

2016-17  
Annual Report



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## Consolidated Financial Highlights

(Rs. in million)

	2016–2017	2015–2016	2014–2015	2013–2014	2012–2013
Revenue	<b>3,416.56</b>	3,116.30	3,191.48	3,288.12	2,643.17
EBITDA	<b>172.68</b>	229.24	300.76	299.10	40.94
Profit Before Tax (PBT)	<b>151.93</b>	207.82	278.11	285.32	25.20
Profit After Tax (PAT)	<b>124.24</b>	259.27	191.96	186.14	10.59
Earnings Per Share (EPS)	<b>5.00</b>	10.50	7.80	7.59	0.43

Where applicable, numbers throughout this report are rounded off to the nearest two decimals.

Dear Shareholders,

I am pleased to present the financial statements for the year ended March 31, 2017, and to report that your Board has recommended a 10% dividend. For the year under review, consolidated revenue was up at Rs. 341.66 crore, from last year at Rs. 311.63 crore. Net profit stood at Rs. 15.19 crore, as against Rs. 20.78 crore for the previous year. We remain pleased about our progress during these highly competitive, disruptive and uncertain times, and look forward to a growth-driven year ahead.

### Celebrating a milestone year

On July 25, 2016, we reached the twenty-fifth milestone year and marked the occasion with office celebrations around the globe.

Back in 1991 when Mindteck was established, the technology landscape was rapidly changing as it is so, though even more, today. Through the years, we withstood multiple challenges, made every attempt to keep pace with market demand, and maintained the client-centric focus required to stay on course. Having been with Mindteck over the last four years, I have experienced first-hand, the extraordinary foresight and resilience that has attributed to our longevity and strength. As such, I am confident that we are entering a new chapter in our history with the capacity, capability and confidence to achieve predictable, profitable and sustainable growth.

### Innovative smart city solution development

As you may recall, over the past several years Mindteck has invested in R&D in order to develop our smart city readiness and gain traction in IoT. This has resulted in several successes, including the implementation of an intelligent lighting solution, the development of an FDA-approved remote patient monitoring device, and the execution of eNagarpalika – providing citizens with access to municipal services on a unified web platform.

During FY 2016-17, we furthered our capabilities in implementing fast, effective and connected smart city solutions for government bodies and companies. A key highlight for the year was a pilot project for New Delhi Municipal Corporation (NDMC) which encompassed the implementation of India's first smart parking solution using Wi-Fi cameras with an embedded video analytics server and battery-operated wireless sensors to capture car parking occupancy data with a date and time stamp. The solution also includes a smart parking mobile app enabling motorists to locate the nearest parking spot in real-time.

We also announced a collaboration with a renowned Indian technology institute to implement a smart city home automation, Advanced Metering Infrastructure (AMI) and system integration solution to help consumers manage their energy consumption more efficiently. Additionally, in South India, we executed the first smart grid project, along with software back-end integration, for a large electricity supply company.



**Yusuf Lanewala**  
Non-Executive Chairman

### Positive outcomes across the globe

Aside from continuing to build on our momentum in deploying smart city solutions, we focused on further developing our niche strengths, cultivating more knowledge and skills, and deepening bonds with our long-standing clientele. We also sought to improve cross-functional team processes and more effectively target markets and prospects. Notable highlights for the year around the globe include:

#### UNITED STATES

- Expanded our footprint in the US-Midwest region.
- Signed an agreement with a leading global manufacturer of electronic instruments and electromechanical devices for the aerospace, power, process and industrial markets.
- Set up an ODC in product automation testing for a global storage company.
- Showcased our IoT-based Wi-Fi Thermostat and Lighting Control System with ROHM Semiconductor at Sensors Expo 2016. These solution accelerator demos encompassed our EDS capabilities in multiple domains, such as product engineering, hardware and firmware design, IOS app development, cloud connectivity, IoT and smart energy.
- Mindteck Academy continued generating revenue from previous client-driven training sessions, and it also began conducting select internal training sessions. There were also key inroads made toward establishing public and private partnerships. In the coming year, Mindteck Academy hopes to introduce new courses, broaden its footprint, and help advance learning and development at Mindteck.

#### EUROPE

- Won new business with a worldwide IT, technology and enterprise products and solutions company in Germany, as well as a contract with a Belgian company in the metering space.
- Obtained more business with an existing client in the areas of medical lighting and Solar PV.

“A rich heritage and promising future. We are entering a new chapter in our history with the capacity, capability and confidence to achieve predictable, profitable and sustainable growth.”

#### APAC

- Executed an offshore project for a utilities organization that operates Singapore's wholesale electricity market – Asia's first liberalized electricity market – for migration of their software license and upgrades.
- Completed a new software quality assurance project from offshore within a span of five weeks for a leading car audio company.
- Won a new order with a semiconductor foundry for a wireless notification device.
- Initiated a new engagement with an established software services company that provides a myriad of business and technical solutions to commercial and federal government entities.

#### IMEA

- Renewed a multi-year resource contract for one of the largest aluminum smelters in the world.
- Implemented a large, big data analytics project for one of India's major global telecom companies.
- Won an order with one of the global leaders in connected car technology and lifestyle audio innovations. This included the design of a network node and gateway with firmware programming, as well as a gateway with communication on a ZigBee and LoRa module.
- Secured a new order with a large automation company to build an application for a home automation solution.

### Upward trend in partner and alliance relationships

To expand our IoT offerings in the industrial space, and to provide clients with added insights and analytics, we joined the GE Digital Alliance. We also became an Oracle Gold Partner to further our development and implementation across Oracle's entire portfolio. Additionally, during the year, we joined the Smart City Council (India Chapter), and continued our partnerships with Thread, Intel, IoT Global Network, ZigBee, and several other component providers.

During the year, we were proud that Mindteck became a Capability Maturity Model Integration (CMMI) Institute Partner. This authorizes us to provide official CMMI Institute services in CMMI and Data Management Maturity (DMM). We also maintained our CMMI Level 5 Appraisal for our Bengaluru and Kolkata locations across industries.

Though relatively new, our collaborative alliance with a global lighting efficiency company to create retrofit solutions for commercial and government entities holds much promise.

### Corporate Social Responsibility

In FY 2016-17, Mindteck allocated more than 2% of its last three years average net profits toward India CSR activities ranging from education, economic independence and Swachh Bharat Abhiyan, as follows:

- *Bengaluru Samarthanam Trust* for providing technology-enabled learning tools for the visually impaired.
- *Government Girls High School and Government Pre-University (PU) College for Girls in Hoskote* for improving sanitation facilities.
- *Gandhi Old Age Home* for ambulance and infrastructure support.
- *Western Railways, Mumbai* for upgrading toilet blocks on suburban railway stations.

The US CSR initiative that was launched last year provided targeted, local giving to seven organizations across the four US regional territories we serve. Child hunger, computer science learning for children, cancer survivors and their families, and the blind were among the efforts supported.

### New leadership at the helm to steer future growth

Over the last several years we have strengthened our continuous improvement efforts across the organization. We ended this momentous year by separating the top two executive roles in keeping with our Corporate Governance standards. In my new role as Non-Executive Chairman, I welcomed Sanjeev Kathpalia as the new Managing Director and Chief Executive Officer on March 01, 2017 to take on the helm to spur growth and provide further value to our stakeholders in the years to come.

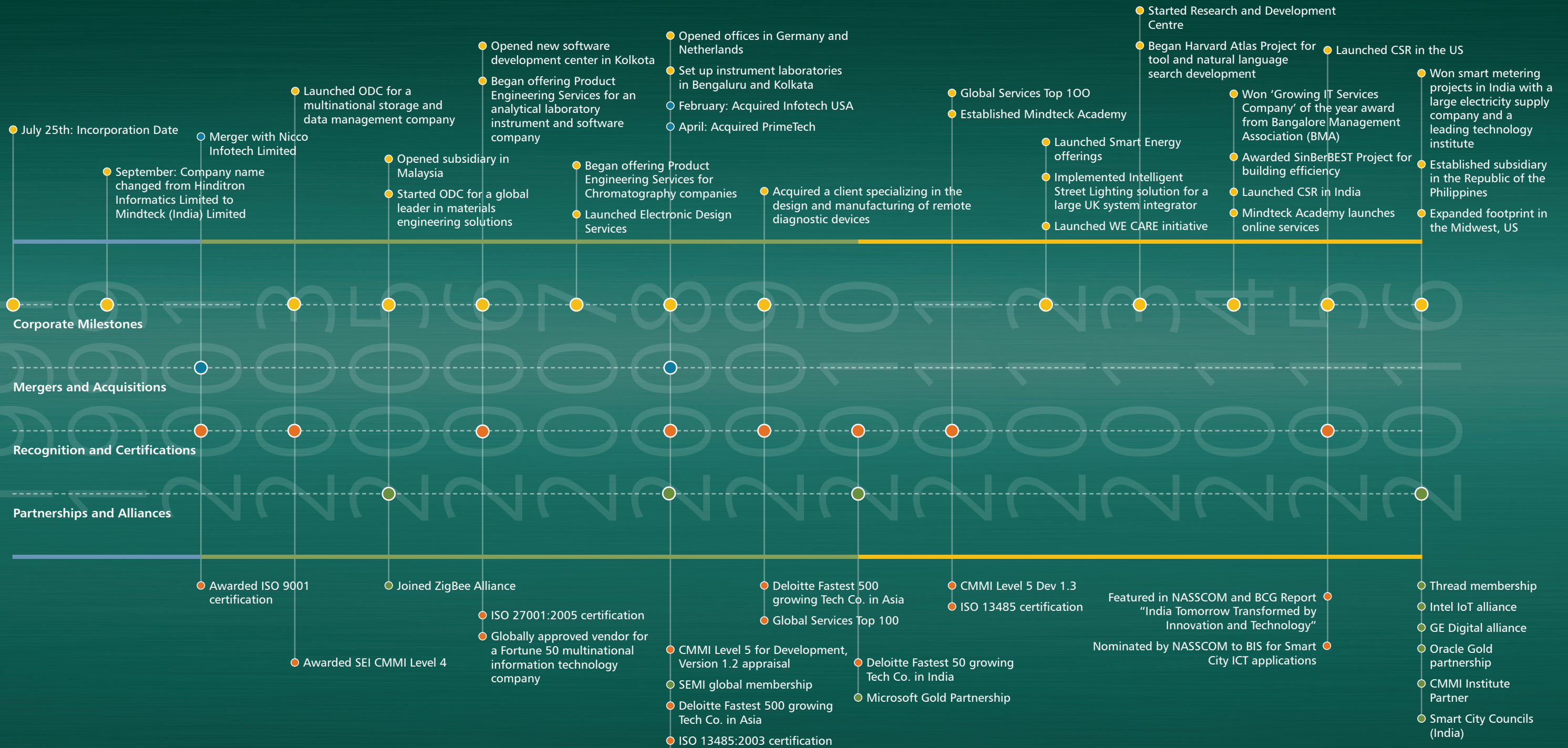
We also signed the lease for our new India headquarters at Bengaluru's AMR Tech Park.

### In Appreciation

We embark on a new year with optimism and appreciation to everyone who contributed to our longevity and success. On behalf of Mindteck's Board of Directors, I would like to take this opportunity to thank our valued clients for their enduring confidence, our shareholders and partners for their continued support, and our employees for their tireless efforts and commitment every day throughout the entire year.

**Yusuf Lanewala**  
Non-Executive Chairman

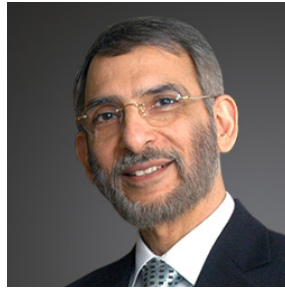
Your company is vibrant and strong  
as we begin our journey towards a promising future.



