	Nil	Nil
3	Mr. Bharat Doshi	Non-Executive	6	Yes	8	2	2
4	Mr. Clive Goodwin	Non-Executive	4[2]	Yes	Nil	Nil	Nil
5	Hon. Akash Paul	Non-Executive, Independent	4[3]	No	Nil	Nil	Nil
6	Mr. Anupam Puri	Non-Executive, Independent	3	Yes	3	Nil	1
7	Mr. Al-Noor Ramji	Non-Executive	2[4]	No	Nil	Nil	Nil
8	Dr. Raj Reddy	Non-Executive, Independent	4	No	1	Nil	Nil
9	Mr. Arun Seth	Non-Executive	5	No	1	Nil	Nil
10	Mr. Ulhas N. Yargop	Non-Executive	6	Yes	6	2	Nil
11	Mr. Paul Zuckerman	Non-Executive, Independent	4	No	1	Nil	Nil
	Mr. Paul Ringham	Alternate to Mr. Clive Goodwin	Nil	No	Nil	Nil	Nil

(*) This does not include private companies, foreign companies and companies under Section 25 of the Companies Act, 1956

[1] In addition participated in one meeting through teleconference

[2] In addition participated in two meetings through teleconference

[3] In addition participated in two meetings through teleconference
[4] In addition participated in one meeting through teleconference

Necessary information as required by Annexure 1A to Clause 49 of the Listing Agreement is placed before the Board.

Directors seeking re-appointment : Mr. Vineet Nayyar, Mr. Al-Noor Ramji and Mr. Ulhas N. Yargop retire by rotation and being eligible, have offered themselves for re-appointment. As required by clause 49 (G)(i) of the Listing Agreement details of Directors seeking re-appointment are setout at the end of this Report.

Code of Conduct

All the Directors and senior management personnel have affirmed compliance with the Code of Conduct/Ethics as approved and adopted by the Board of Directors.

III. AUDIT SUB-COMMITTEE:

The Audit Sub-Committee of the Board of Directors has been constituted in line with the provisions of Section 292A of the Companies Act, 1956, read with Clause 49 of the Listing Agreement. Mr. Paul Zuckerman was appointed a Member of the Audit Committee w.e.f. May 4, 2006 in place of Mr. Bharat Doshi who stepped down as a member from the same date. The Committee meets at least four times a year and the maximum gap between two meetings is not more than four months.

1. The composition of the Audit Sub-Committee and particulars of meetings attended by the members is as below:

Four meetings of the Audit sub-committee were held during the Financial Year 2006-2007. The meetings were held on May 4, 2006, July 17, 2006, October 18, 2006 and January 18, 2007.

The details of the number of Audit Sub-Committee meetings attended by its members are given below:

Name of Director	Category	Number of Audit sub-committee meetings attended (Held = 4)
Mr. Anupam Puri, Chairman	Non-Executive, Independent	3
Mr. Clive Goodwin	Non-Executive	4
Dr. Raj Reddy	Non-Executive, Independent	4
Mr. Paul Zuckerman	Non-Executive, Independent	4

The necessary quorum was present at all the meetings.

2. Recommendations of the committee:

All the recommendations of the Audit Sub-committee were accepted by the Board of Directors.

3. Brief terms of reference:

The terms of reference of this Committee are very wide. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to review the remuneration payable to the Statutory Auditors and to recommend a change in Auditors, if felt necessary. It is also empowered to review Financial Statements and investments of unlisted subsidiary companies, Management Discussion & Analysis, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis. Generally all items listed in Clause 49 II D of the Listing Agreement are covered in the terms of reference. The Audit Sub-Committee has been granted powers as prescribed under Clause 49 II C.

The Meetings of the Audit Committee are, generally, also attended by the Vice-Chairman & Managing Director, President – International Affairs, President – Strategic Initiatives, Chief Financial Officer (CFO), the Statutory Auditors, Internal Auditors, Chief Internal Auditor-Heads of the Joint Internal Audit Team from M&M and BT.

The Chairman of the Committee, Mr. Anupam Puri was present at the Annual General Meeting of the Company held on July 18, 2006.

Necessary information as required by Clause 49 II E of the Listing Agreement is reviewed by the Audit Sub-Committee.

IV. COMPENSATION (REMUNERATION) COMMITTEE:

1. The composition of the Compensation Committee and particulars of meetings attended by the members is as below :

Four meetings of the Compensation Committee were held during the Financial Year 2006-2007. The meetings were held on May 4, 2006, July 18, 2006, October 18, 2006 and January 18, 2007.

The details of the number of Compensation Committee meetings attended by its members are given below:

Name of Director	**Category**	**Number of Compensation Committee meetings attended (Held = 4)**
Hon. Akash Paul, Chairman	Non-Executive, Independent	4
Mr. Arun Seth	Non-Executive	3
Mr. Ulhas N. Yargop	Non-Executive	4

The necessary quorum was present at all the meetings.

2. Brief terms of reference:

The Compensation committee was constituted for the purpose of determining the terms and conditions including the remuneration payable to Managing Director of the Company as well as the Employee Stock Option Plans (ESOPs) of the Company.

3. Remuneration Policy:

While deciding on the remuneration for Directors, the Board, Compensation Committee (Committee) considers the performance of the Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Board / Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

4. Compensation of Directors:

i. Remuneration to Non-Executive Directors :

Our Non-Executive Directors are entitled to sitting fees and/ or commission and actual expenses for attending the Board/ Committee meetings. Presently, we do not pay sitting fees to our Directors. The eligible Non-Executive Directors are paid commission upto a maximum of 1% of the net profits of the Company as specifically computed for this purpose. A commission of Rs. 9.63 Million has been provided as payable to the eligible Non-Executive

Directors in the accounts of the current year. During the year under review, the Non-Executive Directors were paid a commission of Rs. 15.50 Million (provided in the accounts for the year ended March 31, 2006), distributed amongst the Directors as under:

Sr. No.	Name of Director	Commission for FY 2006, paid during the current year	Stock options granted till date
1.	Hon. Akash Paul	Rs. 2,092,500	30,000
2.	Mr. Al-Noor Ramji	Rs. 2,247,500	20,000
3.	Mr. Anupam Puri	Rs 2,170,000	25,000
4.	Mr. Arun Seth	Rs. 2,247,500	25,000*
5.	Mr. Clive Goodwin	Rs. 2,247,500	25,000
6.	Dr. Raj Reddy	Rs. 2,247,500	30,000
7.	Mr. Ulhas N. Yargop	Rs. 2,247,500	35,000
8.	Mr. Anand G. Mahindra	Nil	Nil
9.	Mr. Bharat Doshi	Nil	20,000
10.	Mr. Paul Zuckerman	N.A.	20,000
	Total	**Rs. 15,500,000**	**230,000**

All Directors except Mr. Paul Zuckerman have been granted stock options under ESOP 2000. Mr. Paul Zuckerman has been granted stock options under ESOP 2006.

** 5000 options lapsed pursuant to his resignation from the Board in his earlier appointment.*

ii. **Remuneration paid / payable to Managing Director for the year ended March 31, 2007:**

Remuneration to Managing Director is fixed by the Compensation Committee and thereafter approved by the shareholders at a General Meeting.

Following is the remuneration paid / payable to the Managing Director during the year ended March 31, 2007:

Director	Salary	Company's contribution to Provident Fund	Benefits Perquisites & Allowances	Commission	Total	Contract Period	No. of options (under ESOP 2004)
	Rs. in Million						
Mr. Vineet Nayyar, Vice Chairman, Managing Director & CEO	15.91	0.81	0.33	7.31	24.36	January 17, 2005 to January 16, 2010	3,406,620

5. **Details of Equity Shares of the Company held by the Directors as on March 31, 2007 are as below :**

Sr. No.	Name of Director	No. of Shares held	% to total paid-up Capital
1	Mr. Vineet Nayyar	1,547,039	1.28
2	Mr. Anand Mahindra	47,138	0.04
3	Mr. Ulhas N. Yargop	25,010	0.02
4	Hon. Akash Paul	16,670	0.01
5	Mr. Bharat Doshi	15,501	0.01
6	Mr. Anupam Puri	11,670	0.01
7	Dr. Raj Reddy	10,000	0.01
8	Mr. Arun Seth	5,712	0.00
	Total	1,678,740	1.38

V. INVESTOR GRIEVANCES-CUM-SHARE TRANSFER COMMITTEE :

The Board of Directors constituted the Investor Grievances-cum-Share Transfer Committee of the Board in its meeting held on May 4, 2006. Mr. Ulhas N. Yargop, a Non Executive Director is the Chairman of the Committee. The Committee is comprised of Mr. Ulhas N. Yargop, Mr. Vineet Nayyar and Mr. Clive Goodwin. Mr. Vikrant Gandhe, Asst. Company Secretary is the Compliance officer. One meeting of the Committee was held during the year on March 13, 2007 which was attended by all the members of the Committee.

Terms of reference : The Investor Grievances-cum-Share Transfer Committee looks into redressal of shareholder and investor complaints, issue of duplicate, consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/ transmission of shares and debentures and reference to statutory and regulatory authorities.

The Company also has an Investor Relations Department focused on servicing the needs of the investors, analysts, brokers and the general public.

The status of complaints received and resolved during the year is as under:

Opening balance of the number of Shareholders' complaints as on April 1, 2006	Number of Shareholders' complaints received during the year	Number of Shareholders' complaints solved during the year	Number of Shareholders' complaints not solved/ pending as on March 31, 2007
Nil	1,556	1,556	Nil

VI. GENERAL BODY MEETINGS:

The details of the last three Annual General Meetings of the Company and the Special Resolutions passed thereat are as under:

Year	Location of AGM	Date	Time	Special Resolutions passed
2004	Oberoi Estate Gardens, Chandivali, Andheri (E), Mumbai 400 072	July 16, 2004	4.30 pm	Nil
2005	Oberoi Estate Gardens, Chandivali, Andheri (E), Mumbai 400 072	July 19, 2005	2.30 pm	1. Authority to the Board to issue shares under Employees Stock Option Plan as required under Section 81(1A) of the Companies Act,1956 2. Increase in Authorised Share Capital from Rs.250 Million to Rs.300 Million and consequential amendments to the Memorandum and Articles of Association of the Company.
2006	Mahindra Towers, Worli, Mumbai 400 018	July 18, 2006	2.30 pm	Nil

None of the Special Resolutions passed last year required Postal Ballot. No resolution is proposed to be passed through postal ballot.

VII. DISCLOSURES:

i) There have been no materially significant transactions, pecuniary transactions or relationships between the Company & directors, management, subsidiary or related parties except those disclosed in the financial statements for the year ended March 31,2007.

ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from August 28, 2006 (Date of listing of the Company's equity shares) to March 31, 2007 : Nil.

iii) No personnel has been denied access to the Audit Sub-Committee.

iv) The Company has complied with the mandatory requirements of Clause 49.

v) The Company has complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges :

(a) The Company has set up a Compensation (Remuneration) Committee long before it got listed. Please see the para on Compensation (Remuneration) Committee for details.

(b) The financial statements of the Company are unqualified.

VIII. COMMUNICATION OF RESULTS:

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include Business Standard, Economic Times and Maharashtra Times. The results are also displayed on the Company's website www.techmahindra.com. These are not sent individually to the shareholders. Official Press Releases made by the Company from time to time are also displayed on the website. A Fact sheet providing a gist of the quarterly, half-yearly and annual results of the Company is displayed on the Company's website. The Company also regularly posts information relating to its financial results and shareholding pattern on the SEBI EDIFAR website at www.sebiedifar.nic.in. A Management Discussion and Analysis statement forms part of this Annual Report.

IX. GENERAL SHAREHOLDER INFORMATION:

1. **Annual General Meeting :**

Date	Friday, July 20, 2007
Time	3.00 p.m.
Venue	Birla Matushri Sabhagar,19, New Marine Lines, Mumbai – 400 020

2. **Financial year :** The financial year is 1st April to 31st March.

Financial Calendar :

Tentative schedule (subject to change)	**Likely Board Meeting schedule**
Financial reporting for the quarter ending June 30, 2007	Second fortnight of July 2007
Financial reporting for the quarter ending September 30, 2007	Second fortnight of October 2007
Financial reporting for the quarter ending December 31, 2007	Second fortnight of January 2008
Financial reporting for the quarter ending March 31, 2008	First fortnight of May 2008
Annual General Meeting for the year ending March 31, 2008	Second fortnight of July 2008

3. **Book Closure / Record date for the purpose of dividend** : The Company has paid two interim dividends during the year. Your Directors have recommended that these be treated as the only dividends for the year.

4. **Listing on Stock Exchanges:** The Company's equity shares are listed on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

   Listing Fee for 2007-08 has been paid in full for both the stock exchanges.

5. **Stock Code:**

   National Stock Exchange of India Limited - TECHM

   Bombay Stock Exchange Limited - 532755

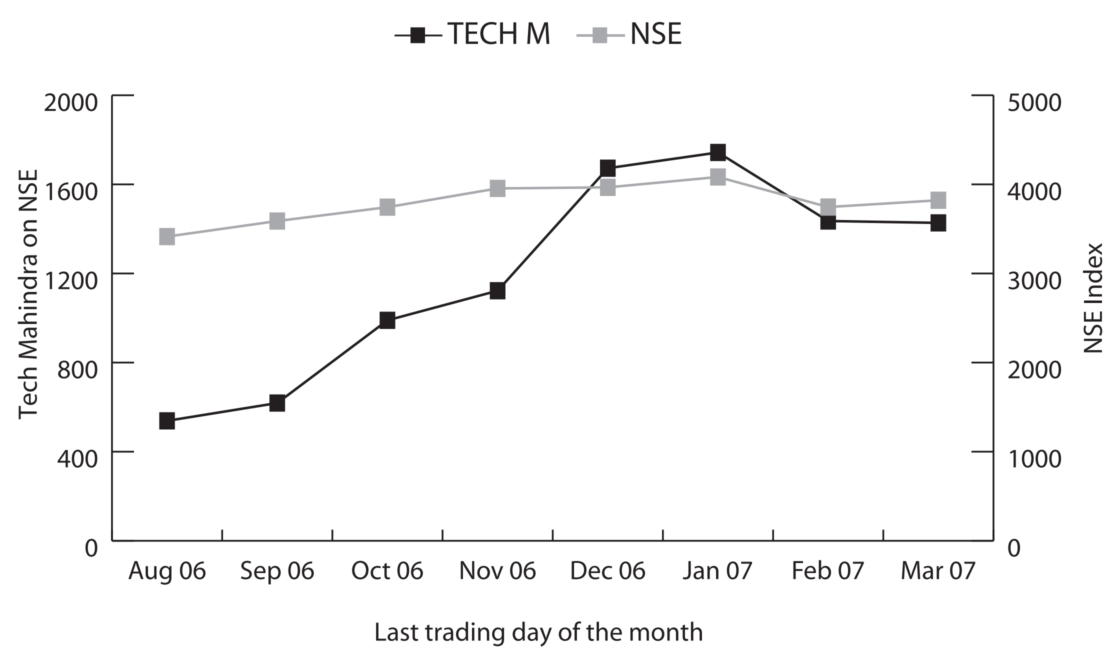
6. **Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares:** INE669C01028

7. **Market Price Data : High, Low during each month in last financial year:**

	Equity Shares			
	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Month				
August 2006	569.00	502.00	569.00	520.60
September 2006	631.80	452.80	632.00	530.25
October 2006	1,047.80	610.00	1,047.00	610.00
November 2006	1,209.70	969.00	1,213.70	968.00
December 2006	1,748.70	1,010.10	1,744.00	1,013.00
January 2007	2,048.00	1,635.00	2,049.80	1,634.10
February 2007	1,843.90	1,311.00	1,841.75	1,370.00
March 2007	1,533.70	1,263.00	1,534.00	1,266.00

8. **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.:**

The performance of the Company's shares relative to the NSE Sensitive Index is given in the chart below:



9. **Registrar and Transfer Agents:**

Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078. Tel No. +91 22 2596 3838, Fax: +91 22 2596 0329. Contact Persons : Mr. Mahadevan Iyer/ Mr. Bhagavant Sawant

10. **Share Transfer System:**

The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system. Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

11. **Distribution of shareholding as on March 31, 2007:**

No. of shares	Holdings	% to capital	No. of Shareholders	% to total Shareholders
UPTO 2,500	4,492,400	3.71	158247	97.027
2,501 - 5,000	889,768	0.73	2390	1.465
5,001 - 10,000	886,808	0.73	1166	0.715
10,001 - 20,000	935,412	0.77	658	0.403
20,001 - 30,000	518,836	0.43	209	0.128
30,001 - 40,000	383,125	0.32	109	0.067
40,001 - 50,000	234,487	0.19	51	0.031
50,001 - 1,00,000	900,490	0.74	123	0.075
1,00,001 & ABOVE	111,975,375	92.38	142	0.087
Total	**121,216,701**	**100.00**	**163,095**	**100.00**

Shareholding pattern as on March 31, 2007:

Category	Total Shares	% to Equity
Promoters holdings	101,424,813	83.67
Mutual Funds	1,869,374	1.54
Banks, Financial Institutions & Others	163,156	0.13
Foreign Institutional Investors	1,838,165	1.52
Bodies Corporate	1,717,108	1.42
NRIs/Foreign Nationals	425,061	0.35
Indian Public	13,779,024	11.37
Total	**121,216,701**	**100.00**

12. **Dematerialization of shares and liquidity:**

91.13% of the total equity share capital of the Company is held in a dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2007. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form. Other than the capital which is locked post IPO for the specified periods, the stock is highly liquid.

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

As on March 31, 2007, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments (excluding ESOPs).

14. **Plant Locations:**

The Company is in software business and does not require any manufacturing plants but it has software development centres in India and abroad. The addresses of the global development centres / offices of the Company are given elsewhere in the annual report.

15. **Address for correspondence** :

Shareholders' Correspondence: Shareholders may correspond with –

i. Registrar & Transfer Agents for all matters relating to transfer / dematerialization of shares, payment of dividend, IPO refunds / demat credits at : Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078. Tel No. +91 22 2596 3838, Fax: +91 22 2596 0329. Contact Persons : Mr. Mahadevan Iyer / Mr. Bhagavant Sawant.

ii. Respective Depository Participants for shares held in demat mode.

iii. Mr. Vikrant Gandhe, Assistant Company Secretary, Tech Mahindra Limited, Sharda Centre, Erandavane, Pune 411 004, INDIA. Tel No. +91 20 6601 8100, for all investor related matters.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT, PURSUANT TO CLAUSE 49(G)(I)

Particulars	Mr. Vineet Nayyar	Mr. Al-Noor Ramji	Mr. Ulhas N. Yargop
Date of Birth	30.11.1938	18.05.1954	28.01.1954
Date of Appointment	17.01.2005	14.02.2005	01.04.1999
Qualifications	Master in Development Economics	B.Sc. (Electronics), Chartered Financial Analyst	B.Tech., MBA
Brief Profile and expertise in specific functional areas	Mr. Vineet Nayyar, is the Vice-Chairman, Managing Director and Chief Executive Officer of the Company. He has had a rich and varied experience in Government, international multilateral agencies and the corporate sector both public and private. He holds a Master's degree in Development Economics from Williams College, Massachusetts and started his career with the Indian Administrative Service. He has held positions as a District Magistrate, Secretary Agriculture & Rural development for the Government of Haryana and Director, Department Of Economic Affairs, Government of India. He worked with the World Bank for over 10 years in assignments, successively being the Chief for the Energy, Infrastructure and the Finance Divisions for East Asia and Pacific. He was founding Chairman & Managing Director of the Gas Authority of India. In Private Sector, he served as the Managing Director of HCL Corporation, Vice Chairman of HCL Technologies and was also the founder & CEO of HCL Perot Systems.	Mr. Al-Noor Ramji, a British national, is a Non-Executive Director of the Company. He is a Chartered Financial Analyst and holds a Bachelor of Science degree in electronics from London University. He is the CEO of BT Exact/ Group CIO and previously held the position of CEO, Webtek Software, a software company in India that he founded.	Mr. Ulhas N. Yargop, an Indian national, is a Non-Executive Director of the Company. He holds a Bachelor's degree in Technology from the Indian Institute of Technology, Chennai and MBA degree from the Harvard Business School. Mr. Yargop joined the M&M Group in 1992 as General Manager - Corporate Planning. He later moved to the Automotive Sector as General Manager - Product Planning and was responsible for the product management function for automotive products. In 1994, he was appointed as General Manager, Mahindra-Ford Project, and led the M&M team working on the joint venture project with Ford Motor Company. In 1996, he was appointed as Treasurer and assumed responsibility for Corporate Finance. Since 1999, Mr. Yargop has been President – Telecom & Software Sector and a member of the Group Management Board.
Directorships held in other public companies (excluding foreign companies)	1. Business Standard Ltd. 2. CanvasM Technologies Ltd. 3. Kotak Mahindra Old Mutual Life Insurance Co. Ltd. 4. Mahindra Holidays & Resorts (India) Ltd. 5 Tech Mahindra (R&D Services) Ltd. 6. The Great Eastern Shipping Company Ltd. 7. Indian Oil Corporation Ltd.	Not Applicable	1. Bristlecone India Ltd. 2. Mahindra & Mahindra Contech Ltd. 3. Mahindra Engineering Design & Development Co. Ltd. 4. Mahindra Logisoft Business Solutions Ltd. 5. Officemartindia.Com Ltd. 6. Tech Mahindra (R&D Services) Ltd.
Memberships / Chairmanships of committees of other public companies (includes only Audit and Shareholders / Investors Grievance Committee)	Not Applicable	Not Applicable	1. Mahindra Engineering Design & Development Co. Ltd. – Chairman, Audit Committee 2. Bristlecone India Ltd - Chairman, Audit Committee
No. of shares held in the Company	1,547,039	Nil	25,010

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

As required by Clause 49 I (D) (ii) of the Listing Agreement, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's web site.

I confirm that the Company has in respect of the financial year ended March 31, 2007, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team comprises of employees in the President and Executive Vice President cadre as on March 31, 2007 and Chief Financial Officer of the Company.