## Board of Directors



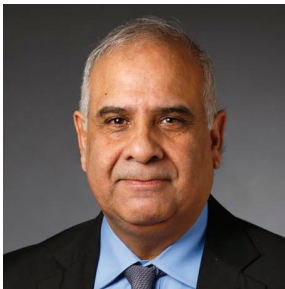
**Yusuf Lanewala**  
*Non-Executive Chairman*



**Sanjeev Kathpalia**  
*Managing Director and  
Chief Executive Officer*



**Meenaz Dhanani**  
*Executive Director*



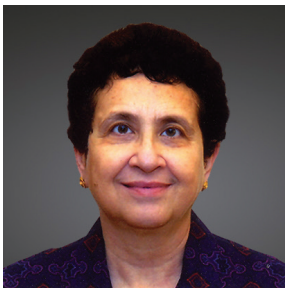
**Javed Gaya**  
*Independent Director*



**Narayan A. Menon**  
*Independent Director*



**Jagdish Malkani**  
*Independent Director*



**Prochie Mukherji**  
*Independent Director*



**Guhan Subramaniam**  
*Independent Director*

## Company Secretary

**Shivarama Adiga S.**  
*Vice President – Legal and Company Secretary*

## Auditors

**B S R & Company**

## Bankers

**Axis Bank Limited**  
**HDFC Bank Limited**  
**YES Bank Limited**  
**CITI Bank NA**

## Registered Office

**Mindteck (India) Limited**  
AMR Tech Park, Block-1, 3rd Floor, #664, 23/24  
Hosur Main Road, Bommanahalli, Bengaluru - 560068  
Tel: 91 80 4154 8000  
Fax: 91 80 4112 5813

## Registrar and Share Transfer Agents

**Universal Capital Securities Private Limited**  
21/25, Shakil Niwas, Opp. Sai Baba Temple  
Mahakali Caves Road, Andheri (E)  
Mumbai - 400 093, India  
Tel: 022-28207201/03/04/05  
Fax: 022-28207207

## Management Team

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### **Yusuf Lanewala**

*Non-Executive Chairman*

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### **Sanjeev Kathpalia**

*Managing Director and Chief Executive Officer*

### **Meenaz Dhanani**

*Executive Director*

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### **Anand Balakrishnan**

*Chief Financial Officer*

### **Arup Banerjee**

*Senior Vice President*

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### **Sumit Goswami**

*Executive Vice President*

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## Sales Leadership Team

### **Ranga Yeragudi**

*US Northeast*

### **Jacob Pillay**

*Asia Pacific*

### **Harish Nair**

*India, Middle East and Africa*

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## Research and Development

### **Surjit Lahiri**

## Human Resources

### **Pradeep K.**

## Delivery

### **Satheesh Sreedharan**

## Marketing and Communications

### **Karen Stark**

## Legal and Company Secretary

### **Shivarama Adiga S.**

# Board's Report

To the Members,

The Directors hereby present the Twenty-Sixth Annual Report of your Company along with the audited financial statements for the financial year ended March 31, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## 1. FINANCIAL RESULTS

(in Rs. Million)

	Standalone		Consolidated	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	836.38	866.46	3,416.56	3,116.30
Other income	22.02	22.13	22.49	22.41
Employee benefits expense	556.74	512.74	2,219.03	1,984.94
Cost of technical sub-contractors	15.71	16.94	696.53	570.02
Other expenses	189.55	207.59	350.83	354.51
Profit before finance cost, depreciation, taxes and amortization	96.41	151.33	172.68	229.24
Finance cost	0.70	0.50	3.74	3.24
Depreciation and Amortization expense	14.00	15.62	17.00	18.18
Profit Before Tax	81.71	135.21	151.93	207.82
Tax expense	27.37	53.19	27.69	(51.46)
Profit After Tax	54.33	82.02	124.24	259.27
Paid-up Equity Share Capital	253.84	251.73	249.68	247.57
Earnings Per Share (EPS)	2.19	3.27	5.00	10.50

## 2. COMPANY AFFAIRS

### Standalone

On a standalone basis, your Company recorded revenue of Rs. 836.38 million, as against Rs. 866.46 million in the previous year. Mindteck's net profit stood at Rs. 54.33 million, as against Rs. 82.02 million in the corresponding previous year. At an operating margin level, Mindteck recorded EBITDA of Rs. 96.41 million (11.53%) this year as against Rs. 151.33 million (17.46%) last year.

### Consolidated

During the year under review your Company recorded consolidated revenue of Rs. 3,416.56 million as against Rs. 3,116.30 million in the previous year. Of the consolidated revenue that was recorded, 71% is attributed to the US and the balance pertains to rest of the world.

Mindteck's Consolidated Net Profit for the year stood at Rs. 124.24 million, as against Rs. 259.27 million in the corresponding previous year.

At an operating margin level, Mindteck recorded EBITDA of Rs. 172.68 million (5.05%) this year as against Rs. 229.24 million (7.36%) last year.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relates and the date of the report.

## 3. DIVIDEND

The Board has recommended a dividend of 10% (Re.1 per Equity Share of Rs. 10 each) for the year ended March 31,

2017. This translates into a total outlay of Rs. 30,551,459 including Dividend Distribution Taxes.

## 4. BUSINESS FOCUS AND HIGHLIGHTS

Mindteck provides product engineering and information technology services to Fortune 1000 clients, start-ups, leading universities, and government entities around the globe. The Company is devoted to delivering knowledge that is critical to help our clients compete, innovate and propel forward. Mindteck's legacy expertise in embedded systems and enterprise applications is complemented by its more recently recognized successes in IoT-based solutions, such as those, for developing smart cities. It also has a strong track record in storage, life sciences, healthcare and medical devices. Mindteck is among a select group of global companies appraised at Maturity Level 5, Version 1.3 of the CMMI Institute's Capability Maturity Model Integration (CMMI). The Company is also one of the Founding Members of The Atlas online, a visualization tool for research developed by The Center for International Development (CID) at Harvard University. Global alliances include the Intel IoT Solution, GE Digital, Thread Group, IoT Global Network and ZigBee.

### Storage and Semiconductor

Mindteck's experience in storage spans over two decades. The Company's engagements have included storage software development, testing, hardware and firmware design, productized solutions, consultancy and implementation services. It has a readily available talent pool in the areas of system development, quality assurance, and automation and data center administration. The Company's top storage

clients have continuously provided the Company excellent customer satisfaction ratings for its consistent support in executing their business critical projects.

Mindteck is also a technology partner for the Storage Networking Industry Association (SNIA), a not-for-profit global organization comprised of member companies spanning the global storage market. The mission of this organization is to lead the storage industry worldwide in developing and promoting standards, technologies, and educational services to empower organizations in the management of information. During the year, a key storage expert from Mindteck was elected to the SNIA-India Board.

For over a decade, Mindteck has been serving the semiconductor equipment manufacturing industry. The Company's expertise is comprised of a wide spectrum of IT services, including Semiconductor (SEMI) standards implementation, DeviceNet implementation, proprietary protocol development, Mechanical Engineering Services (MES), Enterprise Device Monitoring, Electronic Design Services (EDS), simulator development, automation, Change management and end-to-end testing services. Mindteck's ready-to-deploy solution accelerators, such as a device simulator, automated equipment software testing framework and Semiconductor Equipment Communications Standard (SECS)/Generic Equipment Model (GEM)-based Factory Automation (FA) test harness, helps lower project risk and cost. Key highlights executed in FY2016-17 include:

- Expanded storage certification capabilities and added it as a new offering. Currently, Mindteck provides certification services on Citrix, VMware, Windows, VSAN and RedHat; it is also building expertise in Microsoft Azure certification.
- Following the boom in all-flash storage devices, Mindteck has developed expertise in flash technology and is now providing services to many new players in this technology area.
- Won two new projects for software development and mechanical engineering with an atomic layer deposition group of a semiconductor equipment company in the US.
- New order with a semiconductor foundry for a wireless notification device in APAC.
- Received an award for setting up product automation testing teams within a storage company.

### Electronic Design Services

Mindteck's expertise in hardware design and embedded software development has helped it become a trusted partner to many of the world's leading semiconductor, automotive, industrial, flow metering, and energy management companies.

Mindteck's Electronic Design Services (EDS) group provides core embedded technology solutions and services in a wide variety of sectors, including industrial control systems, gas control and monitors, computer modules, electric vehicle chargers, instrumentation, storage, smart energy and IoT. The Company's integrated product design capabilities span hardware/firmware design, mechanical design, software development, connectivity solutions and value engineering. With a sound ecosystem of established partnerships, Mindteck's comprehensive approach to product development

consistently results in the reduction of time-to-market for the end-customer. Highlights of recent work include:

- Successfully delivered a medical communication gateway board for multiple ECG devices.
- Completed a car audio player upgrade project for an existing Original Equipment Manufacturer (OEM) customer, enabling them to migrate to a new hardware platform.
- Engaged with an existing customer in the area of analytical instruments to develop hardware and firmware for their next generations Gas Chromatography (GC) system based on new sensor technology.
- Executed the design and development of two light therapy products for a UK-based customer.
- Launched a wearable device for production floor automation to improve productivity in semiconductor fabrication.
- Completed a complex wireless flow meter design for a Swiss customer; also, supporting large scale production of the flow meter.
- Won multiple design projects in the automotive area from an industry pioneer.

### Smart Energy and Wireless

Mindteck is one of the earliest adopters of the ZigBee standards, and possess its own ZigBee and 6LowPan wireless stacks. Having developed ZigBee stacks for major silicon providers, Mindteck's work is demonstrated through their solution accelerators:

- Wireless short-range and long-range communication modules
- Sensor modules for monitoring solar power generation/efficiency
- Connectivity with WiFi, ZigBee, LoRa, LTE

The Company has been consistently focusing on wireless communication and wireless sensor networks for design and development of wireless monitoring and load control solutions in the automation space. Mindteck has been a ZigBee Alliance contributor member since 2004. It has developed ZigBee Stack and Application profiles for leading semiconductor companies, and conceptualized and developed ZigBee-based products for OEMs. Mindteck is also investing in proactive development of LoRa stacks. The Company has solution IPs that are market-ready and in line with smart city initiatives. It has also ventured into Wi-Fi based solutions, including wearables.

The visibility and acceptance of Mindteck's smart energy offerings increased with the introduction of its Internet of Things (IoT) solutions—parking, building automation, smart grid, street lighting, health care and sustainable energy efficient solutions.

### Enterprise IT Solutions

Mindteck has a strong track record of providing enterprise business solutions for large and medium enterprises in all streams of technologies. In the current year, Mindteck augmented its expertise in mobility solutions by delivering standalone solutions along with its Smart City solution offerings. The development approach has progressively moved to an Agile/Scrum methodology for most projects executed at Mindteck.



The range of Mindteck's service offerings in this area include:

- Enterprise Business Application development using Microsoft, Java and LAMP technologies
- Enterprise Mobility solutions on iOS, Android and Windows platforms
- Application Maintenance/upgrade/migration across technologies
- Data Analytics and Visualization
- Independent Verification and Validation of IT solutions

Some of the major projects executed by Mindteck during the current year include:

- SharePoint portal for one of the leading banks in India.
- SharePoint-based internal tool for one of the largest global IT enterprises.
- Performance Management Systems for one of the leading banks in India.
- Independent verification and validation in the area of medical compliance.
- Mobility application on iOS and Android for a world leader in car entertainment systems.

#### **Application Support Services and BPM**

Mindteck provides application support services based on customer requirements. For one of the largest global IT enterprises worldwide, the Company has been providing support for internal business tools for several years. Mindteck's services have been rated very high on customer satisfaction, consistently – in part due to a combination of the right IT skills, along with a strong understanding of the business processes of the customer.

Mindteck has also been providing services in Business Process Management for areas such as insurance. For underwriting services, Mindteck's servicing for the niche catastrophic insurance sector has been much appreciated by the client.

#### **Cloud Computing and Big Data**

Mindteck provides end-to-end cloud-based IT Consulting Services across multiple cloud variants (private, public and hybrid cloud enablement). We have in-depth expertise in various cloud platforms, including Amazon Web Services (AWS), Azure, Eucalyptus, OpenStack and VMware, backed with SMEs and technical architects with strong enterprise background and application management, data center and IT infrastructure expertise.

Mindteck's cloud enterprise solutions expertise includes cloud-based monitoring and analytics, and big data solutions. The Company has built a solution hosted on Amazon EC2 that leverages cloud infrastructure to provide the best analytical solutions with regard to the dashboard, custom reports and data mining capabilities. Its holistic analytics and business intelligence service offerings help clients act instantly on their data.

Mindteck's Mind-CDMI brings niche expertise in cloud-based storage interoperability in the form of a Cloud Data Management Interface.

Mindteck's MegaMind is a big data platform that enables

automated extraction of car license plate information. A high volume of multi-media content (multiple images) streamed from IP cameras located in a city is processed and the car number plate is extracted with greater than a 70% success rate. This solution is targeted for security system providers and law enforcement.

#### **Healthcare and Medical Devices**

Mindteck's Kolkata and Bengaluru Development Centers were recertified for ISO 13485 – the world's most acclaimed medical device standards by many global organizations.

Mindteck's medical device expertise focuses on medical imaging, remote monitoring and patient monitoring devices. The company integrates its experience in Life Sciences and Healthcare to provide scientific software solutions and product engineering related services in this niche domain. During the year, Mindteck enriched its capabilities in the areas of predictive analytics for pharma manufacturers. Other new offerings include RA/QA services, pharmacovigilance and scientific data management of pharma research laboratories.

In the UK, Mindteck expanded its business with a key medical device client. It is also pursuing a major technology partnership with a leading medical device company in the area of smart healthcare.

#### **Life Sciences**

Mindteck provides niche engineering services to many major players of the life sciences industry. Starting from test and measurement companies, Mindteck works across multiple industry segments within analytical and bio-analytical instruments, such as control systems and physical and chemical testing instruments which are extensively used in nanotechnology and materials science. The Company's offerings include software and hardware development across many emerging areas, such as mobility, big data and analytics. The service capabilities of Mindteck broadly cover the complete product engineering needs of device manufacturers.

For over ten years, Mindteck has been a leading software and hardware solutions provider for the life sciences instrument segment. With its blend of engineering expertise and IT experience, Mindteck is uniquely positioned to deliver against the exacting, and often demanding needs of the industry. Mindteck has longstanding relationships with many major players of the industry and the company's services have consistently exceeded client expectations.

During the financial year:

- Mindteck initiated a new offering in platform testing of laboratory software, and is developing a Lab Intelligence tool for a Southeast Asian company that will ultimately be an enterprise lab analytics tool.
- Started an engagement with a property casualty insurance company, and an offshore engagement with an analytical instrument company.

#### **Research and Development**

Mindteck's R&D team has developed a Smart Solutions portfolio to stay ahead in the global market and to help our clients derive more value. It includes: Smart Parking, Energy Monitoring and Management, Smart Lighting, Smart Healthcare, and Smart Collaboration Solutions. Key pilot projects executed by R&D during the year 2016-17 include:

*Implementation of a Smart Parking Solution for a leading Indian Urban Local Body (ULB):* This innovative car occupancy detection solution uses both Wi-Fi camera with edge-based video analytics and battery-operated wireless sensors to capture car parking occupancy details, along with the date and time stamp. The sensors, which have multi-year battery life, were tested for extreme weather conditions at the client location.

The aggregated real-time parking availability information effortlessly integrates with any government-run and third-party parking aggregator service via the Application Programming Interfaces (APIs). Service providers can also run analytics on real-time parking data for detecting any revenue leakages and implementing dynamic pricing models. The solution includes a Smart Parking Mobile App that enables motorists to navigate and zero in on the nearest parking in real-time, resulting in reduced fuel consumption and carbon footprint.

*Big Data POC deal with an Indian global telecommunications services company:* For telcos, it is mandatory to store the call detail records (CDRs) of every incoming and outgoing call on their network for a period of seven years. Since the data volume of these CDRs is huge, data older than three months is stored on low-cost LTO-4 tapes. Telcos are also mandated to respond to specific CDR pull requests from government investigative agencies in a timely manner which requires restoring the tape and searching for specific CDRs. The current process is manually cumbersome—in addition to being cost prohibitive when the data has to be stored.

To ease the whole process, Mindteck is now partnering with a multinational storage and data management company to replace the Tivoli-based tape storage system for CDRs by developing a Hadoop-based big data solution which archives the CDR data to their StorageGRID Webscale—a low-cost object storage product that can scale in petabytes of storage and provides software-defined storage. This enables the CDR data to be available online for pull requests and analytics.

Mindteck's R&D team is also focusing on creating new innovative smart solutions, products and processes and further assimilating them with existing IoT solutions to enhance the company's smart city offerings. Over the past year, it has conducted proof of concepts (POCs) with clients for select projects and collaborated on initiatives with marquee clients.

### **Government and Smart Cities**

Mindteck has been working with state and local governments since 1999. The company has successfully executed numerous projects in health and human services, education, constituent services, and public safety in the US, including in Pennsylvania, Texas, Michigan, Massachusetts, Oregon, District of Columbia, Wisconsin, California, West Virginia, New York, New Hampshire and Florida. Mindteck has a strong history of delivering projects comprising application development, program and project management, business analysis, testing, strategic consulting and professional services. During the year, Mindteck initiated a new business engagement with an established software services company that provides a myriad of business and technical solutions to the commercial and federal government market.

Within the smart city space, Mindteck further accelerated momentum by implementing smart capabilities for cities. Mindteck's notable highlights in this area include:

- Deployment of smart meters, along with software back-end integration, for the first smart grid project a large electricity supply company in South India.

- Implemented the first smart parking solution for a large municipal corporation in India.
- Won a smart home pilot automation/grid project.

## **CENTERS OF EXCELLENCE**

### **Storage Testing**

Mindteck's Storage Center of Excellence (CoE) has a long-term vision for the storage product line with a well-structured implementation plan. The company has the capacity and capability to offer a diverse range of storage engineering services. Leading storage solution vendors have benefited from our comprehensive quality assurance.

Mindteck' Storage Testing CoE is primarily aimed at providing the skills, people, processes and infrastructure to enable our customers to build and enhance product quality in the storage space. For over a decade, Mindteck has built comprehensive expertise in storage functional testing, automation, performance testing, system testing and certification testing – especially in the SAN, NAS and unified storage space, in tandem with multiple storage product vendors.

### **Wireless and Smart Energy**

Mindteck continues to focus on providing monitor and control solutions by designing blocks required for wireless connectivity for IoT. The company's current focus is on control nodes, gateways with multi-technology connectivity, and webserver/applications for support over the cloud for building automation and energy-efficient solutions across various industry sectors. Mindteck won a new project with an existing client in the Solar PV business for integrating a new module and also secured extensions for their application support.

With mobile applications becoming a part of every enterprise solution, Mindteck has built mobility expert centers with deep skills in developing both hybrid and native mobile applications on iOS, Android and Windows smart phones. As part of this initiative, Mindteck has dedicated teams in various aspects of mobility, including HTML5 and Java Script-based hybrid application development using tools like Cordova and PhoneGap, native application development on iOS using Xcode/Objective C and native Android development using Eclipse and Android Studio/Java. Mindteck has also nurtured the backend development related to mobility using Jason-based Web Services and proprietary protocols. Based on this CoE initiative, Mindteck has acquired customer projects and developed mobile applications in the smart energy, medical and infotainment areas. Some of these applications were deployed in Google Play Store, Apple iTunes and the Windows Store.

### **Medical Devices**

Mindteck Kolkata's CoE has made further in-roads into value development. It has developed expertise in medical data exchange protocols, such as HL7 and DICOM, medical data security aspects involving FIPS140-2 and HIPPA, and FDA-recommended development guidelines. Mindteck has worked with a wide set of medical vital parameters and gathered significant expertise in using medical data simulators.

### **Life Sciences**

With two, state-of-the-art, in-house analytical instrument laboratories, Mindteck is capable of delivering software and hardware solutions, executing R&D assignments, and conducting analytical testing on a variety of instruments for customers.

## Change in Nature of Business

There were no changes in the Nature of Business of the Company during the year.

## 5. QUALITY

At Mindteck, we believe "Quality is the result of a carefully constructed cultural environment. It has to be fabric of the organization, not part of the fabric". - Phill C

Mindteck's Quality Management System (QMS) is a collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction. Mindteck continues to adhere to ISO certifications 9001:2008, ISO 13485:2003, ISO 27001:2013 and CMMI-DEV Version 1.3 Maturity Level 5.

Mindteck's appraisal at CMMI-DEV Version 1.3 Maturity Level 5 is a testament to its corporate commitment and attention to quality, providing significant benefits to clients and employees. Mindteck leveraged CMMI-DEV Version 1.3 Maturity Level 5 to achieve improved customer satisfaction, and ultimately further profitability and growth.

ISO certifications demonstrate Mindteck's ongoing commitment to delivering a consistent level of quality to customers through its well-defined process and procedures. Mindteck is enterprise-wide certified against ISO 9001:2015 (Quality Management) and continues to hold domain-specific quality certification ISO 13485:2003 (for Medical Devices). This assures the company's commitment to providing value to clients through process-driven innovation principles at every stage of medical device development and design.

Mindteck understands that the confidentiality, integrity, and availability of information are vital to business operations and success. Mindteck uses a multi-layered approach to protect key information by constantly monitoring and improving its applications, systems, and processes to meet the growing demands and challenges of dynamic security threats. Last year, again, Mindteck successfully maintained CMMI Level 5 for software and hardware development projects in its Bengaluru and Kolkata locations. Additionally, the Capability Maturity Model Integration (CMMI) Institute accepted Mindteck as a partner. In its role as Partner, the Company is now certified to provide official CMMI Institute services in Capability Maturity Model Integration (CMMI) and Data Management Maturity (DMM).

## 6. INFRASTRUCTURE

Mindteck has offices in the US, UK, Singapore, Malaysia, Philippines, Bahrain, Netherlands, Germany and India. There are also four development centers equipped with R&D laboratories across the globe. The infrastructure includes space for workstations, conference rooms, meeting rooms, labs and a world-class communication system. The innovative 'best shore delivery model' has provided our customers with a mix of onsite, offshore, near shore, offshore-onsite and other hybrid delivery options across geographies, for faster and more efficient delivery of quality services.

## 7. SUBSIDIARIES

On March 31, 2017, Mindteck had six wholly-owned subsidiaries: Mindteck, Inc. (US), Mindteck Middle East Limited S.P.C. (Bahrain), Mindteck Software Malaysia SDN. BHD. (Malaysia), Mindteck Singapore Pte. Ltd. (Singapore), Mindteck (UK) Limited (UK) and Chendle Holdings Limited (British Virgin Islands). Mindteck (UK) Limited has two subsidiaries – Mindteck

Germany GmbH (Germany) and Mindteck Netherlands B.V. (Netherlands). Mindteck Singapore Pte. Ltd. has one subsidiary – Mindteck Solutions Philippines, Inc. (Philippines).

The Consolidated Financials have been audited and form part of this Annual Report. The financials of the subsidiaries have also been audited by the respective statutory auditors. The Consolidated Financials have been prepared and audited in strict compliance with applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed by SEBI. All information, including (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation and (j) proposed dividend as directed by the Ministry of Corporate Affairs, has been disclosed in the Consolidated Balance Sheet. Financial Highlights with the Indian rupee equivalent of the figures given in the foreign currency, along with exchange rate as on closing day of the financial year, and the statement pursuant to Section 129(3) in Form AOC-1, forms part of this Annual Report as **Annexure-1**.

Further, the Company undertakes that the annual accounts of the subsidiary companies and the related detailed information will be made available to any investor seeking such information at any point of time. The annual accounts of the subsidiary companies and related detailed information will also be kept for inspection by any investor at Mindteck's Registered Office and that of the respective subsidiary companies. We shall furnish a hard copy of the accounts of subsidiaries to any shareholder on demand and a soft copy of accounts is available on the Investors section of Company's website [www.mindteck.com](http://www.mindteck.com). The Holding, as well as Subsidiary companies, regularly files the applicable data to various regulators and government authorities, as and when required.

None of the Subsidiaries, Joint ventures or Associate companies ceased during the year.

## 8. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered during the financial year were on an arm's length basis and in the ordinary course of business. There were no material significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives except with its wholly-owned subsidiaries. The particulars of such contracts or arrangements with related party are attached in **Annexure-2**.

## 9. AWARDS AND RECOGNITION

Mindteck is among the select group of global companies appraised at CMMI-DEV Version 1.3 Maturity Level 5 from CMMI Institute. It is enterprise-wide certified against ISO 9001:2015—Quality Management and continues to hold domain-specific quality certification ISO 13485:2003 for Medical Devices. In recognition of its security efforts, Mindteck was certified for ISO 27001:2013—Information Security Management System. Additionally, this year Mindteck was certified to provide official CMMI Institute services in Capability Maturity Model Integration (CMMI) and Data Management Maturity (DMM).

## 10. LITIGATION

No material litigation is outstanding as on March 31, 2017 except one recovery suit filed in connection with advance payment made for the proposed office premises, which was not occupied by the Company.

## 11. CHANGES TO SHARE CAPITAL

The Board of Directors of the Company allotted 21,366 Equity Shares on May 20, 2016, 40,666 Equity Shares on August 10, 2016, 78,996 Equity Shares on November 11, 2016 and 69,766 Equity Shares on February 10, 2017 pursuant to allotment of shares under the Employee Stock Option Schemes. Consequently, the outstanding, issued, subscribed and paid up Equity Shares increased from 25,173,101 to 25,383,895 as on March 31, 2017.

## 12. BOARD COMMITTEES

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

## 13. FIXED DEPOSITS

The Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

## 14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees or Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in the Annual Report.

## 15. TRANSFER TO RESERVES

During the year, the Company transferred Rs. 54,334,201 to its reserves.

## 16. DIRECTORS

As per Article 112 of the Articles of Association of the Company, Mr. Meenaz Dhanani retires by rotation as Director in the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. A brief resume of Mr. Meenaz Dhanani is included in the notice for the Annual General Meeting. Mr. Meenaz Dhanani was re-appointed as an Executive Director of the Company for a period of three years effective from October 04, 2016.

Mr. Sanjeev Kathpalia was appointed as an Additional Director effective from February 10, 2017 and subsequently he was elevated to the position of Managing Director and Chief Executive Officer with effect from March 01, 2017 for a period of three (3) years. The Resolution seeking the approval of Members for appointment of Mr. Sanjeev Kathpalia as Managing Director and Chief Executive Officer forms part of the notice for the 26th Annual General Meeting. A brief resume of Mr. Sanjeev Kathpalia is included in the notice for the Annual General Meeting.

### Declarations by Independent Directors

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Regulation 16(1)(b) & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sub-Section 6 & 7 of Section 149 of the Companies Act, 2013.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has carried out an annual performance evaluation of its Board's performance, the Directors individually, as well as the evaluation of the working of its Committees and Chairperson.

### Board Diversity

The Company places great emphasis on the principle of diversity, including gender diversity. Diversity throughout the organization makes great business sense. The Company

maintains that appointments to the Board should be based on merit as well as complementing and expanding the skills, knowledge and experience of the Board as a whole.

### Policy on Directors' appointment and remuneration

Mindteck has an appropriate mix of Executive and Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As on date, the Board consists of Eight Directors, two of whom are Executive or Whole-time Directors, one is Non-Executive and five are Independent Directors, including one woman Director. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section 3 of Section 178 of the Companies Act, 2013, adopted by the Board, is attached as **Annexure-3** to the Board's report. We affirm that the remuneration paid to the Directors is as per the terms.

### Number of meetings of the Board

The Board met four times during the Financial Year, the details of which are given in the Corporate Governance report that forms part of this Annual Report. The intervening gap between any two meetings was within the limit prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Vigil Mechanism/Whistleblower Policy

The Company has established a Whistleblower Policy for Directors and employees to report their genuine concern and the said policy is attached as per **Annexure-4**.

## 17. KEY MANAGERIAL PERSONNEL

Mr. Sanjeev Kathpalia was appointed as Managing Director and Chief Executive Officer with effect from March 01, 2017 for a period of three (3) years. The term of Mr. Yusuf Lanewala as Managing Director and Chief Executive Officer completed on March 31, 2017 and he continues to be a Non-Executive Chairman of the Company with effect from April 01, 2017.

## 18. AUDITORS

### Statutory Auditor

Mindteck's statutory auditor, M/s. B S R & Company, Chartered Accountants, Bengaluru, holds office as Auditor until the conclusion of the ensuing Annual General Meeting and by virtue of compulsory rotation of Auditor, the Board recommends the appointment of S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) to the shareholders in the ensuing Annual General Meeting, who has confirmed its eligibility and willingness to accept the office of Auditor, if appointed for a period of five (5) years, i.e. up to the AGM of FY 2021-22, as per the Companies Act, 2013.