For Tech Mahindra Limited

May 3, 2007 — Vineet Nayyar
Mumbai — Vice Chairman, Managing Director & CEO

CERTIFICATE

To the Members of Tech Mahindra Limited

We have examined the compliance of conditions of Corporate Governance by Tech Mahindra Limited for the year ended on March 31, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

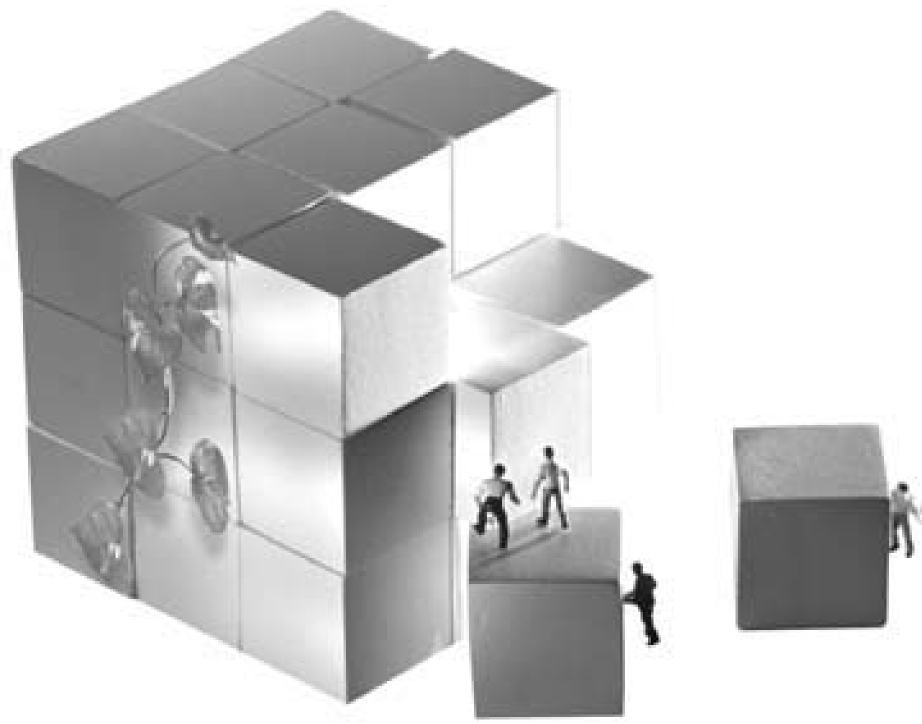
We state that no investor grievance is pending for a period exceeding one month against the Company based on the records maintained by the Investors Services department and as certified by the Compliance Officer of the Company.

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 Deloitte Haskins & Sells
Chartered Accountants

A.B.Jani
May 15, 2007 — Partner
Mumbai — Membership No. 46488

FINANCIAL STATEMENTS OF TECH MAHINDRA LIMITED



Building on our values. Investing in our success.

AUDITOR'S REPORT

To the Members of Tech Mahindra Limited

1. We have audited the attached Balance sheet of Tech Mahindra Limited as at March 31, 2007, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) 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 the books;
   c) The Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d) In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
   e) On the basis of written representations received from the directors as on March 31, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2007;
      ii) in case of the Profit and Loss Account, of the profit for the year ended on that date; and
      iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

A B Jani
Partner
Membership No. 46488

Mumbai
Dated: May 15, 2007

ANNEXURE TO THE AUDITOR'S REPORT

Re: Tech Mahindra Limited

(Referred to in Paragraph 3 of our report of even date)

i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.

ii) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company has not disposed off a substantial part of fixed assets during the year.

iii) The activities of the Company and the nature of its business do not involve use of inventory. Accordingly, clause (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.

iv) (a) The Company granted unsecured loans to two of its subsidiary companies covered in the register maintained under Section 301 of the Companies Act, 1956 of which one of the subsidiaries has repaid the loan. The maximum amount involved during the year was Rs.291.95 million and the year-end balance of loan granted is Rs.217.45 million.

(b) In our opinion, the rate of interest and other terms and conditions of such loan are not, prima facie, prejudicial to the interest of the Company.

(c) As per the terms of the contract the principal amounts and interest amounts which are due for re-payment have been repaid as per stipulations.

(d) There are no overdue amounts outstanding as at the year-end.

(e) The Company has taken unsecured loan from one of its subsidiary company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs.390 million and the year-end balance of such loan taken is Rs.390 million.

(f) In our opinion the rate of interest and other terms and conditions on which loans have been taken by the Company are not prima facie, prejudicial to the interest of the Company.

(g) As per the terms of the contract; the principal amounts are not due for re-payment and the Company has been regular in payment of interest as stipulated.

v) 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 nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the internal control system.

vi) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts/ arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

(b) According to the information and explanations given to us, where transactions in pursuance of such contracts/ arrangements are in excess of Rs. 0.5 Million in respect of any party during the year, these are at prices determined in negotiations with the said parties and are prima facie reasonable having regard to prevailing market prices where such market prices are available with the Company.

vii) The Company has not accepted any deposits from the public.

viii) In our opinion, the company has an internal audit system commensurate with the size of the Company and nature of its business.

ix) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act. Therefore the provisions of clause (viii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

x) According to information and explanations given to us in respect of statutory and other dues:

(a) The company has generally been regular in depositing undisputed statutory dues in respect of Provident Fund, Employees' State Insurance (ESI), Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, cess and any other material statutory dues with the appropriate authorities during the year except in case of ESI dues of Rs.1,722/- and service tax dues of Rs.51.79 million which are outstanding as at the year end.

(b) According to information and explanation given to us there are no dues of Sales tax / Income-tax / Customs duty / Wealth tax / Service tax/ Excise duty and cess, which have not been deposited with the appropriate authorities on account of any dispute, except in case of income-tax which is as detailed below:

Forum where dispute is pending	**Nature of dues**	**Amount (Rs. Million)**	**Financial Year to which amount relates**
Income tax Appellate Authorities	Corporate tax	21.18	1998-1999
Income tax Appellate Authorities	Corporate tax	6.39	1999-2000
Commissioner of Income tax (Appeals)	Corporate tax	72.27	2003-2004
		99.84	

xi) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and in the immediately preceding financial year.

xii) According to information and explanations given to us, there are no dues payable to a financial institution or bank or debenture holders.

xiii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiv) 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.

xv) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company during the year were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.

xvi) According to information and explanations given to us and on an overall examination of the Balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.

xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

xviii) The Company has not issued any debentures during the year.

xix) The management has disclosed the end use of money raised by public issue and the same has been verified by us.

xx) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants

Mumbai
Dated: May 15, 2007

A B Jani
Partner
Membership No. 46488

BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007	As at March 31, 2006
			Rs. in Million
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS:			
Capital	I	**1,212.17**	208.00
Share Application Money		**1.42**	-
Reserves and Surplus	II	**7,567.62**	5,770.65
LOAN FUNDS :	III		
Secured Loan		**100.10**	-
Unsecured Loan		**426.44**	-
		9,307.75	5,978.65
II. APPLICATION OF FUNDS :			
FIXED ASSETS:	IV		
Gross Block		**4,427.53**	3,069.55
Less : Depreciation		**1,957.18**	1,501.58
Net Block		**2,470.35**	1,567.97
Capital Work-in-Progress, including Advances		**546.48**	193.30
		3,016.83	1,761.27
INVESTMENTS :	V	**2,832.11**	2,947.52
DEFFERED TAX ASSET (NET) :		**13.73**	4.87
CURRENT ASSETS, LOANS AND ADVANCES :	VI		
Sundry Debtors		**7,920.19**	4,127.57
Cash and Bank Balances		**289.19**	515.83
Loans and Advances		**1,615.46**	699.44
		9,824.84	5,342.84
Less : CURRENT LIABILITIES AND PROVISIONS :			
Liabilities	VII	**4,987.04**	1,957.67
Provisions	VIII	**1,392.72**	2,120.18
		6,379.76	4,077.85
Net Current Assets		**3,445.08**	1,264.99
		9,307.75	5,978.65
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :	XIII		

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, Dated : 15th May, 2007

For Tech Mahindra Limited

Anand G.Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Bharat Doshi
Director

Clive Goodwin
Director

Paul Zuckerman
Director

Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Boston; Dated : 7th May 2007

Vikrant Gandhe
Asst. Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Rs. in Million

	Schedule	**Year ended March 31, 2007**	Year ended March 31, 2006
INCOME :	IX	**27,596.87**	12,284.50
EXPENDITURE :			
Personnel	X	**8,404.06**	4,675.76
Operating and Other Expenses	XI	**12,143.96**	4,828.51
Depreciation		**462.84**	373.80
Interest	XII	**69.19**	-
		21,080.05	9,878.07
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**6,516.82**	2,406.43
Provision for Taxation (Refer to note 19 of schedule XIII)			
- Current tax		**(572.99)**	(175.09)
- Deferred tax		**8.86**	2.86
- Fringe benefit tax		**(51.00)**	(33.00)
PROFIT AFTER TAXATION AND BEFORE EXCEPTIONAL ITEM		**5,901.69**	2,201.20
Exceptional item (Refer to note 7 of schedule XIII)		**5,249.38**	-
NET PROFIT FOR THE YEAR		**652.31**	2,201.20
Excess provision for income-tax in respect of earlier year written back (Refer to note 20 of schedule XIII)		**339.50**	-
Balance brought forward from previous year		**4,539.71**	3,753.58
Balance available for appropriation		**5,531.52**	5,954.78
Interim Dividend - I		**(90.15)**	(30.61)
Interim Dividend - II		**(176.00)**	(31.15)
Interim Dividend - III		**-**	(62.37)
Interim Dividend - IV		**-**	(499.19)
Final Dividend		**-**	(415.99)
Dividend Tax		**(37.33)**	(145.76)
Transfer to General Reserve		**(65.23)**	(230.00)
Balance Carried to Balance Sheet		**5,162.81**	4,539.71
Earning Per Share (Refer to note 24 of Schedule XIII)			
Before exceptional item (in Rs.)			
- Basic		**54.24**	21.29
- Diluted		**47.84**	17.51
After exceptional item (in Rs.)			
- Basic		**8.62**	21.29
- Diluted		**7.60**	17.51
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	XIII		

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, Dated : 15th May, 2007

For Tech Mahindra Limited

Anand G.Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Bharat Doshi
Director

Clive Goodwin
Director

Paul Zuckerman
Director

Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Boston; Dated : 7th May 2007

Vikrant Gandhe
Asst. Company Secretary

Cash flow for the year ended March 31, 2007

Rs. in Million

	Particulars		As at March 31, 2007	As at March 31, 2006
A	**Cash flow from operating activities**			
	Net profit before taxation and exceptional Item	**6,516.82**		2,406.44
	Less :			
	Exceptional items	**5,249.38**		-
	Net profit before taxation and after exceptional Item		**1,267.44**	2,406.44
	Adjustments for			
	Depreciation	**462.84**		373.80
	Loss on sale of fixed assets, (net)	**1.85**		4.06
	Interest expense	**69.19**		-
	Decrease in fair value of current investment	**0.06**		0.27
	Exchange loss/gain (net)	**62.45**		(21.09)
	Dividend from current investments	**(56.05)**		(47.10)
	Interest income	**(88.47)**		(69.99)
	Profit on sale of investments	**(14.64)**		(11.20)
			437.23	228.75
	Operating profit before working capital changes		**1,704.67**	2,635.19
	Adjustments for:			
	Trade and other receivables	**(4,630.36)**		(2,321.83)
	Trade and other payables	**3,161.51**		1,022.47
			(1,468.85)	(1,299.36)
	Cash generated from operations		**235.82**	1,335.83
	Income taxes paid	**(203.47)**		(1.08)
			(203.47)	(1.08)
	Net cash from operating activities		**32.35**	1,334.75
B	**Cash flow from investing activities**			
	Purchase of fixed assets	**(1,699.81)**		(391.98)
	Purchase of investments	**(5,214.33)**		(2,507.12)
	Acquisition / investments in subsidiaries	**(276.28)**		(1,791.91)
	(Refer to note 5 and 6 of Schedule XIII)			
	Sale of investments	**5,620.59**		2,511.79
	Sale of fixed assets	**1.63**		5.95
	Interest received	**88.52**		71.68
	Dividend on current investments received	**56.05**		47.10
	Net cash used in investing activities		**(1,423.63)**	(2,054.49)

Cash flow for the year ended March 31, 2007 (Contd.)

Rs. in million

	Particulars		As at March 31, 2007	As at March 31, 2006
C	**Cash flow from financing activities**			
	Proceeds from issue of shares (including Securities Premium)	**949.74**		134.28
	Issue of equity shares (Refer to note 22 of Schedule XIII)	**1,163.07**		-
	Share application money	**1.42**		-
	Dividend (including dividend tax paid)	**(1,347.02)**		(141.54)
	Proceeds from borrowing	**526.55**		-
	Interest paid	**(66.67)**		-
	Net cash from / (used in) financing activities		**1,227.09**	(7.26)
	Net decrease in cash and cash equivalents (A+B+C)		**(164.19)**	(727.00)
	Cash and cash equivalents at the beginning of the year		**496.49**	1,223.49
	Cash and cash equivalents at the end of the year		**332.30**	496.49

Notes:

1 Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under Schedule VI (b) of the accounts.

2 Purchase of fixed assets are stated inclusive of movements of capital work in progress between the commencement and end of the period and are considered as part of investing activity.

		March 31, 2007	March 31, 2006
3	Cash and cash equivalents include :		
	Cash and Bank Balances	**289.19**	515.83
	Unrealised (gain)/loss on foreign currency Cash and cash equivalents	**43.11**	(19.34)
	Total Cash and Cash equivalents	**332.30**	496.49

4 Cash and cash equivalents include equity share application money of **Rs. 1.42 Million** (previous year: Nil) and unclaimed dividend of **Rs. 1.02 Million** (previous year: Rs. 0.04 Million)

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, Dated : 15th May, 2007

For Tech Mahindra Limited

Anand G.Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Bharat Doshi
Director

Clive Goodwin
Director

Paul Zuckerman
Director

Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Vikrant Gandhe
Asst. Company Secretary

Boston; Dated : 7th May 2007

Schedules forming part of the Balance Sheet

	As at March 31, 2007	Rs. in Million As at March 31, 2006
Schedule I		
SHARE CAPITAL :		
Authorised :		
175,000,000 (previous year: 150,000,000) Equity Shares of Rs.10/- (previous year: Rs.2/-) each.	**1,750.00**	300.00
	1,750.00	300.00
Issued and Subscribed :		
121,216,701 (previous year: 112,440,523) Equity Shares of Rs.10/- (previous year: Rs.2/-) each fully paid-up.	**1,212.17**	224.88
Paid-up:		
121,216,701 (previous year: 102,508,885) Equity Shares of Rs.10/- (previous year: Rs.2/-) each fully paid-up	**1,212.17**	205.02
Nil (previous year: 9,931,638) Equity Shares of Rs.2/- each Rs 0.30 paid-up	-	2.98
	1,212.17	208.00

Notes:

1. Out of the above 9,931,638 (previous year 9,931,638) Equity Share of Rs.10/- (previous year Rs.2/-; Rs.0.30 paid-up) each fully paid-up are held by Mahindra BT Investment Company (Mauritius) Limited, a subsidiary of Mahindra and Mahindra Ltd and 53,776,252 (previous year 57,600,060) equity shares of Rs.10/- each (previous year Rs.2/- each) are held by Mahindra & Mahindra Ltd., the ultimate holding company.
2. The above includes 51,000,100 and 25,000,000 Equity Shares originally of Rs.2/- each issued as fully paid-up bonus shares by capitalisation of balance of Profit and Loss Account and General Reserve, respectively.
3. During the year, 90,148,459 Equity Shares of Rs.10/- each are allotted as fully paid-up bonus shares by way of capitalisation of Profit and Loss Account (Refer note 4 of schedule XIII).
4. During the year, 5 Equity Shares of Rs.2/- each have been consolidated into 1 Equity Share of Rs.10/- each (Refer to note 4 of schedule XIII)
5. Refer to note 17 of schedule XIII for stock options.

Schedules forming part of the Balance Sheet

			Rs. in Million
		As at March 31, 2007	As at March 31, 2006
Schedule II			
RESERVES AND SURPLUS:			
General Reserve :			
As per last Balance Sheet	**948.43**		718.43
Add : Transfer from Profit and Loss Account	**65.23**		230.00
		1,013.66	948.43
Securities Premium :			
As per last Balance Sheet	**282.51**		152.77
Add : Received during the year	**2,010.12**		129.74
		2,292.63	282.51
Balance in Profit and Loss Account	**5,162.81**		4,539.71
Less : Capitalised on issue of Bonus Shares (Refer to note 4 of schedule XIII)	**901.48**		-
		4,261.33	4,539.71
		7,567.62	5,770.65
Schedule III			
LOAN FUND:			
Secured Loan :			
Loans and Advances from Bank			
Cash Credit from bank (Refer to note 1 and 2 below)		**100.10**	-
		100.10	-

Notes :

1 Loan from bank is Secured by way of hypothecation of current assets including book debts

2 Net of current account balance of Rs. 112.23 Million as per sweep facility with the bank

Unsecured Loan :			
Other Loans and Advances			
- Overdraft from banks		**36.44**	-
Loans and Advances from subsidiary company - Inter-Corporate Deposit		**390.00**	-
		426.44	-

Schedules forming part of the Balance Sheet

Schedule IV

FIXED ASSETS :

Rs. in Million

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description of Assets	**Cost as at April 01, 2006**	**Additions during the year**	**Deductions during the year**	**Cost as at March 31, 2007**	**Upto March 31, 2006**	**For the year**	**Deductions during the year**	**Upto March 31, 2007**	**As at March 31, 2007**	**As at March 31, 2006**
Leased Assets :										
Vehicles	74.35	-	7.40	66.95	27.29	14.98	3.97	38.30	28.65	47.06
(Refer to Note 15 of Schedule XIII)										
Other Assets :										
Freehold Land	-	82.16	-	82.16	-	-	-	-	82.16	-
Leasehold Land	-	220.64	-	220.64	-	1.14	-	1.14	219.50	-
Leasehold Improvements	-	83.52	-	83.52	-	6.00	-	6.00	77.52	-
Office Building/Premises	1,411.07	-	-	1,411.07	414.91	94.06	-	508.97	902.10	996.16
Computers	782.13	465.82	2.88	1,245.07	547.25	183.56	2.88	727.93	517.14	234.88
Plant and Machinery	390.03	349.47	0.06	739.44	253.97	76.77	0.06	330.68	408.76	136.06
Furniture and Fixtures	391.83	154.24	0.38	545.69	254.78	78.25	0.33	332.70	212.99	137.05
Vehicles	20.14	12.85	-	32.99	3.38	8.08	-	11.46	21.53	16.76
	3,069.55	**1,368.70**	**10.72**	**4,427.53**	**1,501.58**	**462.84**	**7.24**	**1,957.18**	**2,470.35**	**1,567.97**
Previous year	2,841.19	252.81	24.45	3,069.55	1,140.67	373.80	12.89	1,501.58		
Capital Work-in-Progress, including Advances									546.48	193.30
									3,016.83	**1,761.27**

Note: Fixed Assets include certain leased vehicles aggregating to **Rs. 37.72 Million** (previous year Rs.44.70 Million) on which vendors have a lien.

Schedules forming part of the Balance Sheet

Rs. in Million

		As at March 31, 2007	As at March 31, 2006
Schedule V			
INVESTMENTS :			
Long Term (Unquoted - at cost)			
Trade:			
In Subsidiary Companies :			
375,000 Ordinary Shares of US$ 1 each fully paid-up of Tech Mahindra (Americas) Inc.	**11.79**		11.79
Less : Provision for Diminution	**11.79**		11.79
(Refer to note 9 of Schedule XIII)		**-**	-
3 Shares of Euro 25,000, 50,000 and 500,000 each, fully paid-up of Tech Mahindra GmbH (Refer to note 1 below)	**388.83**		388.83
Less : Provision for Diminution (Refer to note 9 of Schedule XIII)	**353.63**		353.63
		35.20	35.20
5,000 Equity Shares of Singapore $ 10 each fully paid-up of Tech Mahindra (Singapore) Pte Ltd.		**1.37**	1.37
9,205,100 Equity Shares (previous year: 9,203,500) of Tech Mahindra (R & D Services) Limited of Rs. 5 each fully paid-up (Refer to note 5 of Schedule XIII)		**1,889.35**	1,787.89
50,000 Equity Shares (previous year: 50,000) of Tech Mahindra (Thailand) Limited of THB 100 (previous year: THB 60 paid-up) each fully paid-up		**5.92**	3.52
50,000 Equity Shares (previous year: 49,994) of Tech Mahindra Foundation of Rs.10/- each fully paid-up		**0.50**	0.50
500,000 Equity Shares (previous year: Nil) of PT. Tech Mahindra Indonesia of US $ 1 each fully paid-up		**22.30**	-
4005 Equity Shares (previous year: Nil) of CanvasM Technologies Limited of Rs.100 each fully paid-up		**0.40**	-
17,136,940 Equity Shares (previous year: Nil) of iPolicy Networks Limited of Rs.10/- each fully paid-up (Refer to note 6 of Schedule XIII)		**149.72**	-
		2,104.76	1,828.48

Schedules forming part of the Balance Sheet

	As at March 31, 2007	Rs. in Million As at March 31, 2006
Schedule V (Contd.)		
Non Trade :		
Nil (previous year: 92,347.61) units each of Rs. 1,000.58 of Franklin Templeton Mutual Fund Weekly Dividend Institutional Plan [Cost Rs. Nil (previous year: Rs. 92.44 Million)	-	92.40
Nil (previous year: 6,265,066.85) units of Rs. 10.00 each of Principal Mutual Fund - Liquid Institutional Weekly Dividend [Cost Rs.Nil (previous year: Rs. 62.70 Million)]	-	62.67
Nil (previous year: 4,748,969.47) units of Rs. 10.53 each of Prudential ICICI Mutual Fund - Quarterly FMP Plan A	-	50.00
Nil (previous year: 11,665,474.85) units of Rs. 10.00 each of Prudential ICICI Mutual Fund Liquid Plan Super Inst - Weekly Dividend	-	116.67
Nil (previous year: 5,000,000.00) units of Rs. 10.00 each of Birla Mutual Fund - Fixed Term Growth Plan	-	50.00
15,000,000 (previous year: Nil) units of Rs 10.07 each of Birla Mutual Fund - FTP-Quarterly - Series 8 - Dividend - Payout	**150.00**	-
11,533,845.61 (previous year: 3,071,767.96) units of Rs. 10.02 (previous year: Rs. 10.02) each of Birla Mutual Fund - Cash Plus-Instl.Prem.Weekly Dividend-Reinvestment [Cost Rs. 115.66 Million (previous year: Rs. 30.81 Million)	**115.60**	30.78
5,000,000.00 (previous year: 5,000,000.00) units of Rs.10.00 each of HSBC Mutual Fund- Fixed Maturity Plan	**50.00**	50.00
Nil (previous year: 5,029,509.92) units of Rs. 10.00 each of HSBC Mutual Fund - Fixed Term Series Institutional Growth Plan	-	50.30
Nil (previous year: 6,952,192.63) units of Rs.10.03 each of J M Mutual Fund- High Liquidity Super Institutional Plan	-	69.75
10,233,630.44 (previous year: Nil) units of Rs.10.00 each of J M Mutual Fund- FMP Series IV Quaterly Plan Dividend Plan	**102.34**	-

Rs. in Million

Schedule V (Contd.)