### Secretarial Auditor

CS S Kannan a Practising Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the FY 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2016-17 forms part of the Annual Report as **Annexure-5** to the Board's Report.

The Board noted the reports given by Statutory Auditor & Secretarial Auditor and confirmed that there are no qualifications, reservations or adverse remarks or disclaimers.

## 19. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is attached as **Annexure-6** to the Board's Report.

## 20. SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the Regulators or the Courts or Tribunals impacting the going concern status and Company's operation in the future. The details of Tax Matters are disclosed in Annexure to Auditor's Report in the Standalone Financial Statements.

## 21. INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its Business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of the reliable financial disclosures.

## 22. INDEPENDENT DIRECTORS FAMILIARISATION PROGRAMME

Mindteck has an established a familiarisation programme for its Independent Directors. The business heads, Executive

Directors and Company Secretary make presentations on business models, nature of industry and its dynamism, the roles, responsibilities and liabilities of Independent Directors etc. Further, updates on business, statutory law and industry are made available to Independent Directors, especially to the Audit Committee members on an ongoing basis by internal teams and Statutory and Internal Auditors on a quarterly basis.

## 23. PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure-7** to the Board's report.

The list of top 10 employees and other employees employed throughout the financial year and are in receipt of remuneration of Rs. 102 lakhs or more, or employed for part of the year and in receipt of Rs. 8.50 lakhs or more in a month, under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

### Top 10 Employees of the Company based upon the remuneration drawn during the FY 2016-17

Employee Name	Designation	Remuneration Received	Nature of Employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age	Last Employment	Percentage of Equity shares held by the employee in the Company	Any such employee is a relative of any Director or manager of the Company and if so, name of such Director or manager
Yusuf Lanewala	CMD	6,999,996	Contractual	B.Com, MBA	38	11-Jun-13	63	Information Technical Consultant	0.20%	NO
Anand Balakrishnan	CFO	4,980,323	Employee	CA	19	04-Sep-14	44	JLT	NIL	NO
Sumit Goswami *	EVP - Managed Services (US)	4,976,068	Employee	B.E (Computer Technology), PGDBM	23	16-May-16	50	Wipro Limited	NIL	NO
Surjit Lahiri	VP Technology	4,495,183	Employee	B. Tech	25	29-Mar-05	47	Novellus India Pvt Ltd	0.04%	NO
Arup Banerjee	Sr. VP- Managed Services (ROW)	3,384,814	Employee	B. Tech	28	08-Jul-11	51	HCL Technologies Ltd	0.002%	NO
Girish Chandrasekhar Pachuveetil	AVP-Delivery	3,374,456	Employee	MS	22	09-Apr-15	49	CGI Information Systems and Management Consultants Pvt. Ltd.	NIL	NO
Satheesh Kumar Sreedharan	VP- Delivery	3,311,893	Employee	M. Tech	30	14-Jun-11	57	GE Healthcare	0.04%	NO
Shivarama Adiga S.	VP - Legal and Company Secretary	3,261,321	Employee	M.Com, LLB and CS	39	18-Mar-13	59	Diligent Media Corporation Limited	0.06%	NO
Dr. Krishnan K V	VP - TSA	3,172,077	Employee	M.Sc., Ph.D.	35	03-May-07	66	ISRO - Govt of India	NIL	NO
Harish Nair	Regional VP-IMEA	2,948,156	Employee	MBA	20	11-Sep-13	43	EDC Creative Technology Solutions	0.04%	NO

\*Part of the year-Appointed on May 16, 2016

Employees employed throughout the financial year and are in receipt of remuneration of Rs. 102 Lakhs or more, or employed for part of the financial year and are in receipt of Rs. 8.50 Lakhs or more a month.

Employee Name	Designation	Remuneration Received	Nature of Employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age	Last Employment	Percentage of Equity shares held by the employee in the Company	Any such employee is a relative of any Director or manager of the Company and if so, name of such Director or manager
Sanjeev Kathpalia	Managing Director and Chief Executive Officer	987,535	Contractual	B. Tech, IIT Delhi (Chemical Engineering), MBA, IIM Calcutta	35	March 01, 2017	64	Senior Advisor to the Prime Minister (Republic of Turkey)	NIL	NO

\*Part of the year-Appointed on March 01, 2017

## 24. COMMITTEES OF THE BOARD

Currently, the Board has six Committees: the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Corporate Governance Committee and Risk Management Committee.

A detailed note on the Board and its Committees is provided under the Corporate Governance report in this Annual Report. The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Audit Committee	Mr. Narayan A. Menon – Chairman Mr. Yusuf Lanewala – Member Mr. Javed Gaya – Member Mr. Jagdish Malkani – Member Mr. Guhan Subramaniam – Member Ms. Prochie Mukherji – Member	<ul style="list-style-type: none"> <li>The Committee oversees the Company's financial reporting process and disclosures of its financial information to ensure accuracy and reliability.</li> <li>The Company has adopted the Whistleblower mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. The Whistleblower Policy is attached as <b>Annexure-4</b> to the Board's report.</li> <li>In accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policies on Related Party Transactions and material subsidiaries. The policies, including the Whistleblower Policy, are available on Company's website.</li> </ul>
Nomination and Remuneration Committee	Mr. Javed Gaya – Chairman Mr. Jagdish Malkani – Member Mr. Narayan A. Menon – Member Mr. Guhan Subramaniam – Member Ms. Prochie Mukherji – Member	<ul style="list-style-type: none"> <li>The Committee oversees and administers executive compensation, operating under a written charter adopted by the Board of Directors.</li> <li>The Committee has designed and continuously reviews the compensation program for the Managing Director &amp; Chief Executive Officer and senior executives to align both short-term and long-term compensation with business objectives and to link compensation with the achievement of measurable performance goals.</li> <li>The Committee structures compensation to ensure that it is competitive in the global markets in which it operates in order to attract and retain the best talent. The Committee intends to have a combination of stock options and performance-based stocks to align senior employee compensation.</li> <li>The Nomination and Remuneration Committee has framed the nomination and remuneration policy. A copy of the policy is attached as <b>Annexure-3</b> to the Board's report.</li> </ul>

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Corporate Social Responsibility Committee	Mr. Yusuf Lanewala – Chairman Mr. Javed Gaya – Member Mr. Jagdish Malkani – Member	<ul style="list-style-type: none"> <li>The Board has laid out the Company's policy on Corporate Social Responsibility (CSR), and the CSR activities of the Company are carried out as per the instructions of the committee.</li> <li>The Company allocated 2% of its average net profits for three years immediately preceding the financial year on CSR activities to various beneficiaries.</li> <li>Financial data pertaining to the Company's CSR activities to various beneficiaries for the FY 2016-17 is attached under the prescribed format in <b>Annexure-8</b> to the Board's Report.</li> <li>The contents of the CSR policy are available on Company's website (<b>Weblink: <a href="http://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf">http://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf</a></b>).</li> </ul>
Stakeholders Relationship Committee	Mr. Javed Gaya – Chairman Mr. Yusuf Lanewala – Member Mr. Jagdish Malkani – Member	<ul style="list-style-type: none"> <li>The Committee reviews and ensures redressal of investor grievances.</li> <li>The Committee noted that all the grievances of the investors have been resolved during the year and there are no pending grievances as on the year end.</li> </ul>
Risk Management Committee	Mr. Yusuf Lanewala – Chairman Mr. Meenaz Dhanani – Member Mr. Anand Balakrishnan – Member	<ul style="list-style-type: none"> <li>The purpose of the Committee is to assist the Board in fulfilling its Corporate Governance with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks efficiently and effectively.</li> <li>The Company has developed and implemented a risk Management framework that includes identification of elements of risk, if any which in the opinion of the Board may threaten the existence of the Company.</li> <li>The details of the Management framework form part of this Annual Report.</li> </ul>
Corporate Governance Committee	Mr. Narayan A. Menon – Chairman Mr. Yusuf Lanewala – Member Mr. Jagdish Malkani – Member Mr. Meenaz Dhanani – Member	<ul style="list-style-type: none"> <li>Review Board/Corporate Codes and make suitable recommendations to the Board from time to time.</li> <li>Review the Structure/Charters of other Board Committees and make suitable recommendations to the Board from time to time.</li> <li>Recommend best practices and standards in any particular area to the Board of Directors as per its mandate.</li> </ul>

## 25. RISK MANAGEMENT POLICY

The Company has a robust Enterprise Risk Management (ERM) framework to identify and evaluate business risk opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk policy defines the Risk Management approach across the enterprise at various levels, including documentation and reporting. The model has different modes that help in identifying risk trends, exposure and potential impact analysis at a Company level and also separately for different business segments. The Company has identified various risks and also has mitigation plans for each risk identified.

## 26. CORPORATE GOVERNANCE REPORT

Mindteck recognizes good Corporate Governance and is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability, for

the benefit of its stakeholders and for long-term success. We adhere to the standards set by SEBI for Corporate Governance practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a report on Corporate Governance pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report in **Annexure-9**.

## 27. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is part of this Annual Report.

## 28. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of its knowledge and belief, and according to the information and explanations obtained by the Company, your Directors made the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policy as mentioned in Note 2 of the notes to the Financial Statements have been selected and applied consistently. Judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 29. WE CARE

At Mindteck, care is rooted in the ways we engage and enable, and fundamental to the way in which the Company builds and nurture relationships, champion others, foster careers in technology, and steward community causes. In 2012, Mindteck established WE CARE as a framework for honouring our commitments and making a lasting difference both inside and outside the organization. The cornerstones are Knowledge, Opportunity, Advocacy, Inclusion, Goodwill and Respect. Constituents include Shareholders, Clients, Employees, Partners and Communities.

During FY 2016-17, Mindteck made further strides forging positive brand associations, building stronger relationships and innovating within the WE CARE framework:

*Mindteck Academy*, an IT workforce development solution, builds opportunities for learning, hiring and economic growth in the communities we serve.

- The underserved – qualified military veterans, recent college graduates, displaced workers – learn the technology skills required for gainful employment;
- Companies and government entities struggling to overcome IT skill shortages hire local citizens who have been trained to exact specification and need;
- Communities grow as their unemployed or underemployed are hired or retrained.

Notable highlights for the Academy's year include:

- Conducted their first onsite Business Analyst Bootcamp in Madison, WI.
- Launched online, live, instructor-led Java/JEE course.
- Established partnerships for graduate placement, including one of the largest financial institutions in the world.

- Conducted internal Java and Agile-Scrum training for three clients.
- Hired a Technical Director to oversee classes, courseware and trainee performance.

*Consultant Care* focuses on retaining and developing Mindteck's valued people assets who work onsite at client locations. On an ongoing basis, our Brand Ambassadors assist, educate and engage consultants in multiple states throughout North America and Canada. During the year, the Leads Rewards Program was expanded to include non-W2 Mindteck employees and consultants. Our Brand Ambassadors also assisted the recruiting team on improving their process and remarketing reporting. As an adjunct activity, the Consultant Care Manager acquired two new clients, and also nurtured relationships related to smart city initiatives in the US. In the coming year, Consultant Care will establish a pilot program for global Consultant Care endeavors, strengthen dialogue and multi-level engagement with top-tier 'ambassador consultants' optimize the consultant portal to achieve 'destination' status, and continue spearheading footprint expansion in Missouri.

*Transition Care* provides opportunities for seasoned technology professionals, who have been a victim of downsizing, to continue benefiting from their wealth of experience and knowledge. We match their skillsets to our niche needs to help build a stronger Mindteck. Transition Care is also a resource for clients who want to preserve their reputation and employee morale during a restructuring, as well as for outplacement firms that want to reduce their roster of displaced IT professionals.

*Client Care*, which focuses on the client constituent of WE CARE, is a customer experience (CX) endeavour designed to engage and enable clients, as well as champion a caring culture and business approach. The Client Care Ambassador is a client advocate, operating both cross-functionally and independently across the organization. Key efforts during the year focused on: Supporting process improvements, and delivery and service performance; Liaising with the US sales teams; Referrals to new clients and partners. An expansion of these efforts, along with increased channel/other engagement, will foster additional advocacy, loyalty and credibility during FY 2017-18.

## 30. CSR INITIATIVES

Mindteck's Corporate Social Responsibility (CSR) commitment is part of WE CARE. We believe that through our successes around the globe, we should give back in kind and deed. We do what we can to create shared value and steward our resources to create hopeful tomorrows for others.

Core pillars of Mindteck's CSR endeavors are Global Education and Local Targeted Giving. We believe in the empowerment of knowledge and how it helps to bring positive change and stability to society as a whole; we also know that giving to local organizations that embrace the interests and values of the communities we serve builds stronger communities and makes business sense.

### INDIA CSR:

In FY 2016-17, Mindteck allocated more than 2% of its three-year average net profits towards CSR activities and the details of the same are attached to this report as **Annexure-8**.

**Bengaluru Samarthanam Trust** – empowers visually impaired, disabled and underprivileged individuals through developmental initiatives focused on education, social, economic independence and technology.



**Government Girls High School and Government Pre-University (PU) College for Girls in Hoskote through Bangalore Indiranagar Rotary Trust** – supports academic improvement, extracurricular activities and sanitation facilities.

**Gandhi Old Age Home** – Donated an ambulance and provided other infrastructure support to a government recognized institution dedicated to the welfare of the aged and neglected;

**Western Railways, Mumbai through Rotary Club of Bombay, Kandivli Charitable Trust** – Repair and major revamp of toilet blocks on suburban railway stations from Virar to Churchgate (Mumbai) for local Stations, through Rotary Club of Bombay Kandivli Charitable Trust.

#### **US CSR:**

Local, targeted CSR efforts in the US for the new year are under way. In 2016-17, these organizations were selected:

**Northeast: The Seeing Eye** – breeds and raises puppies to guide blind people; instructs blind people in proper use/handling/care of the dogs; conducts and supports research on canine health and development.

**Elijah's Promise** – harnesses the power of food to break the cycle of poverty, eliminate hunger and change lives.

**Central Southeast: Pennsylvania Breast Cancer Coalition** – represents supports and serves breast cancer survivors and their families in Pennsylvania through educational programming, legislative advocacy and research.

**Coder Kids** – encourages kids to learn about Computer Science and programming; develops their interests in all areas of Science, Technology, Engineering and Mathematics (STEM) through active, hands-on learning with projects, demos and presentations by other kids and local technology professionals.

**Southwest and Missouri: North Texas Food Bank (Plano Food4Kids)** – committed to addressing food insecurity of Chronically hungry early childhood and elementary school children in Plano, TX. Through partnering with the food bank, Food4Kids provides kids with a backpack filled with nutritious, shelf-stable food every Friday during the school year.

**A.R.C. Angels Foundation** – dedicated to saving lives by helping teens be actively involved in the prevention of teenage suicide; provides educational programs that empower teens to recognize signs/symptoms of suicide and take preventative actions.

**West: YES! for Schools** – teaches youth healthy strategies to manage stress and emotions, so that they may exhibit greater confidence and motivation to succeed in school and make healthy choices when faced with life's challenges.

### **31. MINDTECK EMPLOYEES STOCK OPTION SCHEMES**

Mindteck believes in the policy of enabling Mindteckians to participate in the ownership of the company and share in its wealth creation as they are responsible for the management growth and success of the Company. The Company has three Employee Stock Options Schemes: Mindteck Employees Stock Options Scheme 2005, Mindteck Employees Stock Options Scheme 2008 and Mindteck Employees Stock Options Scheme 2014.

#### **a. Mindteck Employees Stock Options Scheme 2005**

During the year ended March 31, 2017, under this Scheme, the company granted 14,400 options on November 11,

2016 at an exercise price of Rs. 85.05 per share and 14,400 options on February 10, 2017 at an exercise price of Rs. 92.10 per share, and also issued and allotted 59,300 shares to eligible employees. There has been no variation in the terms of ESOP Scheme during the year.

#### **b. Mindteck Employees Stock Options Scheme 2008**

During the year ended March 31, 2017, under this Scheme, the company granted 69,600 options on May 20, 2016 at an exercise price of Rs. 103.90 per share and 239,000 options on August 10, 2016 at an exercise price of Rs. 90.75 per share, and it has issued and allotted 151,494 shares to eligible employees. There has been no variation in the terms of ESOP Scheme during the year.

#### **c. Mindteck Employees Stock Options Scheme 2014**

During the year ended March 31, 2017, under this Scheme, the company granted 250,000 options on March 30, 2017 at an exercise price of Rs. 78.10 per share. There has been no variation in the terms of ESOP Scheme during the year.

The details of the Employees Stock Option Schemes as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 are displayed on the website of the Company. (**Weblink: [http://www.mindteck.com/assets/investor\\_pdf/Disclosures-pursuant-to-SEBI-Regulations-2014.pdf](http://www.mindteck.com/assets/investor_pdf/Disclosures-pursuant-to-SEBI-Regulations-2014.pdf)**)

### **32. MINDTECK EMPLOYEES WELFARE TRUST**

The Mindteck Employees Welfare Trust was set up in the year 2000 to implement the Company's Share Incentive Scheme. As on March 31, 2017, the said Trust holds 416,000 shares of the Company and has not yet granted any shares to the Company's employees under the said scheme.

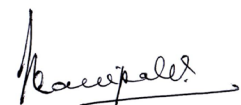
### **33. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND OUTGO**

Particulars that are required to be disclosed under Sub-section 3(m) of Section 134 of the Companies Act 2013, read with the Companies (Accounts) Rules, 2014 are set out in **Annexure-10** included in this Report.

### **34. ACKNOWLEDGEMENTS**

The Directors place on record their appreciation of co-operation and continued support extended by customers, shareholders, investors, partners, vendors, bankers, the Government, and statutory authorities for the Company's growth. We thank employees at all levels across the Group for their valuable contribution in our progress and look forward to their continued support.

for and on behalf of the Board of Directors



Bengaluru, India  
May 22, 2017

**Sanjeev Kathpalia**  
Managing Director and Chief Executive Officer  
(DIN: 05257060)

## Annexure-1

### STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATE COMPANIES (AOC 1)

{Pursuant to first proviso to Sub-section 3 of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules 2014}

Amount in Rs.

Name of the Subsidiary	Mindteck Germany GmbH	Mindteck Software Malaysia SDN. BHD.	Mindteck Middle East Ltd. S.P.C.	Mindteck Netherlands B V	Mindteck Singapore Pte. Ltd.	Mindteck (UK) Limited	Mindteck Inc.	Chendle Holdings Ltd.	Mindteck Solutions Philippines, Inc.
Sl. No.	1	2	3	4	5	6	7	8	9
Reporting Period	01-04-16 to 31-03-17	01-04-16 to 31-03-17	01-04-16 to 31-03-17	01-04-16 to 31-03-17	01-04-16 to 31-03-17	01-04-16 to 31-03-17	01-04-16 to 31-03-17	01-04-16 to 31-03-17	01-04-16 to 31-03-17
Reporting Currency	EUR	MYR	BHD	EUR	SGD	GBP	USD	USD	PHP
Exchange Rate	69.31181	14.66878	173.29648	69.31181	46.42942	81.02792	64.88047	64.88047	1.29396
Share Capital	1,622,110	3,016,212	5,750,500	1,041,030	38,047,091	77,207,393	308,957,277	20,030,000	13,743,619
Reserves & Surplus	(17,106,084)	59,432,548	(4,245,207)	(1,576,867)	47,501,588	(55,920,903)	173,099,281	-	(5,784,507)
Total Assets	7,557,336	90,930,223	32,914,745	98,631	121,809,821	51,156,007	703,999,370	20,030,000	8,694,037
Total Liabilities	23,041,310	28,481,463	31,409,452	634,468	36,261,141	29,869,518	221,942,813	20,030,000	734,926
Investments	-	-	-	-	13,743,619	2,663,140	-	20,030,000	-
Turnover	16,150,625	199,859,221	74,128,263	-	194,170,070	185,341,400	2,432,603,996	-	3,074,855
Profit before taxation	(8,209,477)	16,498,568	(4,723,830)	23,870	16,185,580	(12,466,247)	67,195,073	-	(4,277,946)
Provision for taxation	(1,393,570)	5,016	-	-	-	-	1,703,759	-	-
Profit after taxation	(6,815,907)	16,493,552	(4,723,830)	23,870	16,185,580	(12,466,247)	65,491,314	-	(4,277,946)
Proposed Dividend	-	-	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	99.99

## Annexure-2

### PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH THE RELATED PARTIES (AOC 2)

{Pursuant to Clause (h) of Sub-section 3 of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014}

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with the related parties referred to in Sub-section 1 of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

#### Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017 are as follows:

Amount in Rs.

Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any*	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Mindteck Inc., US	Subsidiary	To render offshore services	01-04-2008 - ongoing	366,225,748	NA	2,962,377
Mindteck Software Malaysia SDN. BHD. Malaysia	Subsidiary	To render offshore services	01-04-2009 - ongoing	10,066,163	NA	534,872
Mindteck Middle East Limited S.P.C., Kingdom of Bahrain	Subsidiary	To render offshore services	01-04-2009 - ongoing	1,904,675	NA	381,497
Mindteck (UK) Limited, United Kingdom	Subsidiary	To render offshore services	01-04-2008 - ongoing	117,198,859	NA	633,768
Mindteck Singapore Pte. Limited, Singapore	Subsidiary	To render offshore services	01-04-2009 - ongoing	24,523,879	NA	540,206
Chendle Holdings Ltd, BVI	Subsidiary	NIL	NIL	NIL	NA	NIL
Mindteck Netherlands BV, Netherlands	Step-Subsidiary	To render offshore services	01-04-2008 - ongoing	NIL	NA	NIL
Mindteck Germany GmbH, Germany	Step-Subsidiary	To render offshore services	01-04-2008 - ongoing	7,206,033	NA	3,970,074
Mindteck Solutions Philippines, Inc., Philippines	Step-Subsidiary	NIL	NIL	10,875	NA	10,445

\*Based on TP Agreements.

## Annexure-3

### NOMINATION AND REMUNERATION POLICY

Our policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the company. The Nomination and Remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act and Regulation 19 (4) read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is also available on our website.

#### I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Nomination and Remuneration Committee comprising of three non-executive Independent Directors as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which also meets the requirement of Companies Act 2013.

A Policy is required to be formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### II. OBJECTIVE

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### III. DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "Mindteck (India) Limited."
- "Employees' Stock Option" means the option given to the Directors, officers or employees of a Company or of its holding Company or subsidiary Company or companies, if any, which gives such Directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.
- "Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means
  - (i) Chief Executive Officer or the Managing Director or the Manager,
  - (ii) Whole-time Director,
  - (iii) Company Secretary,
  - (iv) Chief Financial Officer, and
  - (v) Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- "Policy or This Policy" means, "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management" means personnel of the Company who are members of its core Management team excluding Board of Directors. This would include all members of Management one level below the Executive Directors, including all the functional heads.

#### IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other SEBI Regulation(s) as amended from time to time.

#### V. GUIDING PRINCIPLES

The Policy ensures that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage,
- To lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

## **VI. ROLE OF THE COMMITTEE**

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **VII. MEMBERSHIP**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

## **VII. CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **IX. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **X. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **XI. VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

### **▪ Appointment criteria and qualifications:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement attached to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### **▪ Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person):
  - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
  - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and 3(three) listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

### **▪ Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

### **▪ Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

### **▪ Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

### **▪ General:**

1. The remuneration/compensation/commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if any Director is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

▪ **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

▪ **Remuneration to Non-Executive/Independent Director:**

1. Remuneration/Commission:

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

2. Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government and approved by the Board from time to time.

3. Limit of Remuneration/Commission:

Remuneration/Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

**XIV. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**XV. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

## Annexure-4

### WHISTLEBLOWER POLICY/VIGIL MECHANISM

As part of our Corporate Governance practices, the Company has adopted the Whistleblower policy that covers our Directors and employees. The policy is provided herewith pursuant to Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is also available on our website.

#### I. INTRODUCTION

Mindteck (hereinafter referred to as (“the Company”) is committed to the highest standards of transparency, professionalism, legal compliance, honesty, integrity, ethical behavior, Corporate Governance and accountability in conducting its business. The Company is committed to developing a culture where it is safe for all Directors and employees to raise concerns, grievances on various matters pertaining to any malpractice, fraud, violation of code of conduct, abuse of power or authority by any official and misconduct.

An important aspect of transparency and accountability is a mechanism to enable employees of the Company to voice their Protected Disclosures in a responsible and effective manner. It is a fundamental term of every contract of employment with the Company that an employee will faithfully serve his or her employer and not disclose confidential information about the employer’s business and affairs. Nevertheless, where a or an employee discovers information which he/she believes to be a serious malpractice, impropriety, abuse or wrongdoing within the organization, especially at the higher levels, then he/she should be able to disclose or report this information internally without fear of reprisal.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides for a mandatory requirement for all listed companies to establish a mechanism called ‘Whistleblower Policy’ for employees to report to the Management instances of unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy.

Accordingly, this Whistleblower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to approach various Committees of the Company.

In addition to the Listing agreement, section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates all listed Company to constitute a vigil mechanism.

#### 2. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code

- a. **“Audit Committee”**- means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. **“Alleged Wrongful Conduct”**-wrongful conduct shall mean and includes, but not limited to
  - Corporate Governance
  - Related Party Transactions
  - Misappropriation of funds
  - Noncompliance to the law of the land or violation of law
  - Concealing legal mandatory disclosures
  - Breach of fiduciary responsibilities
  - Infringement of Company Code of Conduct
  - Breach of integrity and ethics policy
  - Prohibitive Insider Trading Code of the Company
  - Financial Irregularities
  - Infringement and misuse of Intellectual Property
- c. **“Code”**- means Company Code of Conduct
- d. **“Company means”**- “Mindteck (India) Limited”.
- e. **“Employee”**- Employee means every employee of the Company (whether working in India or abroad), permanent or temporary including the contracted employee and Directors of the Company whether in the employment of the Company or not.
- f. **“Protected Disclosure”**- means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- g. **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. **“Whistleblower”**- means an Employee making a Protected Disclosure under this Policy.



### 3. SCOPE OF THE POLICY

- a. This policy covers all employees of Mindteck (India) Ltd and its subsidiaries.
- b. The Policy covers any 'Wrongful Conduct' and other malpractices which have taken place involving, but not limited to:
  - Any unlawful act, whether criminal or not.
  - Breach of any Policy or Manual or Code of conduct adopted by the Company.
  - Abuse (e.g. through physical, psychological or financial abuse, exploitation or neglect).
  - Fraud and corruption (e.g. to solicit or receive any gift/reward as a bribe).
  - Any instance of failure to comply with legal or statutory obligation either on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
  - Any kind of financial malpractice.
  - Abuse of power (e.g. bullying/harassment).
  - Negligence causing substantial and specific danger to public health and safety
  - Wastage/misappropriation of Company funds/assets
  - Any other unethical or improper conduct.
- c. All employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any other subsidiaries.
- d. This policy has been introduced by the Company to enable Mindteck employees to raise their Protected Disclosures about any 'Alleged Wrongful Conduct', malpractice, impropriety, abuse or wrongdoing at any stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage. However, employees are not to use this mechanism to question financial or business decisions taken by the Company Management or to reopen issues, which have already been addressed pursuant to disciplinary or other procedures of the Company.
- e. The Whistleblower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- f. Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Committee Heads.