		As at March 31, 2007	As at March 31, 2006
Nil (previous year: 4,098,246.52) units of Rs. 10.03 each of Kotak Liquid Institutional Premium Weekly Dividend	**-**		41.10
5,000,000.00 (previous year: 5,000,000.00) units of Rs. 10.00 (previous year: Rs. 10.00) each of Kotak Mutual Fund -FMP Growth	**50.00**		50.00
Nil (previous year: 5,214,307.74) units of Rs. 10.03 each of Kotak Mutual Fund - Liquid Institutional Weekly Dividend	**-**		52.29
Nil (previous year: 5,000,000.00) units of Rs. 10.00 each of Reliance Mutual Fund - FMP	**-**		50.00
5,402,783.71(previous year: Nil) of Rs. 10.44 each of Reliance Mutual Fund- Short Term Fund Retail Plan-Dividend Plan	**56.39**		-
5,000,000.00 (previous year: 5,000,000.00) units of Rs. 9.99 each of Reliance Fixed Tenor Fund Growth Plan [Cost Rs. 50.00 Million (previous year: Rs. 50.00 Million)]	**49.93**		49.93
Nil (previous year: 5,000,000.00) units of Rs.10.00 each of Chola Fund Liquid Instl Fund - Dividend Option	**-**		50.00
5,084,276.05 units of Rs.10.00 each of Chola FMP Series-6 Quarterly Plan-3 - Dividend	**50.84**		-
5,000,000.00 (previous year: 5,000,000.00) units of Rs. 9.98 each of Grindlays - FMP-16 month [Cost Rs. 50.00 Million (previous year: Rs. 50.00 Million)]	**49.90**		49.90
Nil (previous year: 90,695.00) units of Rs.1,135.75 each of Tata Mutual Fund Liquid High Investment Fund Weekly Dividend	**-**		103.00
Nil (previous year: 5,000,000.00) units of Rs.10.00 each of Sundaram Mutual Fund - FMP	**-**		50.00
5,235,028.52 (previous year: Nil) units of Rs. 10.00 each of ABN AMRO Mutual Fund - FTP Series 4 Quarterly Plan Dividend on Maturity	**52.35**		-
Nil (previous year: 5,024,693.83) units of Rs. 10.00 each of ABN AMRO Mutual Fund - FMP	**-**		50.25
		727.35	1,119.04
		2,832.11	2,947.52

Notes:

1. Includes **Rs. 359.81 Million** (previous year: Rs. 359.81 Million) invested towards capital reserve of the company in accordance with the German Commercial Code.
2. The above includes investments made during the period out of proceeds of public issue (Refer to note 22 of Schedule XIII).

Schedules forming part of the Balance Sheet

Rs. in Million

		As at March 31, 2007	As at March 31, 2006
Schedule VI			
CURRENT ASSETS, LOANS AND ADVANCES :			
Current Assets :			
(a) Sundry Debtors * :			
(Unsecured)			
Debts outstanding for a period exceeding six months:			
: considered good **		**626.06**	145.10
: considered doubtful		**66.08**	26.45
		692.14	171.55
Other debts, considered good ***		**7,294.13**	3,982.47
considered doubtful		**153.21**	153.39
		8,139.48	4,307.41
Less: Provision (Refer to note 9 of Schedule XIII)		**219.29**	179.84
		7,920.19	4,127.57
1. * Debtors include on account of unbilled revenue aggregating to **Rs. 1,867.62 Million** (Previous year: Rs. 437.87 Million)			
2. ** Net of advances aggregating to **Rs.179.16 Million** (Previous year: Rs. 63.19 Million) pending adjustments with invoices			
3. *** Net of advances aggregating to **Rs.1,598.74 Million** (Previous year: Rs.29.22 Million) pending adjustments with invoices			
(b) Cash and Bank Balances :			
Balance with scheduled banks : (i) In Current Accounts	**127.34**		231.49
(ii) In Fixed Deposit Accounts	**160.88**		275.97
Balance with other banks :			
@ With Commonwealth Bank of Australia			
In Current Accounts	**0.97**		8.37
		289.19	515.83
@ Maximum balance outstanding during the period/year : Current Account - **Rs. 8.37 Million** (previous year: Rs. 8.37 Million)			
(c) Loans and Advances :			
(Unsecured)			
Loans to Subsidiary		**217.45**	223.05
Bills of Exchange (considered doubtful)	**5.00**		5.00
Less: Provision	**5.00**		5.00
Advances recoverable in cash or in kind or for value to be received - considered good	**1,220.97**		377.69
- considered doubtful	**6.63**		3.76
	1,227.60		381.45
Less : Provision	**6.63**		3.76
		1,220.97	377.69
Advance Taxes (Net of provisions)		**177.04**	98.70
		1,615.46	699.44
		9,824.84	5,342.84

Schedules forming part of the Balance Sheet

	As at March 31, 2007	As at March 31, 2006
		Rs. in Million
Schedule VII		
CURRENT LIABILITIES :		
Sundry Creditors :		
Total outstanding dues to Small Scale Industrial Undertakings (Refer to note 1 below)	**-**	-
Total outstanding dues of Creditors other than Small Scale Industrial Undertakings *	**4,987.04**	1,957.67
* includes - **Rs. 293.18 Million** (previous year: Rs.349.74 Million) due to Tech Mahindra (Americas) Inc. USA, a subsidiary company. **Rs. 168.84 Million** (previous year: Rs. 53.14 Million) due to Tech Mahindra GmbH , a subsidiary company. **Rs. 102.49 Million** (previous year: Rs.16.92 Million) due to Tech Mahindra (Singapore) Pte. Ltd. a subsidiary company. **Rs. 4.49 Million** (previous year: Rs. 0.84 Million) due to Tech Mahindra (R&D Services) Limited, a Subsidiary Company. **Rs. 40.13 Million** (previous year: Rs. Nil) due to Tech Mahindra (Thailand) Limited, a subsidiary company.		
	4,987.04	1,957.67

Note :

As the company does not have information as to which of its creditors is registered under The Micro, Small and Medium Enterprises Development Act, 2006, no disclosure as required by the said Act is given.

Schedule VIII

PROVISIONS :

Provision for taxation (net of payments)	**810.01**	650.65
Provision for Fringe benefit tax (net of payments)	**4.65**	4.65
Proposed Dividend	**-**	915.19
Provision for Dividend tax	**-**	128.36
Provision for Gratuity	**265.73**	185.21
Provision for Leave Encashment	**312.33**	236.12
	1,392.72	2,120.18

Schedules forming part of the Profit and Loss Account

			Rs. in Million
		Year Ended March 31,2007	Year Ended March 31,2006
Schedule IX			
INCOME :			
Income from services (net)	**27,532.20**		11,943.34
[Tax deducted at source **Rs. 14.96 Million** (previous year: Rs.5.97 Million)]			
Management fees (net)	**-**		28.10
		27,532.20	11,971.44
Interest on :			
Deposits with banks	**39.97**		63.44
[Tax deducted at source **Rs.4.43 Million** (previous year: Rs.9.25 Million)]			
Income tax refund (Refer to note 20 of schedule XIII)	**36.79**		-
Others [Tax deducted at source Nil (previous year: Rs.Nil)]	**11.71**		6.55
		88.47	69.99
Dividend received on current investments (non - trade)		**56.05**	47.10
Profit on sale of current investments (non - trade) (net)		**14.64**	11.20
Exchange fluctuations (net)		**(110.24)**	148.03
Excess provisions for earlier year/ sundry credit balances written back		**-**	31.58
Provision for doubtful debts written back		**10.97**	2.76
Insurance claim received		**-**	0.18
Miscellaneous income		**4.78**	2.22
		27,596.87	12,284.50
Schedule X			
PERSONNEL :			
Salaries, wages and bonus [Net of recoveries **Rs.110.03 Million** (previous year: Rs. Nil)]		**7,611.89**	4,118.07
Contribution to provident and other funds		**439.92**	280.63
Staff welfare		**352.25**	277.06
		8,404.06	4,675.76

Schedules forming part of the Profit and Loss Account

			Rs. in Million
		Year Ended March 31,2007	Year Ended March 31,2006
Schedule XI			
OPERATING AND OTHER EXPENSES :			
Power		**148.25**	67.79
Rent		**367.85**	116.72
Rates and taxes (Refer to note 22 of Schedule XIII)		**19.46**	3.33
Communication expenses		**500.83**	266.59
Traveling expenses (Refer to note 22 of Schedule XIII) [Net of recoveries **Rs.189.16 Million** (previous year: Rs.12.65 Million)]		**3,218.04**	1,502.34
Recruitment expenses		**110.77**	69.86
Hire charges [includes car lease rentals **Rs.2.68 Million** (previous year: Rs.4.10 Million)]		**211.75**	101.16
Sub-contracting costs		**5,564.34**	1,920.47
Repairs and maintenance :			
Buildings (including leased premises)	**19.32**		14.39
Machinery	**34.28**		34.53
Others	**55.92**		35.06
		109.52	83.98
Insurance		**71.47**	24.03
Professional fees (Refer to note 22 of Schedule XIII)		**190.29**	98.59
Software packages		**816.39**	124.60
Training		**120.77**	90.01
Advertising, marketing and selling expenses (Refer to note 22 of schedule XIII)		**28.74**	5.07
Commission on income from service		**220.87**	39.82
Loss on sale of fixed assets (net) [Net of write back of leased liability aggregating to **Rs. Nil** (Previous year: Rs 1.56 Million)]		**1.85**	4.06
Excess of cost over fair value of current investments		**0.06**	0.27
Provision for doubtful debts		**50.41**	14.50
Provision for doubtful advances		**2.88**	-
Advances / bad debts written off		**7.05**	-
Donations		**58.50**	154.79
Miscellaneous expenses* (Refer to note 22 of Schedule XIII)		**323.87**	140.53
		12,143.96	4,828.51

*includes printing and stationery expenses, hospitality expenses, conveyance, etc.

Schedule XII			
INTEREST :			
Interest On			
- Term Loan		**18.00**	-
- Cash Credit		**43.17**	-
- Inter Corporate Deposit		**8.02**	-
		69.19	-

Schedules forming part of the Balance Sheet and Profit and Loss Account

Schedule XIII

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007

1. Significant accounting policies:

(a) Basis for preparation of accounts:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956.

(b) Use of estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported year. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised.

(c) Fixed assets:

Fixed assets are stated at cost less depreciation. Costs comprise of purchase price and attributable costs, if any.

(d) Leases:

Assets taken on lease on or after April 1, 2001 are accounted for as fixed assets in accordance with Accounting Standard 19 on "Leases," (AS 19) issued by the ICAI.

(i) Finance lease

Assets taken on finance lease are accounted for as fixed assets at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

(ii) Operating lease

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

(e) Depreciation on fixed assets:

(i) The Company computes depreciation for all fixed assets including for assets taken on lease using the straight-line method based on estimated useful lives. Depreciation is charged on a pro-rata basis for assets purchased or sold during the year. Management's estimate of the useful life of fixed assets is as follows:

Buildings	15 years
Computers	3 years
Plant and machinery	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years

(ii) Leasehold land is amortised over the period of lease on pro-rata basis.

(iii) Leasehold improvements are amortised over the primary period of lease.

(f) Impairment of assets:

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI. Where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

(g) Investments:

Current investments are carried at lower of cost and fair value. Long term investments are carried at cost. Provision is made to recognise a decline other than temporary in the carrying amount of long term investments.

(h) Revenue recognition:

Revenue from software services and business process outsourcing services include revenue earned from services performed on 'time and material' basis, time bound fixed price engagements and system integration projects.

The related revenue is recognized as and when services are performed. Income from services performed by the Company pending receipt of purchase orders from customers, which are invoiced subsequently on receipt thereof, are recognized as unbilled revenue.

The Company also performs time bound fixed price engagements, under which revenue is recognized using the proportionate completion method of accounting, unless work completed cannot be reasonably estimated. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Dividend income is recognized when the Company's right to receive dividend is established. Interest income is recognized on time proportion basis.

(i) Foreign currency transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year, is recognised as income or expense, as the case may be, except where they relate to fixed assets where they are adjusted to the cost of fixed assets.

Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract, except in the case where the contract is in connection with purchase of fixed asset, where the same is adjusted to the cost of fixed assets. Exchange difference accounted on a forward exchange contract entered into to hedge the foreign currency risk of a firm commitment is the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting/settlement date and the said amount translated at the latter date of inception of the contract/last reporting date and is recognized as income or expenses in the reporting period.

(j) Retirement benefits:

Provision is made for gratuity and encashment of unavailed leave on retirement on the basis of actuarial valuations (Refer note 8 below).

(k) Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

(l) Income taxes:

Tax expense comprises of current tax, deferred tax and fringe benefit tax. Current tax and Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting For Taxes on Income", (AS 22) issued by the ICAI. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance Sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Fringe benefit tax is recognized in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the ICAI. Tax on distributed profits payable in accordance with the provisions of the Income Tax Act, 1961 is disclosed in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" issued by the ICAI.

(m) Contingent liabilities:

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that any outflow of resources embodying economic benefits will be required to settle the obligation.

2. The estimated amount of contracts remaining to be executed on capital account, and not provided for as at March 31, 2007 **Rs. 1,291.50 Million** (previous year: Rs. 421.61 Million).

3. Contingent liabilities:

(i) The Company has received demand notices from Income Tax authorities resulting in a contingent liability of **Rs. 99.84 Million** (previous year: Rs. 42.66 Million). This is mainly on account of disallowance of software maintenance activity and deduction under Section 80HHE amounting to **Rs. 27.57 Million** and a further sum of

Rs. 72.27 Million relating to Section 10A. The Company has appealed before the Appellate authorities and is hopeful of succeeding in the same.

(ii) Bank Guarantees outstanding **Rs. 223.91 Million** (previous year: Rs. 90.74 Million).

4. During the year, pursuant to the resolution passed by the shareholders at the Extra Ordinary General Meeting held on June 1, 2006, the Company consolidated its share capital from **112,685,573** equity shares of Rs.2/- each into **22,537,114** equity shares of Rs.10/- each.

   Further, the Company during the year has issued **90,148,459** Equity Shares of Rs.10/- each as bonus shares at the rate of 4 shares for each share held as at June 1, 2006, aggregating to **Rs. 901.48 Million** by way of capitalization from the balance of Profit and Loss account.

5. The Company had acquired Tech Mahindra (R&D Services) Limited (TMRDL) vide Share Purchase Agreement dated 15th November, 2005, for a initial consideration of **Rs. 1,755.06 Million** (including stamp duty). As a result, TMRDL and its two wholly owned subsidiaries have become subsidiary/step subsidiaries of the Company with effect from the date of acquisition i.e. 28th November, 2005.

   During the year the Company has acquired additional 1,600 shares at total consideration of **Rs. 0.31 Million** and the same has been accounted as additional cost of acquisition.

   The terms of purchase also provide for payment of contingent consideration to all the selling shareholders, payable over three years and calculated based on achievement of specific targets. The contingent consideration is payable in cash and cannot exceed **Rs. 640.78 Million.** The consideration so payable would be accounted in the books of account in the year of achieving the milestones under the agreement. Accordingly, **Rs. 101.15 Million** (previous year Rs. 32.83 Million) has been accounted for during the year as additional cost of acquisition, in accordance with the terms of agreement.

6. The Company has acquired entire shareholding of iPolicy Networks Limited (formerly known as iPolicy Networks Private Limited) vide Share Purchase Agreement dated January 18, 2007 for a consideration of **Rs. 29.35 Million.** As a result, iPolicy Networks Limited has become a wholly owned subsidiary of the Company with effect from the date of acquisition. The Company has made an additional investment of **Rs. 120.37 Million** after the acquisition.

7. During the year, the Company has entered into Global Sourcing Agreement relating to the development of a global sourcing model for strategic outsourcing services, with a customer for a term of five year.

   As per the terms of agreement, the Company has made an upfront payment of **Rs. 5,249.38 Million** to the customer which is unconditional, irrevocable and non-refundable. Accordingly, this payment has been disclosed as an exceptional item in the Profit and Loss account.

8. The revised Accounting Standard 15 on "Employee Benefits", (AS 15) issued by the ICAI, is adopted by the company with effect from April 1, 2006.

   The disclosure as required under AS 15 regarding the Company's gratuity plan is as follows:

Particulars	**Rs. in Million**
Projected benefit obligation, beginning of the year	185.21
Service cost	101.61
Interest cost	15.93
Actuarial gain	(23.51)
Benefits paid	(13.51)
Projected benefit obligation, end of the year	**265.73**

The Company's gratuity plan is not funded and the liability is provided for in the books of account.

Net periodic gratuity cost	**Rs. in Million**
Service cost	101.61
Interest cost	15.93
Amortisation of actuarial gain	(23.51)
Net periodic gratuity cost	**94.03**

The disclosure as required under AS 15 regarding the Company's leave encashment is as follows:

Particulars	**Rs. in Million**
Projected benefit obligation, beginning of the year	204.06
Service cost	68.06
Interest cost	15.73
Actuarial loss	19.30
Benefits paid	(35.38)
Projected benefit obligation, end of the year	**271.77**

The Company's leave encashment liability is not funded and is provided for in the books of account.

Net periodic leave encashment cost	**Rs. in Million**
Service cost	68.06
Interest cost	15.73
Amortisation of actuarial loss	19.30
Net periodic leave encashment cost	103.09

Assumptions:

Discount rate	8.00 %
Rate of increase in compensation levels of covered employees	7.75 %

The Company has in addition to above accounted for short term leave encashment and provident fund contribution amounting to **Rs. 40.56 Million** (previous year: Rs. 32.06 Million)

9. The Company holds investments (unquoted) in two subsidiaries, viz, Tech Mahindra (Americas) Inc. (TMA), Tech Mahindra GmbH (TMGMBH) aggregating to **Rs. 11.79 Million** and **Rs. 388.83 Million** respectively (Refer note 1 of Schedule V), which are held as strategic long-term investments. Further, the Company has trade receivables aggregating to **Rs. 133.61 Million** and **Rs. 125.46 Million** from TMA and TMGMBH respectively and loan outstanding aggregating to **Rs. 217.45 Million** from TMA, as at the year end.

   As per the latest available audited accounts of the aforesaid companies as at March 31, 2007, their respective net worth have been fully/substantially eroded. These subsidiaries have incurred losses due to substantial costs incurred over the past few years in building marketing capabilities but have made net profits during the year. Moreover, the subsidiaries have growth plans and expect to continue to earn profits in subsequent years resulting into positive net worth over a period of time.

Considering the above, out of abundant caution, the Company has made provisions in the year ended March 31, 2005, to the extent of accumulated losses in these subsidiaries as at March 31, 2005, aggregating to **Rs. 11.79 Million** and **Rs. 353.63 Million** towards diminution in the value of investments in TMA and TMGMBH respectively and **Rs. 152.99 Million** towards debts recoverable from TMA. In view of the management, having regard to the fact that these subsidiaries have made profits during the year, no further provision is required for diminution in the value of investments in TMGMBH and trade receivables/loan to these subsidiary/ies.

10. Payment to auditors:

Rs. in Million

Particulars	**2007**	2006
1. Audit fees	2.00	0.85
2. As advisor or in any other capacity in respect of taxation matters etc.	0.27	0.20
3. In any other manner for certification and IPO work etc.	5.50	0.54
4. For expenses	0.16	0.06
5. For Service tax	0.77	0.17
	8.70	1.82

11. (a) Value of imports on C.I.F. basis:

Rs. in Million

Particulars	**2007**	2006
Capital goods [includes **Rs.15.48 Million** (previous year Nil) towards assets purchased in UK office]	**234.27**	99.30

(b) Expenditure in foreign currency:

Rs. in Million

Particulars	**2007**	2006
Professional fees	151.27	64.27
Subcontracting cost	4,861.73	1,633.12
Traveling expenses	2,886.77	1,320.93
Salaries	1,969.54	1,262.97
Software packages	595.76	39.45
Payment of upfront discount	5,249.38	-
Others [including UK Corporation Tax **Rs. 165.75 Million** (Previous year-Rs. 71.73 Million)]	625.20	382.16
	16,339.65	4,702.90

12. Remittance in foreign currency on account of dividends to Non-Resident shareholders:

Number of Shareholders		**Number of equity shares**	**Amount remitted Rs. in Million**	**Dividend relating to year ended**
2006-2007				
Nine	Final	53,485,923	180.18	March 31, 2006
Nine	Interim – 1	53,610,263	42.89	March 31, 2007
One thousand two hundred four	Interim – 2	48,071,389	72.11	March 31, 2007
Nine	Interim – 4	53,485,923	216.21	March 31, 2006
2005-2006				
Five	Interim – 1	43,538,335	13.06	March 31, 2006
Six	Interim – 2	53,469,973	13.51	March 31, 2006
Nine	Interim – 3	53,482,603	27.02	March 31, 2006

13. Earnings in foreign exchange:

Rs. in Million

Particulars	**2007**	2006
Income from services	27,306.46	11,899.95
Management fees (net)	-	28.09
Interest on deposits with Bank	18.73	28.16
Interest on loan to subsidiary/ies	10.22	5.41

14. Managerial remuneration paid to Managing Director, Executive Director and non-Executive Directors:

Rs. in Million

Particulars	**2007**	2006
Managerial remuneration	17.05	17.10
Commission	16.94	22.81
	33.99	39.91

The above remuneration excludes provision for gratuity and leave encashment since these are based on actuarial valuation done on an overall company basis.

Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956, for the year ended March 31, 2007.

Rs. in Million

Particulars		**2007**	2006
Profit before tax and after exceptional items as per Profit and Loss Account		1,267.44	2,406.43
Add :			
Depreciation charged in the accounts	462.84		373.80
Loss on sale of assets as per Section 349 of the Companies Act, 1956 (net)	1.85		4.06
Director's remuneration	33.99		39.91
Provision for doubtful debts and advances	53.29		14.50
		551.97	432.26
		1,819.41	2,838.70
Less :			
Loss on sale of assets as per books	1.85		4.06
Profit on sale of investments	14.64		11.20
Depreciation under Section 350 of Companies Act, 1956	462.84		373.80
Provision for doubtful debts/advances written back	10.97		2.76
		490.30	391.82
		1,329.11	2,446.88
Commission payable to the Managing Director and Executive Director.		7.31	7.31
Commission payable to non-Executive directors		9.63	15.50

15. Assets acquired on lease on or after April 1, 2001:

The Company has acquired vehicles on lease, the fair value of which aggregates to **Rs. 66.95 Million** (previous year: Rs. 74.35 Million)**.** As per AS 19, the Company has capitalised the said vehicles at it's fair values as the leases are in the nature of finance leases as defined in AS 19. Lease payments are apportioned between finance charge and deduction of outstanding liabilities. The details of lease rentals payable in future are as follows:

Rs. in Million

	Not later than 1 year	**Later than 1 year, not later than 5 years**
Minimum lease rentals payable (previous year: Rs. 19.15 Million and Rs. 19.30 Million respectively)	12.98	4.41
Present value of Lease rentals payable (previous year: Rs. 17.37 Million and Rs. 15.47 Million respectively)	11.77	3.62

The Company has taken vehicles on operating lease for a period of three to four years. The lease rentals recognized in the Profit and Loss Account for the year are **Rs. 0.43 Million** (previous year Rs. Nil). The future lease payments of operating lease are as follows:

Rs. in Million

	Not later than 1 year	Later than 1 year, not later than 5 years
Minimum lease rentals payable (previous year: Rs. Nil)	1.29	2.97

16. The Company has recently strengthened its presence in the Telecom Equipment Manufacturers (TEM) segment directly, and also through its recently acquired subsidiaries. With the focus on customers in the Telecom Service Providers (TSP) and TEM segments of the telecom vertical, the Company has reorganised its management structure to cater to the Company's business segments. Consequently, the Company is of the view that as per the requirements of Accounting Standard 17 on "Segment Reporting" (AS 17), issued by the ICAI, the primary segment of the Company is business segment by category of customers in the TSP, TEM, Business Process Outsourcing (BPO) and other sectors and the secondary segment is the geographical segment by location of its customers.

    The disclosures as required by AS 17 for the previous year have been rearranged to conform to the classification done for the current year.

    The Accounting principles consistently used in the preparation of the financial statements are also applied to record income and expenditure in the individual segments. There are no inter-segment transactions during the year.

FOR THE YEAR ENDED MARCH 31, 2007

(A) **PRIMARY SEGMENTS :** **Rs. in Million**

Particulars	TELECOM SERVICE PROVIDER	TELECOM EQUIPMENT MANUFACTURER	BUSINESS PROCESS OUTSOURCING	OTHERS	TOTAL
Revenues	26,138.51	599.73	140.65	653.31	27,532.20
Less : Direct expenses	15,797.30	482.78	155.60	483.80	16,919.48
Segmental Operating Income	**10,341.21**	**116.95**	**(14.95)**	**169.51**	**10,612.72**
Less : Unallocable expenses					
Depreciation					462.84
Interest					69.19
Other unallocable expenses					3,628.54
Total unallocable expenses					**4,160.57**
Operating income					**6,452.15**
Add : Other income					64.67
Net profit before taxes and exceptional items					**6,516.82**
Less : Provision for taxation					
Current tax					(572.99)
Deferred tax					8.86
Fringe benefit tax					(51.00)
Net Profit after taxes & before exceptional items					**5,901.69**
Exceptional items					5,249.38
Net profit for the year					**652.31**
Excess provision for income tax in respect of earlier years written back (Refer note 20 below)					339.50
Net profit					**991.81**

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done as the assets are used interchangeably between segments and TML is of the view that it is not practical to reasonably allocate liabilities and other non-cash expenses to individual segments and an adhoc allocation will not be meaningful.

(B) **SECONDARY SEGMENTS:**

Revenues from secondary segments are as under:

Rs. in Million

Sector	
Europe	21,232.98
USA	4,126.36
Asia Pacific	2,172.86
	27,532.20

Segregation of assets into secondary segments has not been done as the assets are used interchangeably between segments. Consequently the carrying amounts of assets by location of assets are not given.

FOR THE YEAR ENDED MARCH 31, 2006

(A) **PRIMARY SEGMENTS :** **Rs. in Million**

Particulars	**TELECOM SERVICE PROVIDER**	**TELECOM EQUIPMENT MANUFACTURER**	**OTHERS**	**TOTAL**
Revenues	11,293.63	292.67	385.14	11,971.44
Less : Direct expenses	6,707.79	255.95	274.23	7,237.97
Segmental Operating Income	**4,585.84**	**36.72**	**110.91**	**4,733.47**
Less : Unallocable expenses				
Depreciation				373.80
Other unallocable expenses				2,266.30
Total unallocable expenses				**2,640.10**
Operating income				**2,093.37**
Add : Other income				313.06
Net Profit before taxes				**2,406.43**
Less : Provision for taxation				
Current tax				(175.09)
Deferred tax				2.86
Fringe benefit tax				(33.00)
Net Profit for the year				**2,201.20**

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done as the assets are used interchangeably between segments and TML is of the view that it is not practical to reasonably allocate liabilities and other non-cash expenses to individual segments and an adhoc allocation will not be meaningful.

(B) **SECONDARY SEGMENTS:**

Revenues from secondary segments are as under:

Rs. in Million

Sector	
Europe	9,530.23
USA	1,787.00
Asia Pacific	654.21
	11,971.44

Segregation of assets into secondary segments has not been done as the assets are used interchangeably between segments. Consequently the carrying amounts of assets by location of assets are not given.

17. (A) The Company has instituted "Employee Stock Option Plan 2000" (ESOP) for its employees and directors. For this purpose it had created a trust viz. MBT ESOP trust. In terms of the said Plan, the trust has granted options to the employees and directors in form of warrant which vest at the rate of 33.33% on each successive anniversary of the grant date. The options can be exercised over a period of 5 years from the date of grant. Each warrant carries with it the right to purchase one equity share of the Company at the exercise price determined by the trust on the basis of fair value of the equity shares at the time of grant.

The details of the options are as under:

	March 31, 2007	March 31, 2006
Options outstanding at the beginning of the year	**1,220,000**	2,229,740
Options granted during the year	**-**	345,000
Options lapsed during the year	**18,480**	313,340
Options cancelled during the year	**37,860**	259,090
Options exercised during the year	**674,540**	782,310
Options outstanding at the end of the year	**489,120**	1,220,000

Out of the options outstanding at the end of the year, **100,420** (previous year 504,300) options have vested, which have not been exercised.

(B) The Company has instituted "Employee Stock Option Plan 2004" (ESOP 2004) for its employees. In terms of the said plan, the Compensation Committee has granted options to employees of the Company. The options are divided into upfront options and performance options. The upfront options are divided into three sets which will entitle holders to subscribe to option shares at the end of first year, second year and third year. The vesting of the performance options will be decided by the Compensation Committee based on the performance of employees.

	March 31, 2007	March 31, 2006
Options outstanding at the beginning of the year	**10,219,860**	10,219,860
Options granted during the year	**-**	-
Options lapsed during the year	**-**	-
Options cancelled during the year	**-**	-
Options exercised during the year	**4,542,159**	-
Options outstanding at the end of the year	**5,677,701**	10,219,860

Options granted and outstanding at the end of the year are **5,677,701** (previous year 10,219,860).

Nil (previous year 2,271,078) options have vested as at the end of the year.

(C) The Company has instituted "Employee Stock Option Plan 2006" (ESOP 2006) for the employees and directors of TML and its subsidiary companies. In terms of the said plan, the Compensation Committee has granted options to the employees of the Company. The vesting of the options is 10%, 15%, 20%, 25% and 30% of total options granted after 12, 24, 36, 48 and 60 months, respectively from the date of grant. The maximum exercise period is 7 years from the date of grant.

The details of the options are as under:

	March 31, 2007	March 31, 2006
Options outstanding at the beginning of the year	**4,612,380**	-
Options granted during the year	**656,625**	4,633,680
Options lapsed during the year	**-**	-
Options cancelled during the year	**402,890**	21,300
Options exercised during the year	**372,999**	-
Options granted and outstanding at the end of the year	**4,493,116**	4,612,380
Weighted average share price of the above options on the date of the exercise	**Rs. 83**	Rs. 83

Out of the options outstanding at the end of the year, **56,456** options have vested and have not been exercised.

(D) The Company uses the intrinsic value-based method of accounting for stock options granted after April 1, 2005. Had the compensation cost for the Company's stock based compensation plan been determined in the manner consistent with the fair value approach, the Company's net income would be lower by **Rs. 7.35 Million** (previous year: Rs. 0.03 Million) and earnings per share as reported would be lower as indicated below:

Rs. in Million

	Current Year	Previous Year
Net profit after tax but before exceptional items	**5,901.69**	2,201.20
Less: Exceptional items	**5,249.38**	-
Net profit for the year	**652.31**	2,201.20
Add: Excess provision for income tax in respect of earlier year written back	**339.50**	-
Net Profit	**991.81**	2,201.20
Less: Total stock-based employee compensation expense determined under fair value base method	**7.35**	0.03
Adjusted net profit	**984.46**	2,201.17
Basic earnings per share (in Rs.)		
- As reported	**8.62**	21.29
- Adjusted	**8.56**	21.29
Diluted earnings per share (in Rs.)		
- As reported	**7.60**	17.51
- Adjusted	**7.56**	17.51
The fair value of each warrant is estimated on the date of grant based on the following assumptions:		
Dividend yield (%)	**6.89**	6.89
Expected life	**5 years**	5 years
Risk free interest rate (%)	**7.72**	7.12
Volatility	**62.69**	-

18. As required under Accounting Standard 18 (AS18), following are details of transactions during the year with the related parties of the Company as defined in AS18:

(a) List of related parties and relationships

Name of related party	**Relation**
Mahindra & Mahindra Limited	Holding Company
British Telecommunications, plc.	Promoter holding more than 20% stake
Mahindra BT Investment Company (Mauritius) Limited	Promoter group company
Tech Mahindra (Americas) Inc., USA	100% subsidiary company
Tech Mahindra GmbH	100% subsidiary company
Tech Mahindra (Singapore) Pte Limited	100% subsidiary company
Tech Mahindra (R&D Services) Limited	99.98% subsidiary company
Tech Mahindra (Thailand) Limited	100% subsidiary company
Tech Mahindra Foundation	100% subsidiary company
CanvasM Technologies Limited	80.10% subsidiary company
PT Tech Mahindra Indonesia	100% subsidiary company
iPolicy Networks Limited	100% subsidiary company
Mahindra Engineering and Chemical Products Limited	fellow subsidiary company
Mahindra Engineering Design and Development Company Limited	fellow subsidiary company
Bristlecone India Limited	fellow subsidiary company
Mr. Vineet Nayyar Vice Chairman, Managing Director and CEO	Key Management Personnel

(b) Related party transactions :

Rs. in Million

Transactions	Promoter Companies	Subsidiary Companies	Fellow Subsidiary Companies	*Key Management Personnel
Reimbursement of expenses (net)-paid/(receipt)	(347.99) [(83.40)]	(275.76) [(162.59)]	- [25.50]	- [-]
Income from services & management fees	19,001.00 [8,545.28]	1,386.81 [854.48]	2.98 [3.73]	- [-]
Paid for services received	(24.33) [-]	- [-]	- [-]	- [-]
Interest on loan received	- [-]	10.22 [5.40]	- [-]	- [-]
Interest on loan paid	- [-]	8.02 [-]	- [-]	- [-]
Sub contracting cost	- [-]	3,213.30 [1,459.98]	21.19 [-]	- [-]
Dividend paid	1,143.30 [122.60]	- [-]	- [-]	0.80 [-]
Investment	- [-]	276.28 [1,791.90]	- [-]	- [-]
Donation	- [-]	55.66 [150.00]	- [-]	- [-]
Loan given/(repaid)	- [-]	- [223.05]	- [-]	- [-]
Loans taken/(repaid)	- [-]	390.00 [-]	- [-]	- [-]
Salary and perquisites	- [-]	- [-]	- [-]	24.36 [17.10]
Advance given	- [-]	3.78 [-]	- [-]	- [-]
Payment for upfront discount	5,249.38 [-]	- [-]	- [-]	- [-]
Purchase of fixed asset	8.72 [-]	- [-]	- [-]	- [-]
Stock options	- [-]	- [-]	- [-]	-* [-]
Rent paid/payable	- [-]	5.81 [-]	- [-]	- [-]
Rent received/receivable	- [-]	1.41 [-]	- [-]	- [-]
Deposit paid	- [-]	9.81 [-]	- [-]	- [-]
Debit/(Credit) balances (net) outstanding as on March 31, 2007	5,349.08 [3,031.74]	236.18 [260.87]	0.70 [(5.28)]	- [-]

(Figures in brackets "[ ]"are for the previous year)

*Options exercised during the year are for 1,514,053 equity shares and options granted and outstanding as at year end are 1,892,567.

Out of the above items transactions with Promoter Companies, Subsidiary Companies and Key Management Personnel in excess of 10% of the total related party transactions are as under:

Rs. in Million

Transactions		For the year ended March 31, 2007	For the year ended March 31, 2006
Reimbursement of expenses (net) - paid/(receipt)			
Promoter Companies			
British Telecommunications, Plc.		**(358.71)**	(87.29)
Subsidiary Companies			
Tech Mahindra (Americas) Inc.		**(210.64)**	163.35
Income from services			
Promoter Companies			
British Telecommunications, Plc.		**18,981.78**	8,529.06
Paid for services received			
Promoter Companies			
Mahindra & Mahindra Limited		**24.33**	-
Subcontracting Cost			
Subsidiary Companies			
Tech Mahindra (Americas) Inc.	**2,292.40**		1,219.75
Tech Mahindra GmbH	**349.93**		174.33
Tech Mahindra (Singapore) Pte Limited	**502.37**		-
		3,144.70	1,394.08
Dividend paid			
Promoter Companies			
Mahindra & Mahindra Limited	**633.62**		69.12
British Telecommunications, Plc.	**473.72**		52.14
		1,107.34	121.26
Key Management Personnel			
Mr. Vineet Nayyar		**0.80**	-
Investment			
Subsidiary Companies			
PT Tech Mahindra Indonesia	**22.30**		-
Tech Mahindra (R&D Services) Limited	**101.46**		1,787.89
iPolicy Networks Limited	**149.72**		-
		273.48	1,787.89
Loan given/(repaid)			
Subsidiary Companies			
Tech Mahindra (Americas) Inc.	**-**		223.05
PT Tech Mahindra Indonesia	**102.22**		-

Rs. in Million

Transactions		**For the year ended March 31, 2007**	For the year ended March 31, 2006
PT Tech Mahindra Indonesia	(102.22)	**-**	**-**
Loans taken/(repaid)			
Subsidiary Companies			
Tech Mahindra (R&D Services) Limited		**(390.00)**	-
Deposit paid			
Subsidiary Companies			
Tech Mahindra (R&D Services) Limited		**9.81**	-
Advances given			
Subsidiary Companies			
Tech Mahindra (R&D Services) Limited		**3.78**	-
Interest received/receivable			
Subsidiary Companies			
Tech Mahindra (Americas) Inc.		**9.03**	5.40
Interest paid/payable			
Subsidiary Companies			
Tech Mahindra (R&D Services) Limited		**8.02**	-
Donation			
Subsidiary Companies			
Tech Mahindra Foundation		**55.66**	150.00
Payment for upfront discount			
Promoter Companies			
British Telecommunications, Plc.		**5,249.38**	-
Purchase of fixed assets			
Promoter Companies			
Mahindra & Mahindra Limited		**8.72**	-
Rent paid/payable			
Subsidiary Companies			
Tech Mahindra (R&D Services) Limited		**5.81**	-
Rent received/receivables			
CanvasM Technologies Limited		**1.41**	-
Salary and perquisites			
Key Management Personnel			
Mr. Vineet Nayyar		**24.36**	17.10

Other related parties of the Company are as under:

- Automartindia Limited
- Bristlecone Limited
- Bristlecone Inc.
- Mahindra Acres Consulting Engineers Limited
- Mahindra Ashtech Limited
- Bristlecone GmbH
- Bristlecone Singapore Pte. Limited
- Mahindra (China) Tractor Company Limited
- Mahindra Europe s.r.l.
- Mahindra Gujarat Tractor Limited
- Mahindra Holdings & Finance Limited
- Mahindra Holidays & Resorts India Limited
- Mahindra Holidays & Resorts (USA) Inc.
- Mahindra Insurance Brokers Limited
- Mahindra Intertrade Limited
- Bristlecone UK Limited
- Mahindra International Limited
- Mahindra Logisoft Business Solutions Limited
- Mahindra Middleeast Electrical Steel Service Centre (FZE)
- Mahindra & Mahindra Financial Services Limited
- Mahindra & Mahindra South Africa (Pty) Limited
- Mahindra Overseas Investment Company (Mauritius) Limited
- Mahindra Renault Pvt. Limited
- Mahindra Steel Service Centre Limited
- Mahindra Shubhlabh Services Limited
- Mahindra SAR Transmission Pvt Limited
- Mahindra USA Inc.
- Mahindra Ugine Steel Company Limited
- NBS International Limited
- Tech Mahindra (R&D Services) Inc.
- Tech Mahindra (R&D Services) Pte Limited
- Stokes Group Limited
- Jensand Limited
- Stokes Forgings Dudley Limited
- Stokes Forgings Limited
- Plexion Technologies (India) Private Limited
- Plexion Technologies (UK) Limited
- Plexion Technologies GmbH
- Plexion Technologies Inc.
- Mahindra Forgings Overseas Limited
- Mahindra Forgings International Limited
- Mahindra Forgings Mauritus Limited
- Mahindra Forgings Global Limited
- Gesenkschmiede Schneider GmbH
- Falkenroth Umformtechnik GmbH
- Falkenroth Grundstucksgesellschaft GmbH
- Jeco-Jellinghaus GmbH
- Jeco Holding AG
- DGP Hinoday Industries Limited
- Schöneweiss & Co. GmbH
- Fried. Hunninghaus GmbH & Co. KG
- Fried Hunninghaus GmbH
- Mahindra Stokes Holdings Company Limited
- Mahindra Gesco Developers Limited
- Mahindra Infrastructure Developers Limited
- Mahindra World City (Jaipur) Limited
- Mahindra Integrated Township Limited
- Mahindra World City Developers Limited
- Mahindra World City Developers (Maharashtra) Limited
- CanvasM Technologies Inc.

There have been no transactions with the aforesaid companies during the year.

19. The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

		Rs. in Million
Deferred Tax	**March 31, 2007**	March 31, 2006
(a) Deferred tax liability:		
Depreciation	**(1.40)**	(1.44)
(b) Deferred tax asset:		
Gratuity, leave encashment etc.	**10.90**	5.77
Doubtful debts	**4.23**	0.54
Total deferred tax asset (net)	**13.73**	**4.87**

20. Consequent to completion of Income-tax assessments by the tax authorities in the United Kingdom for the financial years 2001-02, 2002-03 and 2003-04 the Company has received tax refunds aggregating to **Rs. 320.74 Million** (including interest aggregating to **Rs. 36.79 Million**). Accordingly, the excess provision for Income tax relating to the aforesaid years has been written back to the Profit and Loss Account and the interest received is disclosed under Other income.

21. Exchange gain/(loss)(net) accounted during the year:

(a) The Company enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency forward contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments.

(b) The following are the outstanding forward exchange contracts entered into by the Company as on March 31, 2007:

Currency	**Amount outstanding at year end in Foreign currency in Million**	**Amount outstanding at year end Rs in Million**	**Exposure to Buy/ Sell**
US Dollar	16.64	723.76	Sell
UK Pound	115.25	9,820.45	Sell

(c) The year end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Amounts receivable in foreign currency on account of the following:

	Rs. in Million	**Foreign currency in Million**			
		Current Year		Previous Year	
Debtors	1,481.49 (previous year 2,814.53)	Aud	0.07	Aud	0.68
		Cad	0.02	Cad	Nil
		Eur	3.44	Eur	1.56
		Nzd	0.19	Nzd	0.20
		Sgd	4.99	Sgd	0.06
		Thb	23.26	Thb	Nil
		Usd	24.75	Usd	Nil
		Gbp	Nil	Gbp	34.83
Loans and advances	229.31 (previous year 113.07)	Aud	0.02	Aud	0.02
		Eur	0.007	Eur	0.004
		Twd	0.02	Twd	Nil
		Usd	5.25	Usd	Nil
		Gbp	Nil	Gbp	1.43
		Dhr	Nil	Dhr	0.08
		Thb	Nil	Thb	0.20
Cash/bank balances (net)	99.41 (previous year 31.37)	Usd	0.42	Usd	Nil
		Aud	0.48	Aud	0.78
		Nzd	0.37	Nzd	0.24
		Twd	39.16	Twd	0.14
		Eur	0.03	Eur	Nil

Amounts payable in foreign currency on account of the following:

	Rs. in Million	Foreign currency in Million			
		Current Year		Previous Year	
Creditors (net)	796.43 (previous year 468.48)	Aud Eur Gbp Sgd Thb Usd	0.05 2.94 1.32 3.58 32.12 8.42	Aud Eur Gbp Sgd Thb Usd	Nil 1.07 0.42 0.61 Nil 8.12
Other current liabilities (net)	565.63 (previous year 117.32)	Gbp	6.64	Gbp	1.51

(d) The amount of exchange difference in respect of forward exchange contracts to be recognized in the profit and loss account for subsequent accounting year aggregates to **Rs. 143.33 Million** (gain) (previous year: Rs. 51.40 Million)

(e) Exchange gain/(loss) (net) accounted during the year:

Rs. in Million

Particulars		**2007**	2006
Income from services		**(45.06)**	(68.51)
Others		**(110.24)**	148.03

The disclosures made in paragraphs (b) and (c) have been made consequent to an announcement by the ICAI in December, 2005, which is applicable to the financial periods ending on or after March 31, 2006.

22. The public issue of the Company's Equity Shares consisting of a fresh issue of 3,186,480 Equity Shares by the Company and an offer for sale of 9,559,520 Equity Shares, by certain existing Shareholders was made pursuant to a prospectus dated August 11, 2006. The Equity Shares were issued for cash at a price of Rs. 365 per Equity Share (including a share (securities) premium of Rs. 355 per Equity Share).

The statement of proceeds from the public issue and utilisation thereof is as under:

Particulars	**No. of shares**	**Price**	**Rs. in Million**
Proceeds received after payment to selling shareholders	**3,186,480**	**365**	**1,163.07**
Less : Expenses (net) relating to the issue after recovery from the selling shareholders :			
Professional fees			**35.46**
Advertising expenses			**7.92**
Rates and taxes			**0.85**
Miscellaneous expenses			**1.07**
Printing and stationery			**3.76**
Traveling expenses			**2.89**
Net proceeds			**1,111.12**
Deployment up to March 31, 2007			
Used for the capitailsation work for Hinjewadi			**281.39**
Held under current investments in mutual funds			**727.35**
Held under bank fixed deposits pending utilization			**102.38**
			1,111.12

23. Particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement

Loans and advances in the nature of loans to subsidiaries:

Rs in Million

Name of the Company	**Balance as on March 31, 2007**	Maximum outstanding during the year
Tech Mahindra (Americas) Inc.	217.45	234.30
PT Tech Mahindra Indonesia	Nil	102.23

There are no loans and advances in the nature of loans to associates, loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest under section 372A of the Companies Act, 1956 and loans and advances in the nature of loans to firms/companies in which directors are interested.

24. Earning Per Share is calculated as follows:

Rs. in Million

	Year ended March 31, 2007	Year ended March 31, 2006
Profit after tax but before exceptional item	**5,901.69**	2,201.20
Less: Exceptional item	**5,249.38**	-
Profit after taxation and exceptional item	**652.31**	2,201.20
Add : **Excess provision for tax in respect of earlier years written back**	**339.50**	-
Net profit attributable to shareholder	**991.81**	2,201.20
Equity shares outstanding as at the year end (in Nos.)	121,216,701	103,998,631
Weighted average equity shares outstanding as at the year end (in Nos.)	115,071,417	103,368,153
Consolidation of five equity shares of Rs. 2/- each into one equity share of Rs. 10/- each	-	20,673,631
Bonus shares allotted during the year ended March 31, 2006	-	82,694,522
Weighted average number of equity shares used as denominator for calculating basic earnings per share	**115,071,417**	**103,368,153**
Add: Diluted number of shares		
ESOP outstanding at the end of the year	15,381,480	16,171,568
Shares issued pending subscription	-	6,152,173
Number of equity shares used as denominator for calculating diluted earnings per share	**130,452,897**	**125,691,894**
Nominal value per equity share (in Rs.)	10.00	10.00
Earning per share		
Before exceptional item		
Earnings Per Share (Basic) (in Rs.)	54.24	21.29
Earnings Per Share (Diluted) (in Rs.)	47.84	17.51
After exceptional item		
Earnings Per Share (Basic) (in Rs.)	8.62	21.29
Earnings Per Share (Diluted) (in Rs.)	7.60	17.51

In accordance with Accounting Standard 20 "Earnings Per share" issued by the ICAI the weighted average number of equity shares (the denominator) used for calculation of earnings per equity share for the year ended March 31, 2006, is after considering consolidation of five equity shares of Rs. 2/- each into one equity share of Rs. 10/- each and bonus shares, which was approved by the members at the Extra Ordinary General Meeting held on June 1, 2006.

25. Details of Investments Purchased and Sold during the year

Rs. in Million

Particulars	**March 31, 2007 Units**	**March 31, 2007 Cost**
ABN AMRO MUTUAL FUND		
ABN AMRO FTP Series 3 Qtr Dividend	20,000,000.00	200.00
ABN Fixed Term Quarterly Plan Dividend	10,232,838.06	102.33
BIRLA SUNLIFE MUTUAL FUND		
Birla Cash Plus Institutional Premium (Weekly Dividend)	23,934,181.45	239.98
CHOLA MUTUAL FUND		
Chola FMP Series 3 Qtrly Plan III Dividend	15,245,002.40	152.45
DEUTSCHE MUTUAL FUND		
Deutsche Mutual Fund	24,908,089.15	250.00
DSP MERRILL LYNCH MUTUAL FUND		
Liquid Institutional Plan Weekly Dividend	99,925.03	100.00
GRINDLAYS MUTUAL FUND		
Grindlays Cash Fund -Institutional Weekly Dividend	4,854,604.59	50.00
HDFC MUTUAL FUND		
HDFC Cash Management Fund Weekly Dividend	51,724,347.07	550.00
HSBC MUTUAL FUND		
HSBC Cash Fund Institutional Monthly Dividend	29,919,286.11	301.91
HSBC Short Term Institutional Dividend	24,867,703.82	250.00
ING VYSYA MUTUAL FUND		
ING Vysya Mutual Fund	13,377,807.11	150.00
JM MUTUAL FUND		
JM Fixed Maturity Fund - III Qtr Plan Dividend	10,000,000.00	100.00
KOTAK MUTUAL FUND		
Kotak FMP 6M Series Dividend	5,000,000.00	50.00
Liquid (Institutional Premium) Weekly Dividend	34,860,612.17	350.00
Liquidity Manager Plus - Weekly Dividend	99,911.15	100.00
PRINCIPAL MUTUAL FUND		
Liquid Option - Institutional Plan Weekly Dividend Reinvestment	9,997,300.73	100.00
PRUDENTIAL ICICI MUTUAL FUND		
3 Months Plan C Retail Dividend	5,000,000.00	50.00
PRUDENTIAL ICICI MUTUAL FUND		
Institutional Liquid Plan Super Institutional Weekly Dividend	35,047,829.57	350.71
RELIANCE MUTUAL FUND		
Reliance Fixed Horizon Monthly - Dividend	5,000,000.00	50.00

Rs. in Million

	March 31, 2007 Units	March 31, 2007 Cost
Reliance Liquidity fund - Weekly Dividend	4,997,351.40	50.00
Reliance Short Term fund -Dividend Plan	14,343,498.09	149.71
SBI MUTUAL FUND		
SBI Magnum Institutional Income Savings Weekly Dividend	18,926,847.82	200.00
STANDARD CHARTERED MUTUAL FUND		
Standard Chartered Fixed Maturity 5th Plan Growth	5,000,000.00	50.00
Standard Chartered Liquidity Manager Plus Daily Dividend	50,829.42	50.83
TATA MUTUAL FUND		
Tata Liquid Super High Investment Fund Weekly Dividend	174,172.10	200.00

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

Signatures to Schedules I to XIII

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, Dated : 15th May, 2007

For Tech Mahindra Limited

Anand G. Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Clive Goodwin
Director

Bharat Doshi
Director

Paul Zuckerman
Director

Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Boston; Dated : 7th May 2007

Vikrant Gandhe
Asst. Company Secretary

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE :

I. Registration Details

Registration No. 41370 State Code 11

Balance sheet date 31 03 2007
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
31865	NIL
Bonus Issue	Private Placements
901485	70820

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

Total Liabilities (including shareholder's fund)	Total Assets
15687514	15687514
Paid-up Capital	Reserves & Surplus
1212167	7567621
Secured Loans	Unsecured Loans
100102	426443
Net Fixed Assets	Investments
3016834	2832110
Net Current Assets	Deferred Tax Asset
3445079	13727
Accumulated Losses	
NIL	

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Sales and Other Income)	Total Expenditure (Excluding exceptional item)
27596872	21080054
Profit/(Loss) Before Tax	Profit /(Loss) After Tax
6516818	5901685
Earnings per Share in Rs. (Refer to note 24 above)	Dividend Rate %
8.62	30

V. Generic names of Three Principal Products/Services of Company (as per monetary terms)

Item Code (ITC Code) 852490

Product Description C O M P U T E R S O F T W A R E S E R V I C E S

For Tech Mahindra Limited

Anand G. Mahindra Chairman	Vineet Nayyar Vice Chairman, Managing Director & CEO	
Al-Noor Ramji Director	Anupam Puri Director	Clive Goodwin Director
Bharat Doshi Director	Paul Zuckerman Director	Dr. Raj Reddy Director
Ulhas N. Yargop Director		
Boston; Dated : 7th May 2007		Vikrant Gandhe Asst. Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies.

	Names of the Subsidairy Companies											
Particulars	**Tech Mahindra (Americas) Inc.**	**Tech Mahindra GmbH**	**Tech Mahindra (Singapore) Pte. Limited**	**Tech Mahindra (Thailand) Limited**	**Tech Mahindra Foundation**	**Tech Mahindra (R&D Services) Limited**	**Tech Mahindra (R&D Services) Inc**	**Tech Mahindra (R&D Services) Pte. Limited**	**Pt. Tech Mahindra Indonesia**	**CanvasM Technologies Limited**	**CanvasM Americas Inc**	**iPolicy Networks Limited**
The Financial Year of the Subsidiary ended on	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007
	US $	Euro	S$	THB	INR	INR	US $	S$	US $	INR	US $	INR
Number of shares of the Subsidiary Company held by Tech Mahindra Limited at the above date												
Equity	375,000	3	5,000	50,000	50,000	9,205,100	499,900	399,920	500,000	4,005	80.10	17,136,940
Extent of holding	100%	100%	100%	100%	100%	99.98%	99.98%	99.98%	100%	80.10%	80.10%	100%
The net aggregate of profits/losses of the Subsidiary Company for its financial year so far as they are concern the members of Tech Mahindra Limited												
a) Dealt with in the accounts of Tech Mahindra for the year ended March 31, 2007												
b) Not dealt with in the accounts of Tech Mahindra for the year ended March 31, 2007	1,578,202	350,163	969,809	3,490,928	8,458,399	93,056,048	234,176	1,331	844,976	3,470,571	-	(113,339,980)
The net aggregate of profits/losses of the Subsidiary Company for its previous financial year so far as they are concern the memebers of Tech Mahindra Limited												
a) Dealt with in the accounts of Tech Mahindra Ltd. for the year ended March 31,2006												
b) Not dealt with in the accounts of Tech Mahindra Ltd. for the year ended March 31,2006	792,250	313,977	(159,580)	(3,397,196)	(34,942)	(70,784,875)	225,695	(6,612)	-	-	-	-

For Tech Mahindra Limited

Anand G.Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Bharat Doshi
Director

Clive Goodwin
Director

Paul Zuckerman
Director

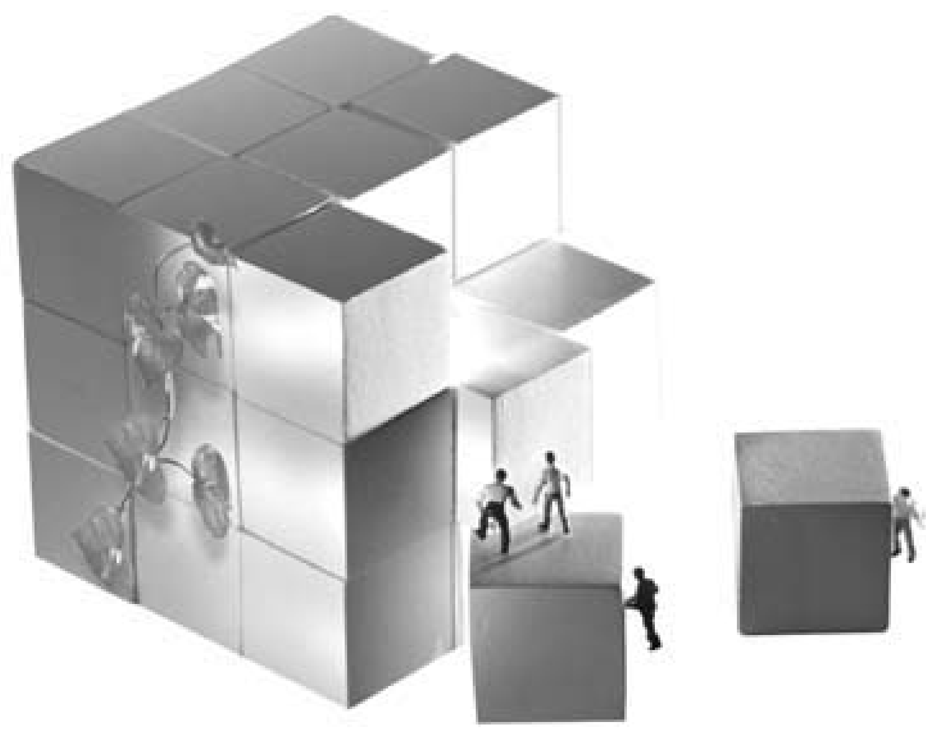
Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Vikrant Gandhe
Asst. Company Secretary

Boston; Dated : 7th May 2007

CONSOLIDATED FINANCIAL STATEMENTS



Building on our values. Investing in our success.

Auditors' Report on the Consolidated Financial Statements

To the Board of Directors of Tech Mahindra Limited

1. We have audited the attached Consolidated Balance Sheet of **TECH MAHINDRA LIMITED** and its subsidiaries as at March 31, 2007, and also the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended March 31, 2007 annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 2,071.80 Million as at March 31, 2007 and total revenues of Rs. 3,155.28 million and cash flow amounting to Rs. 103.52 Million for the year ended March 31, 2007. These financial statements and other financial information have been subjected to audit by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 on, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanation given to us, we are of the opinion that the attached 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 Tech Mahindra Limited and its subsidiaries as at March 31, 2007;

   (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended March 31, 2007; and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended March 31, 2007.

For **Deloitte Haskins & Sells**
Chartered Accountant

A.B.Jani
Partner
Membership No. 46488

Mumbai, Dated : May 15, 2007

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007	Rs. in Million As at March 31, 2006
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS:			
Capital	I	**1,212.17**	208.00
Share Application Money		**1.42**	-
Reserves and Surplus	II	**7,971.32**	5,946.27
		9,184.91	6,154.27
MINORITY INTEREST		**115.83**	0.36
LOAN FUNDS :	III		
Secured Loan		**100.10**	-
Unsecured Loan		**70.05**	-
		170.15	-
		9,470.89	6,154.63
II. APPLICATION OF FUNDS :			
FIXED ASSETS:	IV		
Gross Block		**6,244.54**	4,579.63
Less : Depreciation/Amortisation		**2,402.94**	1,879.76
Net Block		**3,841.60**	2,699.87
Capital Work-in-Progress, including Advances		**579.27**	198.28
		4,420.87	2,898.15
INVESTMENTS:	V	**979.07**	1,504.83
DEFERRED TAX ASSET (NET):		**74.27**	111.68
CURRENT ASSETS, LOANS AND ADVANCES:	VI		
Inventory		**10.67**	-
Sundry Debtors		**8,215.71**	4,377.34
Cash and Bank Balances		**668.33**	759.69
Loans and Advances		**1,556.61**	539.36
		10,451.32	5,676.39
Less : CURRENT LIABILITIES AND PROVISIONS:			
Liabilities	VII	**4,919.14**	1,835.92
Provisions	VIII	**1,535.50**	2,200.50
		6,454.64	4,036.42
Net Current Assets		**3,996.68**	1,639.97
		9,470.89	6,154.63
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :	XIII		

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, Dated : 15th May, 2007

For Tech Mahindra Limited

Anand G.Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Bharat Doshi
Director

Clive Goodwin
Director

Paul Zuckerman
Director

Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Boston; Dated : 7th May 2007

Vikrant Gandhe
Asst. Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	Year Ended March 31, 2007	Rs. in Million Year Ended March 31, 2006
INCOME :	IX	**29,367.30**	12,766.79
EXPENDITURE :			
Personnel	X	**11,092.51**	5,623.72
Operating and Other Expenses	XI	**10,831.67**	4,124.24
Depreciation/Amortisation		**515.49**	397.48
Interest	XII	**61.17**	-
		22,500.84	10,145.44
PROFIT BEFORE TAXATION		**6,866.46**	2,621.35
Provision for Taxation :			
- Current tax		**(648.39)**	(207.68)
- Deferred tax		**(35.59)**	(24.53)
- Fringe benefit tax		**(56.29)**	(35.39)
PROFIT BEFORE MINORITY INTEREST AND EXCEPTIONAL ITEMS		**6,126.19**	2,353.75
Exceptional Item (Refer to note 8 of Schedule XIII)		**5,249.38**	-
Minority Interest-Share in Profit		**(0.88)**	(0.04)
NET PROFIT FOR THE YEAR		**875.93**	2,353.71
Excess Provision of Income Tax in respect of earlier years (Refer to note 15 of Schedule XIII)		**339.50**	-
Balance brought forward from previous year		**4,699.10**	3,760.46
Balance available for appropriation		**5,914.53**	6,114.17
Interim Dividend - I		**(90.15)**	(30.61)
Interim Dividend - II		**(176.00)**	(31.15)
Interim Dividend - III		**-**	(62.37)
Interim Dividend - IV		**-**	(499.19)
Final Dividend		-	(415.99)
Dividend Tax		**(37.33)**	(145.76)
Transfer to General Reserve		**(65.23)**	(230.00)
Balance Carried to Balance Sheet		**5,545.82**	4,699.10
Earning Per Share (Refer to note 18 of Schedule XIII)			
Before exceptional item (in Rs.)			
- Basic		**56.18**	22.77
- Diluted		**49.56**	18.72
After exceptional item (in Rs.)			
- Basic		**10.56**	22.77
- Diluted		**9.32**	18.72
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	XIII		

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, Dated : 15th May, 2007

For Tech Mahindra Limited

Anand G.Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Bharat Doshi
Director

Clive Goodwin
Director

Paul Zuckerman
Director

Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Boston; Dated : 7th May 2007

Vikrant Gandhe
Asst. Company Secretary

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2007

Rs. in Million

	Particulars		As at March 31, 2007	As at March 31, 2006
A	**Cash Flow from operating activities**			
	Net Profit before taxation and exceptional item	6,866.46		2,621.35
	Less:			
	Exceptional Item	5,249.38		-
			1,617.08	2,621.35
	Adjustments for:			
	Depreciation	515.49		397.48
	Loss on sale of Fixed Assets	2.19		4.41
	Interest Expense	61.17		-
	Decrease in fair value of Current Investment	0.06		0.27
	Exchange gain (net)	62.45		(21.09)
	Currency translation adjustment	4.45		(10.10)
	Dividend from Current Investments	(65.78)		(52.95)
	Interest Income	(87.52)		(67.14)
	Profit on Sale of Investments	(14.66)		(14.63)
			477.85	236.25
	Operating profit before working capital changes		2,094.93	2,857.60
	Adjustments for:			
	Trade and other receivables	(4,716.56)		(2,038.53)
	Trade and other payables	3,282.27		543.14
			(1,434.29)	(1,495.39)
	Cash generated from operations		660.64	1,362.21
	Income Taxes paid	(323.95)		(36.00)
			(323.95)	(36.00)
	Net cash from operating activities		336.69	1,326.21
B	**Cash flow from investing activities**			
	Purchase of Fixed Assets	(1,940.36)		(395.05)
	Purchase of Investments	(6,146.61)		(2,510.74)
	Investment in Subsidiary	-		(0.50)
	Acquisition of Business (net off Cash)	10.29		(1,602.14)
	Sale of Investments	6,686.97		2,515.22
	Sale of Fixed Assets	2.60		6.12
	Interest received	79.53		68.83
	Dividend received	65.78		52.95
	Net cash used in investing activities		(1,241.80)	(1,865.31)

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)

Rs. in Million

	Particulars		As at March 31, 2007	As at March 31, 2006
C	**Cash flow from financing activities**			
	Proceeds from issue of Shares (including Securities Premium)	**949.75**		134.28
	Issue of equity shares (Refer to note 17 of Schedule XIII)	**1,163.07**		-
	Share Application Money	**1.42**		-
	Dividend (including Dividend Tax paid)	**(1,347.02)**		(141.54)
	Proceeds from Borrowing	**170.15**		-
	Interest Paid	**(61.17)**		-
	Net cash from/(used in) financing activities		**876.20**	(7.26)
	Net decrease in cash and cash equivalents (A+B+C)		**(28.91)**	(546.36)
	Cash and cash equivalents at the beginning of the year		**740.35**	1,286.71
	Cash and cash equivalents at the end of the year		**711.44**	740.35

Notes:

1 Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under Schedule VI (b) of the accounts.

2 Purchase of fixed assets are stated inclusive of movements of capital work in progress between the commencement and end of the period and are considered as part of investing activity.