### 4. EFFECTIVE DATE OF POLICY

This revised policy will be effective from April 1st 2014.

### 5. COMPANY GUARANTEES UNDER THE POLICY

#### Protection:

- a. The Company as a matter of policy condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection shall be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his duties/functions including making further Protected Disclosure.
- a. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Employees who acted in good faith, raise genuine Protected Disclosures under this policy will not be at risk of losing their jobs or be subjected to any kind of harassment or pressure from the Management.

#### Protected Disclosures are not published.

- The Company will take appropriate action to protect the identity of employees who raise Protected Disclosures in good faith, unless forced by circumstances to reveal, in which case the employees will be taken into confidence and his interests adequately protected.
- Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

#### Disqualifications

- a. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a mala fide intention.
- c. Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

## 6. PROCEDURE FOR DISCLOSURE, ENQUIRY AND DISCIPLINARY ACTION

### How to disclose Protected Disclosures?

- a. An employee intending to make any Protected Disclosure is required to disclose all relevant information at the earliest from the day on which he/she knew of the Protected Disclosure
- b. Protected Disclosures should preferably be reported in writing, so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in the regional language of the place of employment of the Whistleblower.
- c. The Protected Disclosure, if forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee shall detach the covering letter and discuss the Protected Disclosure with Members of the Committee.
- d. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible to interview the Whistleblowers.
- a. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

### To whom should Protected Disclosures be disclosed?

The Protected Disclosure should be disclosed through E-mail or fax, letter or any other method to the chairman of Audit committee as mentioned below.

**Chairman of Audit committee**  
Mindteck (India) Limited  
A.M.R. Tech Park Block-1, 3rd Floor  
#664, 23/24, Hosur Main Road, Bommanahalli  
Bengaluru -560068  
Email: narayan.menon@mindteck.com

### Investigation process:

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company, who will investigate / oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand.
- b. Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act was committed.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subject shall co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subject has a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subject shall not interfere with the investigation.
- i. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject.
- j. Unless there are compelling reasons not to do so, Subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- k. Subject has a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- l. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure

### **Appeal against the decision of the Audit Committee**

If the Complainant or the person complained against is not satisfied with the decision of the Audit Committee, then either of the Parties could prefer an appeal against this decision before the Company's Board and the decision of the Board in the matter will be final and binding on all the parties in relation to the terms of employment. Appropriate appeal procedure may be formulated by the Board, ensuring principles of natural justice and the Subject shall have right of remedies under the law.

### **Untrue Allegations**

If employees make allegations in good faith, which is not confirmed by subsequent investigation, no action will be taken against the disclosing employees. In making disclosures, employees should exercise due care to ensure the accuracy of the information.

### **Maintaining confidentiality of the Protected Disclosure**

The employees disclosing the Protected Disclosure as well as any of the persons to whom the Protected Disclosure has been disclosed or any of the persons who will be investigating or deciding on the investigation as well as the members of the Audit Committee shall not make public the Protected Disclosure disclosed except with the prior written permission of the Audit Committee. However, this restriction shall not be applicable if any employee is called upon to disclose this issue by any judicial process and in accordance with the laws of land.

## **7. COMPLAINTS OF RETALIATION AS A RESULT OF DISCLOSURE**

- a. If an employee believes that he/she has been retaliated against in the form of any adverse action for disclosing a Protected Disclosure under this policy, he/she may file a written complaint to the Audit Committee seeking redress.
- b. For the purposes of this policy, an adverse action shall include a disciplinary suspension, a decision not to promote, a decision not to grant a salary increase, a termination, demotion, rejection during probation, a performance evaluation in which the employee's performance is generally evaluated as unsatisfactory, a forced resignation or an unfavorable change in the general terms and conditions of employment.

### **Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason. However, no such amendment or modification will be binding on the employees unless the same is notified to the employees.

## Annexure-5

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH, 31, 2017

{Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014}

To,  
The Members,  
Mindteck (India) Limited  
Prestige Atlanta, No.10, Industrial Layout  
7th Main, 80 Feet Road, 3rd Block, Koramangala  
Bangalore -560034.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Mindteck (India) Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as amended up to the date of audit :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board Of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952
7. Employees State Insurance Act, 1948
8. Environment Protection Act, 1986 and other applicable environmental laws
9. Indian Contract Act, 1872
10. Income Tax Act, 1961 and other related laws
11. Indian Stamp Act, 1999
12. Payment of Bonus Act, 1965
13. Payment of Gratuity Act, 1972 and such other applicable labour laws.
14. The Information Technology Act, 2000

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, Rules and Regulations to the Company. I have also examined compliance with the applicable clauses of the following:

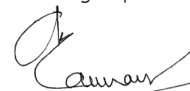
- a) Secretarial Standards issued by The Institute of Company Secretaries of India to the extend applicable as on the date of my audit
- b) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has listed its securities with National Stock Exchange (NSE) and the shares of the Company are traded at NSE with effect from 2nd August 2016. During the period under the review the Company has largely complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b. Adequate notice is given to all Directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- d. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- e. During the audit period the Company has no major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- f. During the audit period, there were no instances of:
  - a) Public / Rights / Preferential issue of shares / debentures / sweat equity.
  - b) Redemption buy back of securities
  - c) Merger / amalgamation / reconstruction etc.,
  - d) Foreign technical collaborations.

This report has to be read with our letter of even date which is attached as Annexure-A and forms an integral part of this report.



S KANNAN  
FCS No. 6261 / C P No.: 13016

Place: Bangalore  
Date: 15th May 2017

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### Annexure-A

To,  
The Members,  
Mindteck (India) Limited  
Prestige Atlanta, No.10, Industrial Layout  
7th Main, 80 Feet Road, 3rd Block, Koramangala  
Bangalore -560034.

Our report of even date is to be read along with this letter.

- a. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- d. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
- f. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws & Environment laws and Data protection policy.
- g. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws, the correctness and appropriateness of financial records and Books of Accounts of the Company have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.



S KANNAN  
FCS No. 6261 / C P No.: 13016

Place: Bangalore  
Date: 15th May 2017

# Annexure-6

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2017

{Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014}

I. REGISTRATION & OTHER DETAILS:					
1	CIN	L30007KA1991PLC039702			
2	Registration Date	25-07-1991			
3	Name of the Company	Mindteck (India) Limited			
4	Category/Sub-category of the Company	Indian Non-Government Company			
5	Address of the Registered office & contact details	Prestige Atlanta, No. 10, Industrial Layout, 7th Main, 80 Feet Road 3rd Block, Koramangala, Bengaluru - 560034 Contact Name: Shivarama Adiga S. Designation: Vice President, Legal and Company Secretary Tel: 080-4154 8013			
6	Whether listed Company	Yes			
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	Universal Capital Securities Private Limited 21/25 Shakil Niwas Mahakali Caves Road, Opp Satya Saibaba Temple Andheri (East), Mumbai - 400 093 Contact Person: Santosh Gamare Tel: 022-2820 7203-05			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)					
Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company		
1	IT Software Services	62-620	88.24		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Embtech Holdings Ltd. 4th Floor, IBL House, Caudan Port Louis, Republic of Mauritius	OC98004605	Holding	64.73	2(46)
2	Mindteck, Inc. 150 Corporate Centre Drive, Suite 200, Camp Hill, PA 17011, US	100683427	Subsidiary	100	2(87)
3	Mindteck Middle East Ltd S.P.C. # 44, 3rd Floor, Suhail Centre, Building 81 Road 1702 Block 317, Diplomatic Area, PO Box-10795 Manama, Kingdom of Bahrain	49063	Subsidiary	100	2(87)
4	Mindteck Software Malaysia SDN. BHD. Galleria@Cyberjaya, Unit 16-5, Jalan Tecknokrat 6, Cyber 5 63000 Cyberjaya, Selangor, Darul Ehsan, Malaysia	718964	Subsidiary	100	2(87)
5	Mindteck Singapore Pte. Ltd. 7B keppel Road, # 05-09 PSA Tanjong, Pagar Complex Singapore-089055	199904845D	Subsidiary	100	2(87)
6	Mindteck (UK) Ltd. 4 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire WD6 1JN, United Kingdom	3051828	Subsidiary	100	2(87)
7	Chendle Holdings Ltd. Mill Mall Suite 6, Wickhams Cay PO Box 3085, Road Town Tortola, British Virgin Islands	494087	Subsidiary	100	2(87)
8	Mindteck Germany GmbH Herriotstrasse-1, 60528, Frankfurt am Main, Germany	HRB 82178	Associate	100	2(6)
9	Mindteck Netherlands B.V. Schipholweg 103, 2316 XC Leiden, Netherlands	27313198	Associate	100	2(6)
10	Mindteck Solutions Philippines Inc. U710 BSA Twin Towers, Bank Drive, Ortigas Center Mandaluyong Metro Manila, Philippines	CS201604851	Associate	99.99	2(6)

#### IV. SHAREHOLDING PATTERN

##### (Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (A)(1)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	16,169,857	261,747	16,431,604	65.27%	16,431,604	-	16,431,604	64.73%	(0.54%)
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (A)(2)	16,169,857	261,747	16,431,604	65.27%	16,431,604	-	16,431,604	64.73%	(0.54%)
TOTAL (A)	16,169,857	261,747	16,431,604	65.27%	16,431,604	-	16,431,604	64.73%	(0.54%)
B. Public									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	25	25	0.00%	-	25	25	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1)	-	25	25	0.00%	-	25	25	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	328,051	1,312	329,363	1.31%	242,026	1,262	243,288	0.96%	(0.35%)
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,319,854	147,505	2,467,359	9.80%	2,584,136	139,031	2,723,167	10.73%	0.93%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	595,910	-	595,910	2.37%	753,102	-	753,102	2.97%	0.60%
c) Others (specify)									
Non-Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	420,824	17,000	437,824	1.74%	432,655	17,000	449,655	1.77%	0.03%
Foreign Nationals	103,243	16,000	119,243	0.47%	530,987	16,000	546,987	2.16%	1.69%
Clearing Members	199,435	-	199,435	0.79%	198,820	-	198,820	0.78%	(0.01%)
Trusts	1,236,008	-	1,236,008	4.91%	1,223,148	-	1,223,148	4.82%	(0.09%)
Foreign Bodies	3,295,280	-	3,295,280	13.09%	2,595,892	-	2,595,892	10.23%	(2.86%)
LLP/Partnership Firm	50,550	-	50,550	0.20%	-	-	-	0.00%	(0.20%)
NBFC Registered with RBI	10,500	-	10,500	0.04%	1,114	-	1,114	0.00%	(0.04%)
HUF	-	-	-	0.00%	217,093	-	217,093	0.84%	0.84%
Sub-total (B)(2)	8,559,655	181,817	8,741,472	34.73%	8,778,973	173,293	8,952,266	35.27%	0.54%
Total Public (B)	8,559,655	181,842	8,741,497	34.73%	8,778,973	173,318	8,952,291	35.27%	0.54%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	24,729,512	443,589	25,173,101	100.00%	25,210,577	173,318	25,383,895	100.00%	0.00%

## (ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	EMBTECH HOLDINGS LIMITED	16,431,604	65.27%	NIL	16,431,604	64.73%	NIL	(0.54%)

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			16,431,604	65.27%	16,431,604	65.27%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			16,431,604	64.73%	16,431,604	64.73%

## (iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters' and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: FIRST ASIAN INVESTMENTS SA						
	At the beginning of the year			1,390,569	5.52%	1,390,569	5.52%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,390,569	5.48%	1,390,569	5.48%
2	Name: BANCO EFISA S.A.						
	At the beginning of the year			1,229,211	4.88%	1,229,211	4.88%
	Changes during the year	03-03-2017	Transfer	(427,744)	1.69%	801,467	3.16%
	At the end of the year			801,467	3.16%	801,467	3.16%
3	Name: RAVI PRASAD THANTRY						
	At the beginning of the year			820,008	3.26%	820,008	3.26%
	Changes during the year	03-06-2016	Transfer	(12,860)	0.05%	807,148	3.18%
	At the end of the year			807,148	3.18%	807,148	3.18%
4	Name: TADHAMON INTERNATIONAL ISLAMIC BANK						
	At the beginning of the year			675,500	2.68%	675,500	2.68%
	Changes during the year	08-04-2016	Transfer	(90,000)	0.35%	585,500	2.31%
	Changes during the year	15-04-2016	Transfer	(26,540)	0.10%	558,960	2.20%
	Changes during the year	22-04-2016	Transfer	(23,010)	0.09%	535,950	2.11%
	Changes during the year	06-05-2016	Transfer	(1,954)	0.01%	533,996	2.10%
	Changes during the year	20-05-2016	Transfer	(9,000)	0.04%	524,996	2.07%
	Changes during the year	10-06-2016	Transfer	(10,000)	0.04%	514,996	2.03%
	Changes during the year	08-07-2016	Transfer	(10,400)	0.04%	504,596	1.99%
	Changes during the year	22-07-2016	Transfer	(15,000)	0.06%	489,596	1.93%
	Changes during the year	29-07-2016	Transfer	(8,740)	0.03%	480,856	1.89%
	Changes during the year	21-10-2016	Transfer	(22,000)	0.09%	458,856	1.81%
	Changes during the year	28-10-2016	Transfer	(2,791)	0.01%	456,065	1.80%
	Changes during the year	04-11-2016	Transfer	(2,209)	0.01%	453,856	1.79%
	Changes during the year	03-02-2017	Transfer	(50,000)	0.20%	403,856	1.59%
	At the end of the year			403,856	1.59%	403,856	1.59%



Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5	Name: MINDTECK EMPLOYEES WELFARE TRUST						
	At the beginning of the year			416,000	1.65%	416,000	1.66%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			416,000	1.64%	416,000	1.64%
6	Name: MAHESH THARANI						
	At the beginning of the year			200,971	0.80%	200,971	0.80%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200,971	0.79%	200,971	0.79%
7	Name: BASSAM MAHMOUD K JABR						
	At the beginning of the year			82,583	0.33%	82,583	0.33%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			82,583	0.33%	82,583	0.33%
8	Name: GOPAL DHALUMAL						
	At the beginning of the year			77,159	0.31%	77,159	0.31%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			77,159	0.30%	77,159	0.30%
9	Name: NIRANKAR ADVISOR LLP						
	At the beginning of the year			50,550	0.20%	50,550	0.20%
	Changes during the year	20-05-2016	Transfer	(4,008)	0.02%	46,542	0.18%
	Changes during the year	27-05-2016	Transfer	(5,919)	0.02%	40,623	0.16%
	Changes during the year	17-06-2016	Transfer	(40,623)	0.16%	-	-
	At the end of the year			-	0.00%	-	0.00%
10	Name: MANISHA LALIT SHAH						
	At the beginning of the year			53,113	0.21%	53,113	0.21%
	Changes during the year	05-08-2016	Transfer	(507)	0.00%	52,606	0.21%
	At the end of the year			52,606	0.21%	52,606	0.21%
11	Name: ABDPOOL MAGID K V						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			427,744	1.69%	427,744	1.69%
	At the end of the year			427,744	1.69%	427,744	1.69%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: YUSUF LANEWALA						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	23-09-2016	Transfer	15,000	0.06%	15,000	0.06%
	Changes during the year	09-12-2016	Transfer	10,000	0.04%	25,000	0.10%
	Changes during the year	31-12-2016	Transfer	(7,000)	0.03%	18,000	0.07%
	Changes during the year	24-02-2017	Transfer	32,000	0.13%	50,000	0.20%
	At the end of the year			50,000	0.20%	50,000	0.20%
2	Name: SANJEEV KATHPALIA						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
3	Name: MEENAZ DHANANI						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
4	Name: NARAYAN AMBAT MENON						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
5	Name: JAVED GAYA						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
6	Name: JAGDISH MALKANI						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	Name: PROCHIE MUKHERJI						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
8	Name: GUHAN SUBRAMANIAM						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
9	Name: ANAND BALAKRISHNAN						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
10	Name: SHIVARAMA ADIGA						
	At the beginning of the year			6,400	0.02%	6,400	0.02%
	Changes during the year	23-09-2016	Transfer	2,000	0.01%	8,400	0.03%
	Changes during the year	09-12-2016	Transfer	5,600	0.02%	14,000	0.05%
	Changes during the year	20-01-2017	Transfer	(900)	0.00%	13,100	0.05%
	Changes during the year	24-02-2017	Transfer	2,800	0.01%	15,900	0.06%
At the end of the year			15,900	0.06%	15,900	0.06%	

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amt. Rs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	NIL	NIL	NIL	NIL
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Yusuf Lanewala	Sanjeev Kathpalia	Meenaz Dhanani	
	<b>Name</b>	Yusuf Lanewala	Sanjeev Kathpalia	Meenaz Dhanani	(Rs)
	<b>Designation</b>	Chairman and Managing Director	Managing Director and Chief Executive Officer*	Executive Director**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,999,996	987,535	-	7,987,531
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	225,000 options	250,000	100,000	575,000 options
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify				
5	Others, please specify	-	-	-	-
	Total (A)	6,999,996	987,535	-	7,987,531
	Ceiling as per the Act	4,580,484	4,580,484	4,580,484	9,160,968

\*Appointed as Managing Director and Chief Executive Officer w.e.f. March 01, 2017

\*\*Remuneration to Meenaz Dhanani is paid by wholly-owned subsidiary Mindteck, Inc. USA

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs)
		Javed Gaya	Narayan Menon	Jagdish Malkani	Prochie Mukerji	Guhan Subramaniam*	
1	Independent Directors						
	Fee for attending board committee meetings	315,000	315,000	240,000	225,000	275,000	1,370,000
	Commission**	360,000	360,000	360,000	360,000	-	1,440,000
	Others, please specify	-	-	-	-		-
	Total (1)	675,000	675,000	600,000	585,000	275,000	2,810,000
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-		-
	Commission	-	-	-	-		-
	Others, please specify	-	-	-	-		-
	Total (2)	-	-	-	-		-
	Total (B)=(1+2)	675,000	675,000	600,000	585,000	275,000	2,810,000
	Total Managerial Remuneration	-	-	-	-		12,028,362
	Overall Ceiling as per the Act	-	-	-			10,077,065

\*Appointed as an Independent Director w.e.f. May 20, 2016

\*\*Commission paid during the year pertaining to FY 2015-16

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs)
		Sanjeev Kathpalia	Anand Balakrishnan	Shivarama Adiga S.	
	<b>Name</b>	Sanjeev Kathpalia	Anand Balakrishnan	Shivarama Adiga S.	(Rs)
	<b>Designation</b>	CEO*	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,980,323	3,261,321	8,241,644
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-	-
2	Stock Option	-	30,000 options	5,600 options	35,600 options
3	Sweat Equity	-		-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify				
5	Others, please specify	-		-	-
	Total	-	4,980,323	3,261,321	8,241,644

\* The remuneration paid to Mr. Sanjeev Kathpalia for the position held by him as Managing Director and Chief Executive Officer is furnished under table VI A above

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description			Details of Penalty / Punishment/ Compounding fees imposed		Authority [RD / NCLT/ COURT]		Appeal made, if any	
A. COMPANY										
Penalty	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS										
Penalty	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT										
Penalty	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

## Annexure-7

### DETAILS OF RATIO OF REMUNERATION OF DIRECTORS

{Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

(I)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Name of the Director</th> <th style="text-align: left; border-bottom: 1px solid black;">Ratio to the Median</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">Yusuf Lanewala</td> <td style="border-bottom: 1px solid black;">7.17</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Sanjeev Kathpalia*</td> <td style="border-bottom: 1px solid black;">4.69</td> </tr> </tbody> </table> <p style="font-size: small; margin-top: 5px;">*Appointed as Managing Director and Chief Executive Officer from March 01, 2017</p>	Name of the Director	Ratio to the Median	Yusuf Lanewala	7.17	Sanjeev Kathpalia*	4.69				
Name of the Director	Ratio to the Median											
Yusuf Lanewala	7.17											
Sanjeev Kathpalia*	4.69											
(II)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Name of the Director &amp; KMP</th> <th style="text-align: left; border-bottom: 1px solid black;">% increase</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">Yusuf Lanewala, CMD</td> <td style="border-bottom: 1px solid black;">NIL</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Sanjeev Kathpalia, MD and CEO</td> <td style="border-bottom: 1px solid black;">NIL</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Anand Balakrishnan, KMP</td> <td style="border-bottom: 1px solid black;">15%</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Shivarama Adiga S., KMP</td> <td style="border-bottom: 1px solid black;">10%</td> </tr> </tbody> </table>	Name of the Director & KMP	% increase	Yusuf Lanewala, CMD	NIL	Sanjeev Kathpalia, MD and CEO	NIL	Anand Balakrishnan, KMP	15%	Shivarama Adiga S., KMP	10%
Name of the Director & KMP	% increase											
Yusuf Lanewala, CMD	NIL											
Sanjeev Kathpalia, MD and CEO	NIL											
Anand Balakrishnan, KMP	15%											
Shivarama Adiga S., KMP	10%											
(III)	The percentage increase in the median remuneration of employees in the financial year;	8%										
(IV)	The number of permanent employees on the rolls of Company;	The total number of Mindteck employees as on March 31, 2017 was 578.										
(V)	The explanation on the relationship between average increase in remuneration and Company performance;	The requirement of providing these details was dropped by MCA on June 30, 2016.										
(VI)	comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	The requirement of providing these details was dropped by MCA on June 30, 2016.										
(VII)	variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;	The requirement of providing these details was dropped by MCA on June 30, 2016.										
(VIII)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>Average percentage increase was 6.5% for all the employees and for managerial personnel in the financial year 2016-17.</p> <p>Remuneration increase is based on merit performance of individual employees and market benchmark data.</p>										
(IX)	comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	The requirement of providing these details was dropped by MCA on June 30, 2016.										
(X)	the key parameters for any variable component of remuneration availed by the Directors;	The requirement of providing these details was dropped by MCA on June 30, 2016.										
(XI)	the ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year; and	The requirement of providing these details was dropped by MCA on June 30, 2016.										
(XII)	affirmation that the remuneration is as per the remuneration policy of the Company.	Yes – the remuneration is as per the Nomination and Remuneration policy of the Company										

## Annexure-8

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

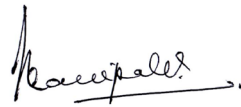
{Pursuant to Section 135 of the Companies Act 2013, and Companies  
(Corporate Social Responsibility Policy) Rules 2014}

1	A brief outline of the Company's CSR Policy, including an overview of projects or programs proposed to be undertaken and a reference to the Weblink to the CSR Policy and projects or programs.	<p>Company laid down its focus on the following CSR activities in line with statute governing the CSR and for the benefit of the public:</p> <ul style="list-style-type: none"> <li>▪ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects.</li> <li>▪ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.</li> <li>▪ Any other CSR activities as per Companies Act, 2013 and approved by the Board from time to time.</li> </ul> <p><b>(Weblink: <a href="http://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf">http://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf</a>)</b></p>
2	Composition of CSR Committee	<p>Mr. Yusuf Lanewala – Non-Executive Chairman (Chairman)</p> <p>Mr. Javed Gaya – Independent Director (Member)</p> <p>Mr. Jagdish Malkani – Independent Director (Member)</p>
3	Average net profit of the Company for last three financial years	Rs. 168,935,944
4	Prescribed CSR expenditure (2% of the average net profit as computed above)	Rs. 3,378,719
5	<p>Details of CSR expenditure during the financial year :</p> <p>Total amount to be spent for the financial year:</p> <p>Amount spent: Rs. 3,380,000</p> <p>Amount unspent: NIL</p>	<ul style="list-style-type: none"> <li>▪ Bangalore Indiranagar Rotary Trust provides infrastructure improvement as well as educational and extracurricular activities for Girls High School and PU College for girls in rural Bangalore.</li> <li>▪ Samarathanam Trust for Disabled is supporting in training and skill set improvement for visually impaired, differently abled and underprivileged people.</li> <li>▪ Gandhi Old-age Home-Donated an ambulance and provided other infrastructure support to "Gandhi Old Age Home", a government recognized institution dedicated to the welfare of the aged and neglected;</li> <li>▪ Rotary Club of Bombay Kandivli Charitable Trust-Repair and major revamp of toilet blocks on suburban railway stations from Virar to Churchgate (Mumbai) for local Stations.</li> </ul>

SL. No	CSR Project or Activities Identified	Subjects in which the project is covered	Projects or Programs (i) Local Area or other. (ii) Specify the state and District where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount Spent on the projects or programs Subheads: (i) Direct expenditure on projects or programs (ii) Overheads	Cumulative Expenditure up-to the reporting period	Amount Spent: Direct or through implementation agency.
1	Government Girls High School and Government PU College for Girls.	Academic improvement, support extracurricular activities and improving sanitation facilities.	Hoskote, Bangalore, Karnataka	1,500,000	Direct Expenditure on project	1,500,000	Through Bangalore Indiranagar Rotary Trust
2	Samarthanam Trust for the Disabled	Skill set improvement for visually impaired, disabled and underprivileged people.	HSR Layout, Bangalore, Karnataka	500,000	Direct Expenditure on project	500,000	Direct
3	Rotary club of Bombay kandivali charitable trust	Repair and major revamp of toilet blocks on suburban railway stations from Virar to Churchgate (Mumbai) for local Stations.	Kandivli, Mumbai, Maharashtra	850,000	Direct Expenditure on project	850,000	Through Rotary club of Bombay kandivali charitable trust
4	Gandhi Old Age Home	Donated an ambulance and provided other infrastructure support to "Gandhi Old Age Home", a government recognized institution dedicated to the welfare of the aged and neglected.	Magadi Main Road, Bangalore, Karnataka	530,000	Direct Expenditure on project	530,000	Direct

The CSR implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Place: Bengaluru, India  
Date: May 22, 2017



**Sanjeev Kathpalia**  
Managing Director and Chief Executive Officer  
(DIN: 05257060)



**Yusuf Lanewala**  
Chairman of the CSR Committee  
(DIN: 01770426)



## Annexure-9

To,  
The Members,  
Mindteck (India) Limited  
Prestige Atlanta, No.10, Industrial Layout  
7th Main, 80 Feet Road, 3rd Block, Koramangala  
Bangalore -560034.

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**  
**Corporate Identity No: L30007KA1991PLC039702**  
**Nominal Capital: Rs. 33,00,00,000.00**

I, S Kannan, Company Secretary, have examined all the relevant records of Mindteck (India) Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from 1st April 2016 to 31st March 2017.