		March 31, 2007	March 31, 2006
3	Cash and cash equivalents include :		
	Cash and Bank Balances	**668.33**	759.69
	Unrealised (Gain)/Loss on foreign currency Cash and cash equivalents	**43.11**	(19.34)
	Total Cash and Cash equivalents	**711.44**	740.35

4 Cash and cash equivalents include equity share application money of **Rs. 1.42 Million** (previous year: Nil) and unclaimed dividend of **Rs. 1.02 Million** (previous year: Rs. 0.04 Million)

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, Dated : 15th May, 2007

For Tech Mahindra Limited

Anand G.Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Bharat Doshi
Director

Clive Goodwin
Director

Paul Zuckerman
Director

Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Boston; Dated : 7th May 2007

Vikrant Gandhe
Asst. Company Secretary

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2007	As at March 31, 2006
		Rs. in Million
Schedule I		
SHARE CAPITAL :		
Authorised :		
175,000,000 (previous year: 150,000,000) Equity Shares of Rs.10/- (previous year: Rs.2/-) each	**1,750.00**	300.00
	1,750.00	300.00
Issued and Subscribed :		
121,216,701 (previous year: 112,440,523) Equity Shares of Rs.10/- (previous year: Rs.2/-) each fully paid-up	**1,212.17**	224.88
Paid up :		
121,216,701 (previous year 102,508,885) Equity Shares of Rs.10/- (previous year: Rs.2/-) each fully paid-up	**1,212.17**	205.02
Nil (previous year: 9,931,638) Equity Shares of Rs.2/- each Rs. 0.30 paid-up	-	2.98
	1,212.17	208.00

Notes:

1 Out of the above 9,931,638 (previous year: 9,931,638) Equity Share of Rs.10/- (previous year: Rs.2/-; Rs.0.30 paid-up) each fully paid-up are held by Mahindra BT Investment Company (Mauritius) Limited, a subsidiary of Mahindra and Mahindra Ltd. and 53,776,252 (previous year: 57,600,060) equity shares of Rs.10/- each (previous year Rs.2/- each) are held by Mahindra & Mahindra Ltd.,the ultimate holding company.

2 The above includes 51,000,100 and 25,000,000 Equity Shares of Tech Mahindra Limited (TML) originally of Rs.2/- each issued as fully paid-up bonus shares by capitalisation of balance of Profit and Loss Account and General Reserve, respectively.

3 During the year, 90,148,459 Equity Shares of Rs.10/- each of TML are allotted as fully paid-up bonus shares by way of capitalisation of Profit and Loss Account (Refer to note 5 of Schedule XIII).

4 During the year, 5 Equity Shares of Rs.2/- each of TML have been consolidated into 1 Equity Share of Rs.10/- each (Refer to note 5 of Schedule XIII).

5 Refer to note 12 of Schedule XIII for share options.

Schedules forming part of the Consolidated Balance Sheet

			Rs. in Million
		As at March 31, 2007	As at March 31, 2006
Schedule II			
RESERVES AND SURPLUS :			
General Reserve :			
As per last Balance Sheet	**948.43**		718.43
Add : Transfer from Profit and Loss Account	**65.23**		230.00
		1,013.66	948.43
Securities Premium :			
As per last Balance Sheet	**282.50**		152.77
Add : Received during the year	**2,010.13**		129.73
		2,292.63	282.50
Currency Translation Reserve:			
As per last Balance Sheet	**16.22**		26.32
Addition during the period	**4.45**		(10.10)
		20.67	16.22
Capital Reserve		**0.02**	0.02
Balance in Profit and Loss Account	**5,545.82**		4,699.10
Less : Capitalised on issue of bonus shares (Refer to note 5 of Schedule XIII)	**901.48**		-
		4,644.34	4,699.10
		7,971.32	5,946.27
Schedule III			
LOAN FUND :			
Secured Loan :			
Loans and Advances from Bank			
Cash Credit from bank (Refer to note 1 and 2 below)		**100.10**	-
		100.10	-
Notes :			
1 Loan from bank is Secured by way of hypothecation of current assets including book debts			
2 Net of current account balance of Rs.112.23 Million as per swip facility with the bank			
Unsecured Loan :			
Other Loans and Advances			
Overdraft from banks		**70.05**	-
		70.05	-

Schedules forming part of the Consolidated Balance Sheet

Schedule IV

FIXED ASSETS :

Rs. in Million

	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
Description of Assets	**Cost as at April 01, 2006**	**Additions on acqui-sition***	**Additions during the year**	**Deduct-ions during the year**	**Cost as at March 31, 2007**	**Upto March 31, 2006**	**on acqui-sition ***	**For the year**	**Dedu-ctions during the year**	**Upto March 31, 2007**	**As at March 31, 2007**	**As at March 31, 2006**
Goodwill on Consolidation	866.83	-	142.09	-	**1,008.92**	**-**	-	-	-	**-**	**1,008.92**	866.83
Leased Assets :												
Vehicles	74.35	-	-	7.40	**66.95**	**27.29**	-	14.98	3.97	**38.30**	**28.65**	47.06
(Refer to note 10 of Schedule XIII)												
Other Assets :												
Freehold Land	91.37	-	82.16	-	**173.53**	**-**	-	-	-	**-**	**173.53**	91.37
Leasehold Land	-	-	220.64	-	**220.64**	**-**	-	1.14	-	**1.14**	**219.50**	-
Leasehold improvement	-	-	83.52	-	**83.52**	**-**	-	6.00	-	**6.00**	**77.52**	-
Office Building / Premises	1,593.52	3.59	0.49	-	**1,597.60**	**468.54**	2.46	106.28	-	**577.28**	**1,020.32**	1,124.98
Computers	889.92	47.89	479.87	2.88	**1,414.80**	**637.42**	14.23	200.45	2.88	**849.22**	**565.58**	252.50
Plant and Machinery	528.44	7.71	352.66	10.26	**878.55**	**380.02**	4.20	85.68	8.94	**460.96**	**417.59**	148.42
Furniture and Fixtures	505.91	4.64	172.14	0.38	**682.31**	**355.85**	4.02	89.38	0.33	**448.92**	**233.39**	150.06
Vehicles	29.29	0.67	12.85	1.23	**41.58**	**10.64**	0.13	8.86	1.23	**18.40**	**23.18**	18.65
Intangible Assets:												
Intellectual property rights **	-	-	76.14	-	**76.14**	**-**	-	2.72	-	**2.72**	**73.42**	-
Total	**4,579.63**	**64.50**	**1,622.56**	**22.15**	**6,244.54**	**1,879.76**	**25.04**	**515.49**	**17.35**	**2,402.94**	**3,841.60**	**2,699.87**
Previous year	2,866.69	625.21	1,122.71	34.98	4,579.63	1,156.49	348.68	397.48	22.89	1,879.76	**-**	-
Capital Work in Progress											**579.27**	198.28
											4,420.87	**2,898.15**

Note: 1) Fixed Assets include certain leased vehicles aggregating to **Rs. 37.72 Million** (previous year: **Rs.44.70 Million**) on which vendors have a lien.
2) * Refer to note 7 of Schedule XIII relating to Subsidiaries acquired during the year.
3) ** Pending registration in the name of the Company (Refer to note 20 of Schedule XIII).
4) Additions to Fixed Assets includes reduction of **Rs. 0.08 Million** on account of fluctuation in foreign exchange rate.

Schedules forming part of the Consolidated Balance Sheet

			Rs. in Million
		As at March 31, 2007	As at March 31, 2006
Schedule V			
INVESTMENTS :			
Long Term (Unquoted - at cost)			
Trade :			
In Subsidiary Companies :			
50,000 Equity shares of Tech Mahindra Foundation of Rs. 10/- each fully paid up (Refer to note 2 of Schedule XIII)		**0.50**	0.50
Current Investments (Unquoted - at lower of cost and fair value)			
Non Trade :			
Nil (previous year: 92,347.61) units of Rs. 1,000.58 each of Franklin Templeton Mutual Fund Weekly Dividend Institutional Plan [Cost Rs. Nil (previous year: Rs. 92.44 Million)]	-		92.40
5,244.32 (previous year: 38,867.53) units of Rs.1,000.20 each of DSP Merrill Lynch - Liquidity Fund	**5.22**		38.88
Nil (previous year: 100,407.99) units of Rs.1,000.00 each of DSP Merrill Lynch - Fixed Term Plan Series B	-		100.41
200,000.00 (previous year: 200,000.00) units of Rs. 1,000.00 each of DSP Merrill Lynch - Fixed Term Plan	**200.00**		200.00
Nil (previous year: 4,748,969.47) units of Rs. 10.53 each of Prudential ICICI Mutual Fund-Quarterly FMP Plan A	-		50.00
Nil (previous year: 11,665,474.85) units of Rs. 10.00 each of Prudential ICICI Mutual Fund Liquid Plan Super Institutional Weekly Dividend	-		116.67
Nil (previous year: 5,000,000.00) units of Rs. 10.00 each Birla Mutual Fund - Fixed Term Growth Plan	-		50.00
11,533,845.61 (previous year: 3,071,767.96) units of Rs. 10.02 (previous year: Rs. 10.02) each of Birla Mutual Fund - Cash Plus-Instl. Prem. Weekly Dividend Reinvestment [Cost Rs. 115.65 Million (previous year: Rs. 30.81 Million)]	**115.60**		30.78
15,000,000.00 (previous year: Nil) units of Rs. 10.07 each of Birla Mutual Fund - FTP- Quarterly - Series 8 - Dividend - Payout	**150.00**		-

Schedules forming part of the Consolidated Balance Sheet

		Rs. in Million
	As at March 31, 2007	As at March 31, 2006
Schedule V (Contd.)		
Nil (previous year: 5,029,509.92) units of Rs. 10.00 each of HSBC Mutual Fund - Fixed Term Series Institutional Growth Plan	**-**	50.30
5,000,000,.00 (previous year: 5,000,000.00) units of Rs. 10.00 each (previous year: Rs. 10.00 each of HSBC Mutul Fund - Fixed Maturity Plan	**50.00**	50.00
Nil (previous year: 6,952,192.63) units of Rs.10.03 each of J M Mutual Fund - High Liquidity Super Institutional Plan	**-**	69.75
10,233,630.44 (previous year: Nil) units of Rs.10.00 each of J M Mutual Fund - FMP Series IV Quaterly Dividend Plan	**102.34**	-
5,000,000.00 (previous year: 5,000,000.00) units of Rs. 10.00 (previous year: Rs. 10.00) each of Kotak Mutual Fund - FMP Growth	**50.00**	50.00
Nil (previous year: 5,214,307.74) units of Rs. 10.03 each of Kotak Mutual Fund - Liquid Institutional Weekly Dividend	**-**	52.29
Nil (previous year: 4,098,246.52) units of Rs. 10.03 each of Kotak Mutual Fund - Liquid Institiutional Weekly Dividend	**-**	41.10
Nil (previous year: 6,265,066.85) units of Rs. 10.00 each of Principal Mutual Fund - Liquid Institutional Weekly Dividend [Cost Rs. 62.70 Million]	**-**	62.67
5,402,783.71(previous year: Nil) of Rs. 10.44 each of Reliance Mutual Fund- Short Term Fund Retail Plan - Dividend Plan	**56.39**	-
Nil (previous year: 5,000,000.00) units of Rs. 10.00 each of Reliance Mutual Fund - FMP	**-**	50.00
5,000,000.00 (previous year: 5,000,000.00) units of Rs. 9.99 each of Reliance Fixed Tenor Fund Growth Plan [Cost Rs. 50.00 Million (previous year: Rs. 50.00 Million)]	**49.93**	49.93
5,084,276.05 units of Rs.10.00 each of Chola FMP Series-6 Quarterly Plan - 3 - Dividend	**50.84**	-

Schedules forming part of the Consolidated Balance Sheet

			Rs. in Million
		As at March 31, 2007	As at March 31, 2006
Schedule V (Contd.)			
Nil (previous year: 5,000,000.00) units of Rs. 10.00 each of Chola Fund Liquid Institutional Plus - Dividend Option	**-**		50.00
5,000,000.00 (previous year: 5,000,000.00) units of Rs. 9.98 each of Grindlays - FMP-16 month [Cost Rs. 50.00 Million (previous year: Rs. 50.00 Million)]	**49.90**		49.90
4,600,000.00 (previous year: 4,600,000.00) units of Rs. 10.00 each of Tata Fixed Horizon Fund Series III	**46.00**		46.00
Nil (previous year: 90,695.00) units of Rs. 1,135.75 each of TATA Mutual Fund - Liquid Weekly Dividend	**-**		103.00
Nil (previous year: 5,000,000.00) units of Rs. 10.00 each of Sundaram Mutual Fund - FMP	**-**		50.00
5,235,028.52 (previous year: Nil) units of Rs. 10.00 each of ABN AMRO Mutual Flund - FTP Series 4 Quarterly Plan Dividend on Maturity	**52.35**		-
Nil (previous year: 5,024,693.83) units of Rs. 10.00 each of ABN AMRO Mutual Fund - FMP	**-**		50.25
		978.57	1,504.33
		979.07	1,504.83

Note:
1. The above includes investments made during the period out of proceeds of public issue (Refer to note 17 of schedule XIII)

Schedules forming part of the Consolidated Balance Sheet

			Rs. in Million
		As at March 31, 2007	As at March 31, 2006
Schedule VI			
CURRENT ASSETS, LOANS AND ADVANCES :			
Current Assets :			
(a) Inventory - Finished Goods (Software product)		**10.67**	-
(b) Sundry Debtors * :			
(Unsecured)			
Debts outstanding for a period exceeding six months:			
- considered good**		**501.96**	145.10
- considered doubtful		**68.94**	29.23
		570.90	174.33
Other debts, considered good***		**7,713.75**	4,232.24
considered doubtful		**0.22**	0.40
		8,284.87	4,406.97
		-	-
Less: Provision		**69.16**	29.63
		8,215.71	4,377.34
1. * Debtors include on account of unbilled revenue aggregating to **Rs. 1,898.10 Million** [(previous year: Rs. 437.87 Million)]			
2. ** Net of advances aggregating to **Rs.179.16** Million (previous year: Rs. 63.19 Millions) pending adjustments with invoices			
3. *** Net of advances aggregating to **Rs.1,609.46** Million (previous year: Rs.29.22 Million) pending adjustments with invoices			
(c) Cash and Bank Balances :			
Cash in hand	**0.47**		-
Balance with Scheduled banks :			
(i) In Current accounts	**273.62**		261.96
(ii) In Fixed Deposit accounts	**343.36**		359.94
Balance with other banks :			
(i) In Current accounts	**50.88**		137.79
		668.33	759.69
(d) Loans and Advances :			
(Unsecured)			
Bills of Exchange (considered doubtful)	**5.00**		5.00
Less: Provision	**5.00**		5.00
Advances recoverable in cash or in kind or for value to be received		**-**	-
- considered good	**1,329.15**		440.66
- considered doubtful	**6.63**		3.76
	1,335.78		444.42
Less : Provision	**6.63**		3.76
		1,329.15	440.66
Advance Tax (Net of provisions)		**227.46**	98.70
		1,556.61	539.36
		10,451.32	5,676.39

Schedules forming part of the Consolidated Balance Sheet

	Rs. in Million	
	As at March 31, 2007	As at March 31, 2006
Schedule VII		
CURRENT LIABILITIES :		
Sundry Creditors :		
Total outstanding dues to Small Scale Industrial Undertakings	**-**	-
Total outstanding dues of Creditors other than Small Scale Industrial Undertakings *	**4,919.14**	1,835.92
	4,919.14	1,835.92

* includes progress billing (unearned revenue) aggregating to Rs. 29.39 Million.

Schedule VIII		
PROVISIONS :		
Provision for taxation (net of payments)	**837.03**	678.60
Provision for Fringe benefit tax (net of payments)	**9.75**	-
Proposed Dividends	**-**	915.19
Provision for Dividend tax	**-**	128.36
Provision for Gratuity	**287.54**	195.81
Provision for Leave Encashment	**401.18**	282.54
	1,535.50	2,200.50

Schedules forming part of the Consolidated Profit and Loss Account

			Rs. in Million
		Year Ended March 31, 2007	Year ended March 31, 2006
Schedule IX			
INCOME :			
Income from Services (net)	**29,290.36**		12,398.57
[Tax deducted at source **Rs. 23.91 Million** (previous year: Rs. 6.47 Million)]			
Management Fees (net)	**-**		28.09
		29,290.36	12,426.66
Interest on :			
Deposits with Banks	**49.01**		65.88
[Tax deducted at source **Rs. 19.00 Million** (previous year: Rs. 9.65 Million)]			
Income tax refund (Refer to note 15 of Schedule XIII)	**36.79**		-
Others	**1.72**		1.26
		87.52	67.14
Dividend received on current investments (non-trade)		**65.78**	52.95
Exchange fluctuation (net)		**(107.89)**	152.26
Profit on sale of current investments (net)		**14.66**	14.63
Excess provisions for earlier years / sundry credit balances written back		**-**	31.58
Provision for doubtful debts written back		**10.97**	4.55
Insurance claim received		**-**	0.18
Miscellaneous Income		**5.90**	16.84
		29,367.30	12,766.79
Schedule X			
PERSONNEL :			
Salaries, wages and bonus		**10,030.49**	4,956.35
Contribution to provident and other funds		**588.88**	337.34
Staff welfare		**473.14**	330.03
		11,092.51	5,623.72

Schedules forming part of the Consolidated Profit and Loss Account

			Rs. in Million
		Year Ended March 31, 2007	Year Ended March 31, 2006
Schedule XI			
OPERATING AND OTHER EXPENSES :			
Power		**208.21**	81.87
Rent		**417.48**	143.47
Rates and taxes (Refer to note 17 of Schedule XIII)		**23.89**	9.47
Communication expenses		**542.00**	283.21
Travelling expenses (Refer to note 17 of Schedule XIII)		**3,494.24**	1,816.18
Recruitment expenses		**120.69**	71.97
Hire charges [includes car lease rentals **Rs.2.68 Million** (previous year: Rs.4.10 Million)]		**221.41**	108.58
Sub-contracting costs		**2,792.81**	763.79
Repairs and Maintenance :			
Buildings (including leased premises)	**19.71**		14.41
Machinery	**46.33**		35.83
Others	**57.99**		35.51
		124.03	85.75
Insurance		**91.28**	34.87
Professional fees (Refer to note 17 of Schedule XIII)		**487.36**	112.95
Software packages		**1,388.07**	141.62
Training		**126.00**	91.26
Advertising, Marketing and Selling expenses (Refer to note 17 of Schedule XIII)		**30.50**	5.21
Commission on Services income		**220.87**	39.82
Loss on sale of fixed assets [Net of write back of leased liability aggregating to **Rs. Nil** (previous year: Rs. 1.56 Million)]		**2.19**	4.41
Excess of cost over fair value of current investments		**0.06**	0.27
Advances / debts written off		**8.97**	0.37
Provision for doubtful debts		**50.41**	16.66
Provision for doubtful advances		**2.87**	-
Loss on exchange fluctuation (net)		**6.45**	-
Donations		**58.50**	154.86
Miscellaneous expenses * (Refer to note 17 of Schedule XIII)		**413.38**	157.65
		10,831.67	4,124.24

* includes Printing and stationery expenses, hospitality expenses, conveyance, etc.

Schedule XII			
INTEREST :			
Interest On			
- Term Loan		**18.00**	-
- Cash Credit		**43.17**	-
		61.17	-

Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

Schedule XIII

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007

1. Significant accounting policies:

(a) Basis for preparation of accounts:

The accompanying Consolidated Financial Statements of Tech Mahindra Limited (TML) ("the holding company") and its subsidiaries are prepared under the historical cost convention in accordance with the generally accepted accounting principles applicable in India (Indian GAAP), the provisions of the Companies Act, 1956 and the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) to the extent possible in the same format as that adopted by the holding company for its separate financial statements.

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the holding company namely March 31, 2007.

(b) Principles of consolidation:

The financial statements of the holding company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income, expenses, after eliminating intra – group transactions and any unrealized gain or losses on the balances remaining within the group in accordance with the Accounting Standard - 21 (AS 21) on "Consolidated Financial Statements" issued by the ICAI.

The financial statements of the holding company and its subsidiaries have been consolidated using uniform accounting policies for like transaction and other events in similar circumstances.

The excess of cost of investments in the subsidiary company/s over the share of the equity of the subsidiary company/s at the date on which the investment in the subsidiary company/s is made is recognized as 'Goodwill on Consolidation' and is grouped with Fixed Assets in the Consolidated Financial Statements.

Alternatively, where the share of equity in the subsidiary company/s as on the date of investment is in excess of cost of the investment, it is recognized as 'Capital Reserve' and grouped with 'Reserves and Surplus', in the Consolidated Financial Statements.

Minority interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made in the subsidiary company/s and further movements in their share in the equity, subsequent to the dates of investments. Minority interest also includes share application money received from minority shareholders. The losses in subsidiary/s attributable to the minority shareholder are recognized to the extent of there interest in the equity of the subsidiary/s.

(c) Use of estimates:

The preparation of Consolidated Financial Statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised.

(d) Fixed assets/intangibles:

Fixed assets are stated at cost less depreciation. Costs comprise of purchase price and attributable costs, if any.

(e) Leases:

Assets taken on lease by TML on or after April 1, 2001 are accounted for as Fixed Assets in accordance with Accounting Standard 19 on "Leases", (AS 19) issued by The ICAI.

(i) Finance lease

Assets taken on finance lease are accounted for as fixed assets at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

(ii) Operating lease

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

(f) Depreciation/Amortisation of fixed assets:

(i) Depreciation for all fixed assets including for assets taken on lease is computed using the straight-line method based on estimated useful lives. Depreciation is charged on a pro-rata basis for assets purchased or sold during the period. Management's estimate of the useful life of fixed assets is as follows:

Buildings	15 years
Computers	3-5 years
Plant and machinery	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years

(ii) Leasehold land is amortised over the period of lease on pro-rata basis.

(iii) Leasehold improvements are amortised over the primary period of lease.

(iv) Intellectual property rights are amortised over a period of seven years.

(g) Impairment of assets:

At the end of the year, each company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" (AS 28) issued by the ICAI. Where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

(h) Investments:

Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. Provision is made to recognise a decline other than temporary in the carrying amount of long term investments.

(i) Inventories:

Finished Goods (Software Product)

Valued at the lower of the cost and net realisable value. Cost is determined on First In - First-Out basis.

(j) Revenue recognition:

Revenue from software services and business process outsourcing services include revenue earned from services performed on 'time and material' basis, time bound fixed price engagements and system integration projects.

The related revenue is recognized as and when services are performed. Income from services performed by TML pending receipt of purchase orders from customers, which are invoiced subsequently on receipt thereof, are recognized as unbilled revenue.

The Companies also performs time bound fixed price engagements, under which revenue is recognized using the proportionate completion method of accounting, unless work completed cannot be reasonably estimated. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Dividend income is recognized when the Company's right to receive dividend is established. Interest income is recognized on time proportion basis.

(k) Foreign currency transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year, is recognised as income or expense, as the case may be, except where they relate to fixed assets where they are adjusted to the cost of fixed assets.

Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract. Exchange difference accounted on a forward exchange contract entered into to hedge the foreign currency risk of a firm commitment, is the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting/settlement date and the said amount translated at the later date of inception of the contract/last reporting date and is recognized as income or expense in the reporting period.

(l) Translation and accounting of financial statement of foreign subsidiaries:

The financial statements are translated to Indian Rupees in accordance with the guidance issued by the ICAI in the background material to AS 21 as follows:

a. All income and expenses are translated at the average rate of exchange prevailing during the year.

b. Assets and liabilities are translated at the closing rate on the Balance Sheet date.

c. Share capital is translated at historical rate.

d. The resulting exchange differences are accumulated in currency translation reserve.

(m) Retirement benefits:

Provision is made for gratuity (where applicable) and encashment of unavailed leave on retirement on the basis of actuarial valuation, except for two subsidiaries, viz., Tech Mahindra (Americas) Inc. and Tech Mahindra GmbH wherein provision for encashment of unavailed leave on retirement is made on actual basis. TML does not expect the difference on account of varying methods to be material. (Refer to note 9 below).

In respect of a subsidiary, viz., Tech Mahindra (R&D Services) Limited where the gratuity liability is funded, liability towards gratuity is provided for shortfall, if any, between accrued liabilities is determined on actuarial valuation and fund balance. (Refer to note 9 below).

(n) Borrowing costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

(o) Income taxes:

Tax expense comprises of current tax, deferred tax and fringe benefit tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance Sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Fringe benefit tax is recognized in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the ICAI. Tax on distributed profits payable in accordance with the provisions of the Income-tax Act, 1961 is disclosed in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" issued by the ICAI.

(p) Contingent liabilities:

These, if any, are disclosed in the notes and accounts. Provision is made in the accounts if it becomes probable that any outflow of resources embodying economic benefits will be required to settle the obligation.

2. (a) The consolidated financial statements present the consolidated accounts of TML, which consists of the accounts of the holding company and of the following subsidiaries.

Name of the Subsidiary company	Country of incorporation	Extent of Holding (%) as on March 31, 2007
Tech Mahindra (Americas) Inc.	United States of America	100%
Tech Mahindra GmbH	Germany	100%
Tech Mahindra (Singapore) Pte. Limited	Singapore	100%
Tech Mahindra (Thailand) Limited	Thailand	100%
Tech Mahindra (R&D Services) Limited (TMRDL) and its following subsidiaries:	India	99.98%
a) Tech Mahindra (R&D Services) Inc.	United States of America	99.98%
b) Tech Mahindra (R&D Services) Pte. Limited	Singapore	99.98%

(b) The following subsidiaries are incorporated during the year:

Name of the Subsidiary company	Country of incorporation	Extent of Holding (%) as on March 31, 2007
PT Tech Mahindra Indonesia	Indonesia	100%
CanvasM Technologies Limited	India	80.10%
a) CanvasM Technologies Inc.	United States of America	80.10%

(c) The following subsidiary is acquired during the year:

Name of the Subsidiary company	Country of incorporation	Extent of Holding (%) as on March 31, 2007
iPolicy Networks Limited (iPolicy)	India	100%

(d) TML has an investment in a subsidiary company viz. Tech Mahindra Foundation (TMF). TMF has been incorporated primarily for charitable purposes, where in the profits will be applied for promoting its objects. Accordingly, the accounts of TMF are not consolidated in these financial statements, since TML will not derive any economic benefits from its investments in TMF.

3. The estimated amount of contracts remaining to be executed on capital account, and not provided for as at March 31, 2007 for TML **Rs. 1,291.50 Million (**previous year: Rs. 421.61 Million), and **Rs. Nil** (previous year: Rs. 0.69 Million) for TMRDL.

4. Contingent liabilities:

   (i) TML and its subsidiary TMRDL has received notices from Income Tax authorities resulting in a contingent liability of **Rs. 99.84 Million** and **Rs. 0.55 Million** respectively (previous year: Rs. 42.66 Million and Rs. 0.55 Million respectively). TML demand is on account of disallowance of software maintenance activity and deduction u/s 80HHE amounting to **Rs. 27.57 Million** and a further sum of **Rs. 72.27 Million** relating to Section 10A. The Company has appealed before Appellate authorities and is hopeful of succeeding in the same.

   (ii) Bank Guarantees outstanding for TML and its subsidiary TMRDL and Tech Mahindra (Singapore) Pte. Ltd. (TMSL) are **Rs. 223.91 Million, Rs. 20.00 Million** and **Rs. Nil** respectively (previous year: Rs. 90.74 Million, Rs. 20.00 Million and Rs. 3.82 Million respectively)

   (iii) Claims from Statutory Authorities for TMRDL is **Rs.1.58 Million** (Provident Fund) (previous year: Rs. 1.58 Million)

5. During the year, pursuant to the resolution passed by the shareholders at the Extra ordinary General Meeting held on June 01, 2006, TML consolidated its share capital from **112,685,573** equity shares of Rs. 2/- each into **22,537,114** equity shares of Rs. 10/- each.

   Further, during the year TML has issued **90,148,459** Equity Shares of Rs 10/- each as bonus shares at the rate of 4 shares for each share held as at June 01, 2006, aggregating to Rs. **901.48 Million** by way of capitalization from the balance of Profit and Loss account.

6. TML acquired Tech Mahindra (R&D Services) Limited (TMRDL) on November 28, 2005. The terms of purchase provides for payment of contingent consideration to all the selling shareholders, payable over three years and calculated based on achievement of specific targets. The contingent consideration is payable in cash and cannot exceed **Rs. 640.78 Million.** The consideration so payable would be accounted in the books of account in the year of achieving the milestones under the Agreement. Accordingly **Rs. 101.15 Million** (previous year: Rs. 32.83 Million) has been accounted for during the year as additional cost of acquisition, in accordance with the terms of agreement.

   The above additional cost of **Rs.101.15 Million**, being the excess of cost to TML over its share of the equity in TMRDL has been added to the goodwill on consolidation under fixed assets.

   Further, the goodwill arising on additional shares of TMRDL acquired during the year aggregating to **Rs. 0.13 Million** has also been added to the goodwill.

7. The Company has acquired entire shareholding of iPolicy Networks Limited (iPolicy) (formerly known as iPolicy Networks Private Limited) vide Share Purchase Agreement dated January 22, 2007 for a consideration of **Rs. 29.35 Million**. As a result iPolicy has become wholly owned subsidiary of the company with effect

from the date of acquisition. The company has made additional investment of **Rs. 120.37 Million** after the acquisition.

The excess of the above cost to TML over its share of the equity in iPolicy at the date on which investment is made aggregating to **Rs. 40.81 Million** has been added to the goodwill on consolidation under Fixed Assets.

8. During the year, TML has entered into Global Sourcing Agreement relating to the development of a global sourcing model for strategic outsourcing services, with a customer for a term of five years.

As per the terms of the agreement, TML has made an upfront payment of **Rs. 5,249.38 Million** to the customer which is unconditional, irrevocable and non-refundable. Accordingly, this payment has been disclosed as exceptional item in the Profit and Loss account.

9. The revised Accounting Standard 15 on "Employee Benefits", (AS 15) issued by the ICAI has been adopted by the company with effect from April 1, 2006.

(i) The disclosure as required under AS 15 regarding the Employees Retirement Benefits Plan for gratuity is as follows:

(a) TML and iPolicy:

Particulars	**Rs. in Million**
Projected benefit obligation, beginning of the year	190.47
Service cost	102.94
Interest cost	16.35
Actuarial gain	(20.86)
Benefits paid	(14.28)
Projected benefit obligation, end of the year	**274.62**

The gratuity plan is not funded and the liability is provided for in the books of account.

Net periodic gratuity cost	**Rs. in Million**
Service cost	102.94
Interest cost	16.35
Amortisation of actuarial gain	(20.86)
Net periodic gratuity cost	**98.43**

(b) TMRDL:

Particulars	**Rs. in Million**
Projected benefit obligation, beginning of the year	29.40
Service cost	6.17
Interest cost	2.52
Actuarial loss	4.88
Benefits paid	(2.47)
Projected benefit obligation, end of the year	**40.50**
Defined Benefit obligation liability as at the Balance Sheet is wholly funded by the company	
Change in Plan Assets	
Fair Value of Assets beginning of the year	29.55
Expected return on Assets	2.60
Actuarial gain (loss)	(2.10)
Benefits paid	(2.47)
Projected Fair Value of Assets, end of the year	**27.58**
Gratuity cost for the year	
Service cost	6.17
Interest cost	2.52
Expected return on Assets	(2.60)
Amortisation of actuarial loss (gain)	6.98
Net Periodic Gratuity Cost	**13.07**

(c) Assumptions:

Discount rate 8.00%

Rate of increase in compensation levels of covered employees 7.50%

(ii) The disclosure as required under AS 15 regarding the Employees Retirement Benefits Plan for leave encashment is as follows:

(a) Disclosure:

Particulars	**Rs. in Million**
Projected benefit obligation, beginning of the year	231.66
Service cost	73.58
Interest cost	18.06
Actuarial loss	30.22
Benefits paid	(40.89)
Projected benefit obligation, end of the year	**312.63**

The leave encashment liability is not funded and is provided for in the books of account.

Net periodic leave encashment cost	**Rs. in Million**
Service cost	73.58
Interest cost	18.06
Amortisation of actuarial loss	30.22
Net periodic leave encashment cost	**121.86**

(b) Assumptions:

Discount rate 8.00 %

Rate of increase in compensation levels of covered employees for TML 7.75 %

(c) In addition to above short term leave encashment and provident fund contribution amounting to **Rs. 88.55 Million** (previous year: Rs. 32.06 Million) has been provided for.

10. Assets acquired/given on Lease on or after April 1, 2001:

Finance Lease:

TML has acquired vehicles on lease, the fair value of which aggregates to **Rs. 66.95 Million.** As per Accounting Standard 19 (AS-19) on Leases, issued by the ICAI the Company has capitalized the said vehicles at their fair values as the leases are in the nature of finance leases as defined in AS-19. Lease payments are apportioned between finance charge and deduction of outstanding liabilities. The details of lease rentals payable in future are as follows:

Rs. in Million

	Not later than 1 year	**Later than 1 year not later than 5 years**
Minimum Lease rentals payable (previous year Rs. 19.15 Million and Rs. 19.30 Million respectively)	**12.98**	**4.41**
Present value of Lease rentals payable (previous year Rs. 17.37 Million and Rs. 15.47 Million respectively)	**11.77**	**3.62**

Operating Lease:

(a) The assets taken on Operating Lease are as detailed below:

i) TML has taken vehicles on operating lease for a period of three to four years. The lease rentals recognised in the Profit and Loss Account for the year are **Rs. 0.43 Million** (previous year: Rs. Nil).

The future lease payments of operating lease are as follows:

Rs. in Million

	Not later than 1 year	Later than 1 year not later than 5 years
Minimum Lease rentals payable (Previous year Rs. Nil)	**1.29**	**2.97**

ii) Tech Mahindra (Americas) Inc.(TMA) has taken office space on operating lease. The lease rentals recognized in the Profit and Loss account for the year are **Rs. 3.34 Million**. The future lease payments of operating lease are as follows:

Rs. in Million

	Not later than 1 year	Later than 1 year not later than 5 years
Minimum Lease rentals payable (previous year Rs. Nil)	**3.65**	**-**

In June 2005 TMA entered into a sublease agreement which expires in September 2007. Future minimum rent income under this sublease for the year ended March 31, 2007 is **Rs. 2.34 Million**

iii) Tech Mahindra (Thailand) Limited (TMTL) has taken office premises on operating lease. The lease rentals recognized in the Profit and Loss account for the year are **Rs. 0.93 Million.** The future lease payments of operating lease are as follows:

Rs. in Million

	Not later than 1 year	Later than 1 year not later than 5 years
Minimum Lease rentals payable (previous year Rs. Nil)	**1.49**	**2.99**

iv) Tech Mahindra GmbH has taken office premises on operating lease. The lease rentals recognized in the Profit and Loss account for the year are **Rs. 3.37 Million.** The future lease payments of operating lease are as follows:

Rs. in Million

	Not later than 1 year	Later than 1 year not later than 5 years
Minimum Lease rentals payable (previous year Rs. 6.17 Million and Rs. 0.96 Million)	**1.05**	**-**

(b) The assets given on Operating Lease are as detailed below:

i) The assets given by TMRDL on Operating Lease are as detailed below:

Rs. in Million

Description of Asset	Gross Carrying amount 31-03-2007	Accumulated Depreciation 01-04-2006	Depreciation for the year	Acc. Impairment loss
Building – Block C in Hosur Road, Bangalore.	50.17	10.81	3.34	-

ii) Contingent rent recognized in the Profit and Loss account is Rs. Nil.

iii) TMRDL has various operating leases, mainly for office buildings, that are renewable on a periodic basis. Gross rental expenses for the year ended on March 31, 2007 are **Rs. 11.32 Million.**

The non-cancellable lease rental payable for these leases is as under:

For the year ending on:	Rs. in Million
March 31, 2008	**2.36**
March 31, 2009	**2.41**
March 31, 2010	**1.10**
	5.87

11. TML has recently strengthened its presence in the Telecom Equipment Manufacturers (TEM) segment directly, and also through its recently acquired subsidiaries. With the focus on customers in the Telecom Service Providers (TSP) and TEM segments of the telecom vertical, TML has reorganised its management structure to cater to its business segments. Consequently TML is of the view that as per the requirements of Accounting Standard 17 on 'Segment Reporting' (AS 17), issued by the ICAI, the primary segment of TML is business segment by category of customers in the TSP, TEM, Business process outsourcing (BPO) and other sectors and the secondary segment is the geographical segment by location of its customers.

    The disclosures as required by AS 17 for the previous year have been rearranged on a consolidated basis to conform to the classification done for the current year.

    The Accounting principles consistently used in the preparation of the financial statements are also applied to record income and expenditure in the individual segments. There are no inter-segment transactions during the year.

FOR THE YEAR ENDED MARCH 31, 2007

(A) **PRIMARY SEGMENTS :** **Rs. in Million**

Particulars	TELECOM SERVICE PROVIDER	TELECOM EQUIPMENT MANUFACTURER	BUSINESS PROCESS OUTSOURCING	OTHERS	TOTAL
Revenues	26,664.01	1,832.39	140.65	653.31	29,290.36
Less : Direct Expenses	15,707.07	1,189.83	155.60	483.19	17,535.69
Segmental Operating Income	**10,956.94**	**642.56**	**(14.95)**	**170.12**	**11,754.67**
Less : Unallocable expenses					
Depreciation					515.49
Interest					61.17
Other unallocable expenses					4,388.49
Total unallocable expenses					**4,965.15**
Operating Income					**6,789.52**
Add : Other income					76.94
Net profit before tax					**6,866.46**
Less : Provision for taxation					
Current tax					648.39
Deferred tax					35.59
Fringe benefit tax					56.29
Net profit before minority interest and exceptional item					**6,126.19**
Exceptional item (Refer to note – 8)					5,249.38
Minority interest					0.88
Net profit for the year					**875.93**
Excess provision for income tax in respect of earlier years written back (Refer to note 15 below)					339.50
Net profit					**1,215.43**

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done as the assets are used interchangeably between segments and TML is of the view that it is not practical to reasonably allocate liabilities and other non-cash expenses to individual segments and an adhoc allocation will not be meaningful.

(B) **SECONDARY SEGMENTS:**

Revenues from secondary segments are as under: **Rs. in Million**

Sector	
Europe	21,237.76
USA	5,369.80
Asia Pacific	2,682.80
	29,290.36

Segregation of assets into secondary segments has not been done as the assets are used interchangeably between segments. Consequently the carrying amounts of assets by location of assets are not given.

FOR THE YEAR ENDED MARCH 31, 2006

(A) **PRIMARY SEGMENTS:** **Rs. in Million**

Particulars	**TELECOM SERVICE PROVIDER**	**TELECOM EQUIPMENT MANUFACTURER**	**OTHERS**	**TOTAL**
Revenues	11,322.34	719.18	385.14	12,426.66
Less: Direct expenses	6,659.82	462.42	274.23	7,396.47
Segmental Operating Income	**4,662.52**	**256.76**	**110.91**	**5,030.19**
Less: Unallocable expenses				
Depreciation				397.48
Other unallocable expenses				2,351.49
Total unallocable expenses				**2,748.97**
Operating income				**2,281.22**
Add: Other income				340.13
Net profit before tax				**2,621.35**
Less: Provision for taxation				
Current tax				207.68
Deferred tax				24.53
Fringe benefit tax				35.39
Net profit before minority interest				**2,353.75**
Minority interest				0.04
Net profit for the year				**2,353.71**

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done as the assets are used interchangeably between segments and TML is of the view that it is not practical to reasonably allocate liabilities and other non-cash expenses to individual segments and an adhoc allocation will not be meaningful.

(B) **SECONDARY SEGMENTS:**

Revenues from secondary segments are as under: **Rs. in Million**

Sector	
Europe	9,532.24
USA	2,226.41
Asia Pacific	668.01
	12,426.66

Segregation of assets into secondary segments has not been done as the assets are used interchangeably between segments. Consequently the carrying amounts of assets by location of assets are not given.

12. (A) TML has instituted " Employee Stock Option Plan 2000" (ESOP) for its employees and directors. For this purpose it had created a trust viz, MBT ESOP trust. In terms of the said Plan, the trust has granted options to the employees and directors in form of warrant which vest at the rate of 33.33% on each successive anniversary of the grant date. The options can be exercised over a period of 5 years from the date of grant. Each warrant carries with it the right to purchase one equity share of TML at the exercise price determined by the trust on the basis of fair value of the equity shares at the time of grant.

The details of the options are as under:

	March 31, 2007	March 31, 2006
Options outstanding at the beginning of the year	**1,220,000**	2,229,740
Options granted during the year	–	345,000
Options lapsed during the year	**18,480**	313,340
Options cancelled during the year	**37,860**	259,090
Options exercised during the year	**674,540**	782,310
Options outstanding at the end of the year **	**489,120**	1,220,000

** Out of the options outstanding at the end of the year, **100,420** (previous year 504,300) options have vested, which have not been exercised.

(B) TML has instituted " Employee Stock Option Plan 2004" (ESOP 2004) for its employees. In terms of the said Plan, the Compensation Committee has granted options to employees of TML. The options are divided into Upfront options and Performance options. The Upfront Options are divided into three sets which will entitle holders to subscribe to option shares at the end of First year, Second year and Third year. The vesting of the Performance Options will be decided by the Compensation Committee based on the performance of employees.

The details of the options are as under:

	March 31, 2007	March 31, 2006
Options outstanding at the beginning of the year	**10,219,860**	10,219,860
Options granted during the year	–	–
Options lapsed during the year	–	–
Options cancelled during the year	–	–
Options exercised during the year	**4,542,159**	–
Options outstanding at the end of the year **	**5,677,701**	10,219,860

** Options granted and outstanding at the end of the year are **5,677,701** (previous year 10,219,860). **Nil** (previous year 2,271,078) options have vested as at the end of the year.

(C) TML has instituted "Employee Stock Option Plan 2006" (ESOP 2006) for the employees and directors of TML and its subsidiary companies. In terms of the said Plan, the Compensation Committee has granted options to the employees of TML. The vesting of the options is 10%, 15%, 20%, 25% and 30% of total options granted after 12, 24, 36, 48 and 60 months, respectively from the date of grant. The maximum exercise period is 7 years from the date of grant.

The details of the options are as under:

	March 31, 2007	March 31, 2006
Options outstanding at the beginning of the year	**4,612,380**	–
Options granted during the year	**656,625**	4,633,680
Options lapsed during the year	–	–
Options cancelled during the year	**402,890**	21,300
Options exercised during the year	**372,999**	–
Options outstanding at the end of the year	**4,493,116**	4,612,380
Weighted average share price of the above options on the date of the exercise	**Rs. 83**	Rs. 83

Out of the options outstanding at the end of the year **56,456** options have vested and has not been exercised.

(D) TML uses the intrinsic value-based method of accounting for stock options granted after April 1, 2005. Had the compensation cost for TML's stock based compensation plan been determined in the manner consistent with the fair value approach, TML's consolidated net income would be lower by **Rs. 7.35 Million** (previous year: Rs. 0.03 Million) and earnings per share as reported would be lower as indicated below:

Rs. in Million

Net profit	**March 2007**	**March 2006**
Net Profit after Tax and before exceptional items	**6,126.19**	2,353.75
Less : Exceptional items	**5,249.38**	–
: Minority Interest	**0.88**	0.04
Net Profit for the year	**875.93**	2,353.71
Add : Excess provision for income tax in respect of earlier years written back	**339.50**	–
Net Profit	**1,215.43**	2,353.71
Less : Total stock-based employee compensation expense determined under fair value base method.	**7.35**	0.03
Adjusted Net Profit	**1,208.08**	2,353.68
Basic earnings per share (in Rs.)		
- As reported	**10.56**	22.77
- Adjusted	**10.50**	22.77
Diluted earnings per share (in Rs.)		
- As reported	**9.32**	18.72
- Adjusted	**9.26**	18.72
The fair value of each warrant is estimated on the date of grant based on the following assumptions:		
Dividend yield (%)	**6.89**	6.89
Expected life	**5 years**	5 years
Risk free interest rate (%)	**7.72**	7.12
Volatility (%)	**62.69**	–

13. As required under Accounting Standard 18 (AS18), following are details of transactions during the year with the related parties of the Companies as defined in AS18:

(a) List of Related Parties and Relationships

Name of Related Party	**Relation**
Mahindra & Mahindra Limited British Telecommunications, plc. Mahindra BT Investment Company (Mauritius) Limited	Holding Company Promoter holding more than 20% stake Promoter group company
Tech Mahindra Foundation	Subsidiary Company
Mahindra Engineering and Chemical Products Limited Mahindra Engineering Design and Development Company Limited Bristlecone India Limited	Fellow Subsidiary Company Fellow Subsidiary Company Fellow Subsidiary Company
Mr. Vineet Nayyar Vice Chairman, Managing Director and Chief Executive Officer	Key Management Personnel

(b) Related Party Transactions

Rs. in Million

Transactions	**Promoter Companies**	**Subsidiary Company**	**Fellow Subsidiary Companies**	**Key Management Personnel**
Expenses reimbursed : Paid / (Received)	**(347.99)** [(83.40)]	– [–]	– [25.50]	– [–]
Income from Services & Management Fees	**19,001.00** [8,545.28]	**–** [–]	**2.98** [3.73]	**–** [–]
Services received	**(24.33)** [–]	– [–]	– [–]	– [–]
Sub-contracting cost	– [–]	– [–]	**21.19** [–]	**–** [–]
Payment for Upfront Discount	**5,249.38** [–]	– [–]	– [–]	– [–]
Dividend Paid	**1,143.30** [122.60]	– [–]	– [–]	**0.80** [–]
Investment	– [–]	– [0.50]	– [–]	– [–]
Purchase of Fixed Asset	**8.72** [–]	– [–]	– [–]	– [–]
Stock Options	– [–]	– [–]	– [–]	**–*** [–]
Donation	– [–]	**55.66** [150.00]	– [–]	– [–]
Salary and Perquisites	– [–]	– [–]	– [–]	**24.36** [17.10]
Debit/(Credit) balances (Net) outstanding as on March 31, 2007	**5,349.08** [3,031.74]	– [–]	**0.70** [(5.28)]	– [–]

(Figures in brackets "[ ]"are for the previous period/year)

*Options exercised during the year are for 1,514,053 equity shares and options granted and outstanding as at year end are 1,892,567.

Out of the above items transactions with Promoter companies and Key Management Personnel in the excess of 10% of the total related party transactions are as under:

Rs. in Million

Transactions	**For the year ended March 31, 2007**	For the year ended March 31, 2006
Expenses reimbursed		
Promoter Companies		
- British Telecommunications, plc.	**(358.71)**	(87.29)
Income from Services		
Promoter Companies		
- British Telecommunications, plc.	**18,981.93**	8,529.07
Paid for Services received		
Promoter Companies		
- Mahindra & Mahindra Limited	**24.33**	—
Payment for Upfront Discount		
Promoter Companies		
- British Telecommunications, plc.	**5,249.38**	—
Dividend Paid		
Promoter Companies		
- Mahindra & Mahindra Limited	**633.62**	69.12
- British Telecommunications plc.	**473.72**	52.14
Purchase of Fixed Assets		
Promoter Companies		
- Mahindra & Mahindra Limited	**8.72**	—
Donation		
- Tech Mahindra Foundation	**55.66**	150.00
Salary and Perquisites		
Key Management Personnel		
- Mr. Vineet Nayyar	**24.36**	17.10

Other related parties of the Company are as under:

- Automartindia Limited
- Bristlecone Limited
- Bristlecone Inc.
- Mahindra Acres Consulting Engineers Limited
- Mahindra Ashtech Limited
- Bristlecone GmbH
- Bristlecone Singapore Pte. Limited
- Mahindra (China) Tractor Company Limited
- Mahindra Europe s.r.l.
- Mahindra Gujarat Tractor Limited
- Mahindra Holdings & Finance Limited
- Mahindra Holidays & Resorts India Limited
- Mahindra Holidays & Resorts (USA) Inc.
- Mahindra Insurance Brokers Limited
- Mahindra Intertrade Limited
- Bristlecone UK Limited
- Mahindra International Limited
- Mahindra Logisoft Business Solutions Limited
- Mahindra Middleeast Electrical Steel Service Centre (FZE)
- Mahindra & Mahindra Financial Services Limited
- Mahindra & Mahindra South Africa (Pty) Limited
- Mahindra Overseas Investment Company (Mauritius) Limited
- Mahindra Renault Pvt. Limited
- Mahindra Steel Service Centre Limited
- Mahindra Shubhlabh Services Limited
- Mahindra SAR Transmission Pvt Limited
- Mahindra USA Inc.
- Mahindra Ugine Steel Company Limited

- NBS International Limited
- Stokes Group Limited
- Jensand Limited
- Stokes Forgings Dudley Limited
- Stokes Forgings Limited
- Plexion Technologies (India) Private Limited
- Plexion Technologies (UK) Limited
- Plexion Technologies GmbH
- Plexion Technologies Inc.
- Mahindra Forgings Overseas Limited
- Mahindra Forgings International Limited
- Mahindra Forgings Mauritus Limited
- Mahindra Forgings Global Limited
- Gesenkschmiede Schneider GmbH
- Falkenroth Umformtechnik GmbH
- Falkenroth Grundstucksgesellschaft GmbH
- Jeco-Jellinghaus GmbH
- Jeco Holding AG
- DGP Hinoday Industries Limited
- Schöneweiss & Co. GmbH
- Fried. Hunninghaus GmbH & Co. KG
- Fried Hunninghaus GmbH
- Mahindra Stokes Holdings Company Limited
- Mahindra Gesco Developers Limited
- Mahindra Infrastructure Developers Limited
- Mahindra World City (Jaipur) Limited
- Mahindra Integrated Township Limited
- Mahindra World City Developers Limited
- Mahindra World City Developers (Maharashtra) Limited

There have been no transactions with the aforesaid companies during the period.

14. The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

Deferred Tax		**Rs. in Million**
	March 31, 2007	March 31, 2006
(a) Deferred tax liability:		
Depreciation	**(1.40)**	(1.44)
(b) Deferred tax asset:		
Gratuity, leave encashment etc.	**10.60**	5.77
Doubtful debts	**4.23**	0.54
Carry forward of Net operating losses of a subsidiary	**60.84**	106.81
Total deferred tax asset (net)	**74.27**	111.68

Tech Mahindra (Americas) Inc. has net operating losses aggregating to **Rs. 66.19 Million** which are available to be carried forward. As stated in the audited financials of Tech Mahindra (Americas) Inc., expects to be able to utilize the entire deferred tax benefit on the said losses.

15. Consequent to completion of Income-tax assessments by the tax authorities in the United Kingdom for the financial years 2001-02, 2002-03 and 2003-04 TML has received tax refunds aggregating to **Rs.320.74 Million** (including interest aggregating to **Rs. 36.79 Million**). Accordingly, the excess provision for Income-tax relating to the aforesaid years has been written back to the Profit and Loss Account and the interest received is disclosed under Other Income.

16. Exchange gain/(loss)(net) accounted during the year:

(a) TML and its subsidiary TMRDL enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency forward contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments.

(b) The following are the outstanding Forward Exchange Contracts entered into by TML and its subsidiary TMRDL as on March 31, 2007:

Currency	Amount outstanding at year end in Foreign currency in Million	Amount outstanding at year end in Rs. in Million	Exposure to Buy/Sell
UK Pound - GBP	115.25	9,820.45	Sell
US Dollar - USD	23.14	1,021.40	Sell

(c) The year end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Amounts receivable in foreign currency on account of the following:

	March 31, 2007 Rs. in Million	**March 31, 2007 Foreign currency in Million**
Debtors	882.91	Aud 0.07 Cad 0.02 Eur 1.28 Nzd 0.19 Usd 17.89
Loans and advances	11.86	Aud 0.02 Eur 0.01 Twd 0.02 Usd 0.25
Cash/Bank balances (Net)	99.41	Usd 0.42 Aud 0.48 Nzd 0.37 Twd 39.16 Eur 0.02

Amounts payable in foreign currency on account of the following:

	March 31, 2007 Rs. in Million	**March 31, 2007 Foreign currency in Million**
Creditors (Net)	188.40	Aud 0.05 Eur 0.02 Gbp 1.32 Usd 1.68
Other current liabilities (Net)	565.63	Gbp 6.64

(d) The amount of exchange difference in respect of forward exchange contracts to be recognized in the Profit and Loss account for subsequent accounting period aggregates to **Rs. 143.33 Million** (Gain) [(previous year: Rs. 51.40 Million) (Gain)]

(e) Exchange gain/(loss)(net) accounted during the year: **Rs. in Million**

Particulars	**March 31, 2007**	March 31, 2006
Income from services	**(44.82)**	(68.51)
Others	**(108.77)**	148.03

17. The public issue of TML's Equity Shares consisting of a fresh issue of 3,186,480 Equity Shares by TML and an offer for sale of 9,559,520 Equity Shares, by certain existing Shareholders of TML was made pursuant to a prospectus dated August 11, 2006. The equity shares were issued for cash at a price of Rs.365 per Equity Share (including a share (securities) premium of Rs.355 per Equity Share).

The statement of proceeds from the public issue and utilisation thereof is as under:

Rs. in Million

Particulars	**No of shares**	**Price**	**Amount**
Proceeds received after payment to selling shareholders	**3,186,480**	**365**	**1,163.07**
Less : Expenses (Net) relating to the issue after recovery from the selling shareholders :			
Professional fees			**35.46**
Advertising expenses			**7.92**
Rates and taxes			**0.85**
Miscellaneous expenses			**1.07**
Printing and stationery			**3.76**
Traveling expenses			**2.89**
Net Proceeds			**1,111.12**
Deployment up to March 31, 2007			
Used for the capitailsation work for Hinjewadi			**281.39**
Held under current investments in mutual fund units			**727.35**
Held under bank fixed deposits pending utilization			**102.38**
			1,111.12

18. Earning Per Share is calculated as follows:

Rs. in Million

Particulars	**Year ended March 31, 2007**	Year ended March 31, 2006
Net Profit after tax and before exceptional item	6,126.19	2,353.75
Less: Exceptional item	5,249.38	-
Profit after tax and exceptional item	876.81	2,353.75
Less: Minority Interest	0.88	0.04
Add: Excess provision for tax in respect of earlier years written back	339.50	-
Net Profit attributable to shareholders	**1,215.43**	**2,353.71**
Equity Shares outstanding as at the year end (in Nos.)	121,216,701	103,998,631
Weighted average Equity shares outstanding as at the year end (in Nos)	115,071,417	103,368,153
Consolidation of five Shares of Rs. 2/- each into one Share of Rs. 10/- each*	-	20,673,631
Bonus Shares allotted during the year ended March 31, 2006*	-	82,694,522
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**115,071,417**	**103,368,153**
Add: Diluted number of Shares		
ESOP outstanding at the end of the year	15,381,480	16,171,568
Shares issued pending subscription	-	6,152,173
Weighted average number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**130,452,897**	**125,691,894**
Nominal Value per Equity Share (in Rs.)	10.00	10.00

18. Earning Per Share is calculated as follows: (Contd.)

Rs. in Million

	Year ended March 31, 2007	Year ended March 31, 2006
Before exceptional item		
Earnings Per Share (Basic) (in Rs.)	**56.18**	22.77
Earnings Per Share (Diluted) (in Rs.)	**49.56**	18.72
After exceptional item		
Earnings Per Share (Basic) (in Rs.)	**10.56**	22.77
Earnings Per Share (Diluted) (in Rs.)	**9.32**	18.72

* In accordance with Accounting Standard – 20 "Earnings Per Share" (AS 20) issued by the ICAI the weighted average number of equity shares (the denominator) used for calculation of earnings per equity share for the period ended March 31, 2006, is after considering consolidation of five shares of Rs. 2/- each into one share of Rs. 10/- each and bonus shares, which was approved by the members at the Extra-ordinary General Meeting held on June 1, 2006.

19. Details of Investments Purchased and Sold during the year by TML:

Particulars	**March 31, 2007 Units**	**March 31, 2007 Cost Rs. in Million**
ABN AMRO MUTUAL FUND		
ABN AMRO FTP Series 3 Qtr Div.	20,000,000.00	200.00
ABN Fixed Term Qtr Plan Dividend	10,232,838.06	102.33
BIRLA SUNLIFE MUTUAL FUND		
Birla Cash Plus Institutional Premium (Weekly Dividend)	23,934,181.45	239.98
CHOLA MUTUAL FUND		
Chola FMP Series 3 Qtrly Plan III Dividend	15,245,002.40	152.45
DEUTSCHE MUTUAL FUND		
Deutsche Mutual Fund	24,908,089.15	250.00
DSP MERRILL LYNCH MUTUAL FUND		
Liquid Institutional Plan Weekly Dividend	99,925.03	100.00
GRINDLAYS MUTUAL FUND		
Grindlays Cash Fund -Institutional Weekly Dividend	4,854,604.59	50.00
HDFC MUTUAL FUND		
HDFC Cash Management Fund Weekly Dividend	51,724,347.07	550.00
HSBC MUTUAL FUND		
HSBC Cash Fund Institutional Monthly Dividend	29,919,286.11	301.91
HSBC Short Term Institutional Dividend	24,867,703.82	250.00
ING VYSYA MUTUAL FUND		
ING Vysya Mutual Fund	13,377,807.11	150.00
JM MUTUAL FUND		
JM Fixed Maturity Fund - III Qtr Plan Dividend	10,000,000.00	100.00
KOTAK MUTUAL FUND		
Kotak FMP 6M Series 1Dividend	5,000,000.00	50.00
Liquid (Institutional Premium) Weekly Dividend	34,860,612.17	350.00
Liquidity Manager Plus - Weekly Dividend	99,911.15	100.00

	March 31, 2007 Units	March 31, 2007 Cost Rs. in Million
PRINCIPAL MUTUAL FUNDS		
Liquid Option - Institutional Plan Weekly Dividend Reinvestment	9,997,300.73	100.00
PRUDENTIAL ICICI MUTUAL FUND		
FMP 3 Months Plan C Retail Dividend	5,000,000.00	50.00
Institutional Liquid Plan Super Institutional Weekly Dividend	35,047,829.57	350.71
RELIANCE MUTUAL FUND		
Reliance Fixed Horizon Monthly - Dividend	5,000,000.00	50.00
Reliance Liquidity fund - Weekly Dividend	4,997,351.40	50.00
Reliance Short Term fund -Dividend Plan	14,343,498.09	149.71
SBI MUTUAL FUND		
SBI Magnum Institutional Income Savings Weekly Dividend	18,926,847.82	200.00
STANDARD CHARTERED MUTUAL FUND		
Standard Chartered Fixed Maturity 5th Plan Growth	5,000,000.00	50.00
Standard Chartered Liquidity Manager Plus Daily Dividend	50,829.42	50.83
TATA MUTUAL FUND		
Tata Liquid Super High Investment Fund Weekly Dividend	174,172.10	200.00

20. One of the subsidiaries viz., iPolicy, entered into an "Intellectual Property Asset Purchase Agreement" (the agreement) with iPolicy Networks Inc., on January 23, 2007. Pursuant to the above agreement along with ancillary agreements, the said subsidiary has acquired certain Copyright, Patent, Inventions and Trademark etc. as specified in the agreements (collectively referred as Intellectual Property Rights) for Rs.76.14 Million. The consideration payable has been deposited in an Escrow Account with a bank pursuant to the Escrow Agreement dated January 22, 2007 and the amount will be released to iPolicy Networks Inc., on satisfaction of certain conditions/clarifications, as stipulated in the agreement.

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

Signatures to Schedules I to XIII

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, Dated : 15th May, 2007

For Tech Mahindra Limited

Anand G.Mahindra
Chairman

Vineet Nayyar
Vice Chairman, Managing Director & CEO

Al-Noor Ramji
Director

Anupam Puri
Director

Bharat Doshi
Director

Clive Goodwin
Director

Paul Zuckerman
Director

Dr. Raj Reddy
Director

Ulhas N. Yargop
Director

Vikrant Gandhe
Asst. Company Secretary

Boston; Dated : 7th May 2007

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Rs. in Million

Sr. No.	Name of the Subsidiary Company	Country	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Tech Mahindra (Americas) Inc.	USA	USD	43.47	16.30	(61.27)	356.84	401.81	-	2,206.27	116.90	48.29	68.61	-
2	Tech Mahindra GmbH	Germany	EURO	58.03	33.37	58.49	252.67	160.81	-	664.93	20.32	-	20.32	-
3	Tech Mahindra (Singapore) Pte. Limited	Singapore	SGD	28.65	1.43	35.37	107.55	70.74	-	498.19	32.17	4.39	27.78	-
4	Tech Mahindra (Thailand) Limited	Thailand	THB	1.35	6.75	(2.15)	76.82	72.23	-	105.24	4.71	-	4.71	-
5	Tech Mahindra (R&D Services) Limited	India	INR	1.00	46.03	1,036.14	1,268.81	186.64	251.22	1,255.77	141.21	48.14	93.07	-
6	Tech Mahindra (R&D Services) Inc.	USA	USD	43.47	0.22	47.21	68.48	21.06	-	260.67	15.66	5.48	10.18	-
7	Tech Mahindra (R&D Services) Pte. Limited*	Singapore	SGD	28.65	11.46	(11.46)	-	-	-	1.36	0.04	-	0.04	-
8	Tech Mahindra Foundation	India	INR	1.00	0.50	227.84	228.38	0.04	-	11.71	8.46	-	8.46	-
9	PT Tech Mahindra Indonesia	Indonesia	USD	43.47	21.74	36.73	267.37	208.91	-	664.54	53.90	17.17	36.73	-
10	CanvasM Technologies Limited**	India	INR	1.00	115.17	4.33	146.54	27.04	-	31.39	4.33	-	4.33	-
11	CanvasM (Americas) Inc.	USA	USD	43.47	0.00	-	0.00	0.00	-	-	-	-	-	-
12	iPolicy Networks Limited	India	INR	1.00	171.37	(105.06)	133.61	67.30	-	141.80	(120.93)	(0.53)	(120.40)	-

* Operations upto September 13, 2006

** Capital includes share application money

India

Tech Mahindra Limited
Sharada Centre, Off Karve Road,
Erandwane, Pune - 411 004.
Tel: +91 20 6601 8100
Fax: +91 20 2542 4466

Tech Mahindra Limited
Wing 1, Oberoi Estate Gardens,
Chandivali, Andheri (E),
Mumbai - 400 072.
Tel: +91 22 6688 2000
Fax: +91 22 2852 8959

Tech Mahindra Limited
3rd & 4th Floor, C Bldg,
Bengal Intelligent Park Ltd.
Opp. Infinity Towers, Sector 5
Salt Lake, Kolkata - 700 091

Tech Mahindra Limited
B-26 Sector - 57,
Noida - 201301

Tech Mahindra (R&D Services) Limited
9 / 7 Hosur Road,
Bangalore - 560029
Tel: +91 80 2 552 1056
Fax: +91 80 2 553 9231

Tech Mahindra (R&D Services) Limited
No. 58, Sterling Regency,
Sterling Road,
Nungambakkam,
Chennai - 600034
Tel: +91 44 2 825 3323
Fax: +91 44 2 825 3352

UK

Tech Mahindra Limited
1st Floor,
Charles Schwab Building,
401, Grafton Gate (E),
Milton Keynes MK9 1AQ.
Tel: +44 1908 553400
Fax: +44 1908 553499

Germany

Tech Mahindra GmbH
Prinzenallee 7, 40549, Düsseldorf,
Germany.
Tel: + 49 211 60012 101
Fax: + 49 211 60012 111

USA

Tech Mahindra (Americas), Inc.
384 Inverness Parkway,
Suite 920, Englewood,
CO 80112
Tel: +1 720 200 8855
Fax: +1 303 694 0540

Tech Mahindra (Americas), Inc.
15 Corporate Place South,
Suite 130, Piscataway, NJ 08854
Tel: +1 732 981 1060
Fax: +1 732 981 1066

Tech Mahindra (Americas), Inc.
12600 Deerfield Parkway,
Suite 100, Alpharetta, GA 30004
Tel: + 1 678 575 7618
Fax: + 1 678 296 0469

Tech Mahindra (Americas), Inc.
2140 Lake Park Blvd.,
Suite 300, Richardson, TX, 75080
Tel: +1 972 991 2900

Tech Mahindra (Americas), Inc.
1270, S. Winchester Blvd,
Suite # 101,
San Jose, California
Tel: +1 408 960 5244

UAE

Tech Mahindra Limited
PO Box 54275,
Dubai,
United Arab Emirates.
Tel: +971 4 2996365
Fax: +971 4 2996364

Australia

Tech Mahindra Limited
Level 2, Suite 5
64 Talavera Road
North Ryde 2113
Australia.
Tel: +61 2 9888 4755
Fax: +61 2 9888 4766

New Zealand

Tech Mahindra Limited
1J Hayr Road, Three Kings
Auckland,
New Zealand
Tel: +64 9 624 2468
Fax: +64 9 624 2469

Singapore

Tech Mahindra (Singapore) Pte. Limited.
150 Kampong Ampat #01-01 KA Centre
Singapore 368324
Tel: +65 6303 8752
Fax: +65 6282 7137

Thailand

Tech Mahindra (Thailand) Limited
24th Floor,The Offices at
Central World,
Rama I Road,
Phatumwan,
Bangkok 10330.
Thaliand
Tel: +66 2 264 5480/81,
Fax: 66 2 264 5482

Taiwan

Tech Mahindra Limited
Suite E, 12th Floor
Hong Tai Center,
168 Tun Hwa North Road,
Taipei 105
Taiwan, ROC
Tel: +886 2 2717 7272

Indonesia

PT Tech Mahindra Indonesia
Ariobimo Sentral, 4th, Suite #403,
Jl. H.R.Rasuna Said, Kav X-2 No. 5
Jakart a 12950,
Indonesia
Tel: +62 21 527 0718
Fax: +62 21 252 5760
www.techmahindra.com

INFOMEDIA INDIA LIMITED