Further, I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company. In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as applicable under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For S KANNAN AND ASSOCIATES**



**S KANNAN**  
(Proprietor)  
FCS No. 6261 / C P No.: 13016  
Firm No.S2017KR473100

Place: Bangalore  
17th May 2017

## Annexure-10

### DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

#### 1. CONSERVATION OF ENERGY

As previously mentioned, the Company has been conscious of its carbon footprint and has been working to effectively reduce the same in every manner possible. Various initiatives have been taken by the Company to ensure that consumption of energy is at minimal levels in our operations.

Mindteck has been vigilant in its power saving initiatives and has been effectively working to reduce its power conservation across all premises. The steps taken are as follows:

##### **Conservation of energy:**

- (i) Steps taken or impact on conservation of energy: Mindteck has deployed Ignite Energy Management System at Bangalore Office which is helping in curtailing the HVAC energy consumption.
- (ii) Mindteck has deployed bio urinal mats for reduction in water and energy consumption in toilets.
- (iii) Steps taken by the Company for utilizing alternate source of energy:
  - Monitors are turned off by the employees before leaving for the day. Desktops and laptops hibernate when not in use for more than ten minutes.
  - Only 50% of the lifts are kept operational in the various office premises of Mindteck.
  - The staff ensures that lights are switched off when employees are not in office.
  - The office premises is planned to allow effective use of sunlight and thus reduce the need of switching on the lights during the day.
  - Air conditioners are switched off in the evenings and during the weekends.
  - Air conditioner runtime has also been minimized by altering the exhaust system.
  - Within the premises, diesel generator sets are used only in case of extreme necessity, and are well maintained to increase efficiency, resulting in less wastage of fuel.
  - The water pipes have been resized to reduce the water consumption.

##### **Waste Management:**

Mindteck ensures least possible level of waste accumulation through effective disposal and recycling of the Company's wastes. The steps taken are:

- We operate on the 'paper free office' policy and storage is encouraged in digital format, rather than on paper.
- All paper waste and shredded paper is sent to a recycling agent, including the carton boxes and packing material.
- Separate dustbins are used to segregate bio-degradable and non-biodegradable wastes to effectively process their disposal mechanism.
- Food wastes are picked up by organic manure manufacturers.
- STP is set up in the premises to ensure the usage of treated water for common area cleaning and gardening.
- All e-waste is disposed and recycled through e-waste recycling agencies.

## 2. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

### Technology Absorption:

- (i) The efforts made towards technology absorption:
- Mindteck has developed technologies on its own in the areas of IoT and Smart Cities and has not absorbed any technologies from external sources.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- Development of homegrown technologies in IoT and Smart City space has helped in reducing the solution costs, delivery timelines and helped in import substitution.
- (iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) – Not Applicable

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans.

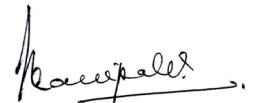
Through off-shore leverage, Mindteck is seeking to increase exports and develop new markets through subsidiaries.

- (ii) Total Foreign Exchange used and earned in Rupees:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings	507,031,589	565,947,725
Expenditure	9,257,205	20,841,370

Bengaluru, India  
May 22, 2017

for and on behalf of the Board of Directors



**Sanjeev Kathpalia**  
Managing Director and Chief Executive Officer  
(DIN: 05257060)

## Corporate Governance Report

The Corporate Governance framework for Mindteck (India) Limited ('Mindteck' or 'the Company') is a reflection of its culture, policies, relationship with stakeholders and commitment to values. Accordingly, Mindteck always seeks to ensure that its performance is driven by integrity in order to retain the trust of its stakeholders.

The Securities and Exchange Board of India (SEBI) implemented SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as SEBI (LODR)] effective from December 01, 2015, to implement comprehensive Corporate Governance norms for Listed Companies. These norms provide stringent disclosures for the protection of investor rights, including equitable treatment for minority and foreign shareholders. The new Regulations are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to adopt best Corporate Governance practices.

Accordingly, the Company complies with Corporate Governance as per SEBI (LODR) and a report in terms of the above Regulations, containing the details of the Corporate Governance and processes at Mindteck is as under:

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

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its transactions with its stakeholders, including its employees, customers, shareholders, suppliers, partners and alliances, supporting agencies, Government, and society at large.

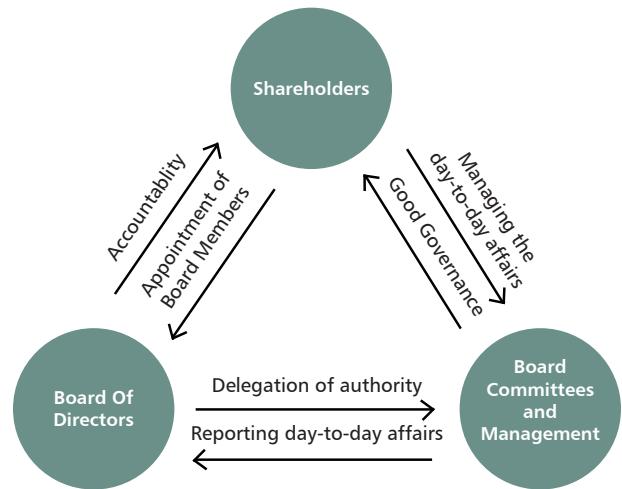
The Management aims to achieve its objective of increasing stakeholders' value while consistently observing the norms laid down in the Code of Corporate Governance. The Management has institutionalised Corporate Governance at all levels within the Company in order to ensure transparency, good practices and a systems-driven style of functioning. It has also established the WE CARE framework for honoring commitments to, and ensuring a positive experience by, our key stakeholders.

The overall responsibility for guiding Corporate Governance within the Company rests with the Board of Directors ('the Board'), which has put in place appropriate policies, guidelines and processes. The day-to-day implementation and monitoring of these policies, guidelines and processes rest with the Management of the Company, and are in consonance with the requirements of the Companies Act, 2013, Listing Agreement and applicable SEBI Regulations, including SEBI (LODR). Keeping in view the Company's size, complexity, global operations and corporate traditions, Mindteck has adopted the following main principles and philosophies:

- i. Constitution of the Board of the Company and Committees of Directors of appropriate composition, size and expertise.
- ii. Complete transparency in the operations of the Company.
- iii. Maintaining prescribed levels of disclosure and complete openness in communication.
- iv. Independent verification and safeguarding integrity of the Company's financial reporting.
- v. A sound system of risk management and internal control.
- vi. Timely and balanced disclosure of all material information concerning the Company to its stakeholders.

- vii. A system to ensure compliance with applicable laws of all countries in which the Company operates.
- viii. Maintenance of high standards of safety and health.
- ix. Adherence to good governance practices in spirit and not just in letter.

### II. THE GOVERNANCE STRUCTURE AT MINDTECK



The governance mechanism adopted at Mindteck:

- i. The Board is appointed by the shareholders and is vested with the responsibility of conducting the affairs of the Company with the objective of maximizing of returns to all stakeholders.
- ii. The Board is responsible for the overall vision, strategy and good Corporate Governance. The Board and Committees ensure accountability and transparency in the affairs of the Company to the Stakeholders by directing and controlling the management activities.
- iii. The Managing Director and Chief Executive Officer along with Senior Management are responsible for setting up business targets and day-to-day management of the Company in line with the objectives and principles set by the Board.

#### A. GOVERNANCE BY THE BOARD OF DIRECTORS

##### Composition:

The Board is at the core of the Corporate Governance practice and oversees how the Management serves and protects the long-term interests of all stakeholders of the Company. The Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors, including a Woman Director, with considerable experience in their respective fields to maintain the independence of the Board and to separate the functions of the Board from the Management of the Company. There is a clear demarcation in the roles and responsibilities of the Chairman, Managing Director & Chief Executive Officer and the Board.

As at March 31, 2017 the Company had Eight Directors, of which Five Directors are Independent, as defined in the Companies Act, 2013 and Regulation 16(1)(b) SEBI (LODR). The Chairman of the Company conducts all the Board Meetings and Shareholders' Meetings. The Managing Director & Chief Executive Officer manages the day-to-day affairs of the Company. The Board

periodically evaluates the need for change in its composition and size. None of the Directors of the Company are related inter se.

No Directors of the Company hold directorships more than the statutory limit as prescribed under the Companies Act, 2013

and SEBI (LODR). Thus, none of the Directors on the Board are members of more than ten Committees or act as Chairman of more than five Committees across all companies in which they are Directors.

**Table 01:** The names and categories of the Directors on the Board, directorships and their shareholdings are as follows:

Director	Designation and Category	Age	Equity Shareholding	No. of Directorship*		Committees**	
				Public	Private	Chairman	Member
Mr. Yusuf Lanewala <sup>(1)</sup>	Non-Executive Chairman	63	50,000	-	-	-	-
Mr. Sanjeev Kathpalia <sup>(2)</sup>	Managing Director and Chief Executive Officer	64	NIL	-	1	-	-
Mr. Meenaz Dhanani	Executive Director	60	NIL	-	-	-	-
Mr. Javed Gaya	Independent Director	61	NIL	-	7	-	-
Mr. Narayan A. Menon	Independent Director	68	NIL	-	-	-	-
Mr. Jagdish Malkani	Independent Director	61	NIL	-	3	-	-
Ms. Prochie Sanat Mukherji	Independent Director	68	NIL	-	-	-	-
Mr. Guhan Subramaniam	Independent Director	63	NIL	-	1	-	-

\* Excluding Directorship in Mindteck (India) Limited and Foreign Companies.

\*\* Only membership in Audit Committee and Stakeholders Relationship Committee is taken into consideration.

(1) Ceased to be the Chairman and Managing Director w.e.f. March 31, 2017 and was appointed as Non-Executive Chairman w.e.f. April 01, 2017 for a period of one (1) year.

(2) Appointed as an Additional Director w.e.f. February 10, 2017 and subsequently elevated to the position of Managing Director and Chief Executive Officer effective from March 01, 2017 for a period of three (3) years, subject to the approval of Central Government and the Shareholders at the Annual General Meeting of 2017.

All the Independent Directors have furnished to the Company a declaration at the time of their appointment that they qualify the test of Independence as laid down in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) and certify annually regarding their independence. The process of selection of Independent Directors is rigorous, transparent and objective and is aligned with the needs of the Company. None of the Independent Directors have any material pecuniary relationship or transactions with the Company. None of the Independent Directors served on the Board of our Company for more than ten years.

Pursuant to Regulation 25(3) of SEBI (LODR), the Independent Directors of the Company met once in the FY 2016-17.

### Broad Definition of Independent Directors:

The Company has defined the independence as stipulated under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR). Accordingly, an Independent Director means a person who is not an officer or employee of the Company or its subsidiaries or any other individual having a material pecuniary relationship or transactions with the Company which, in the opinion of Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.

### Independent Directors Familiarisation Programme:

Mindteck has a well-established familiarisation programme for its Independent Directors. The Business heads, Executive Directors, and Company Secretary make presentations on business models, nature of industry and its dynamism, the roles,

responsibilities and liabilities of Independent Directors, etc. Further, business updates, statutory law updates and industry updates are made available to Independent Directors especially to the Audit Committee members on an ongoing basis by internal teams, and by the Statutory and Internal Auditors on a quarterly basis.

(Weblink: [http://www.mindteck.com/assets/investor\\_pdf/IDFP050515.pdf](http://www.mindteck.com/assets/investor_pdf/IDFP050515.pdf))

### Board Meetings:

The Board meets once in a quarter and additionally as and when required. The calendar of the Board Meetings is decided in consultation with the Board and the schedule of meetings is communicated to all Directors in advance to enable them to plan their effective participation during the Board Meetings. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Schedule II Part A of SEBI (LODR), the Board is also kept informed of major events/items and approvals taken wherever necessary.

The Board met four times in the financial year 2016-2017:– May 20, 2016, August 10, 2016, November 11, 2016 and February 10, 2017.

### Sitting Fees:

The Company paid sitting fees of Rs. 75,000 per Meeting to its Independent Directors for attending Meetings of the Board and no fees was paid for attending the Committee Meetings effective from August 10, 2016. (The Company had paid Rs. 50,000 for Board Meeting and Rs. 20,000 for each Committee Meeting prior to August 10, 2016).

**Table 02:** Details of attendance of the Directors and sitting fees paid to them are as follows:

Name of the Director	No. of Board Meetings during FY 2016-17		Whether attended last AGM held on August 11, 2016	Sitting fees for Board and Committee Meetings (in Rs.)
	Held	Attended		
Mr. Yusuf Lanewala	4	4	YES	NIL
Mr. Sanjeev Kathpalia <sup>(1)</sup>	4	-	NIL	NIL
Mr. Meenaz Dhanani	4	2	YES	NIL
Mr. Javed Gaya	4	4	YES	315,000
Mr. Narayan A. Menon	4	4	YES	315,000
Mr. Jagdish Malkani	4	3	YES	240,000
Ms. Prochie Sanat Mukherji	4	3	YES	225,000
Mr. Guhan Subramaniam	4	4	YES	275,000

(1) Appointed as an Additional Director w.e.f. February 10, 2017 and subsequently elevated to the position of Managing Director and Chief Executive Officer effective from March 01, 2017 for a period of three (3) years, subject to the approval of Central Government and the Shareholders at the Annual General Meeting of 2017.

#### Non-Executive/Independent Directors' remuneration:

The Members at the Annual General Meeting of the Company on August 14, 2014, approved the payment of profit-related commission to the Non-Executive Directors including Independent Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The fees/compensation paid to Non-Executive/Independent Directors is fixed by the Board of Directors. The compensation is within the limits prescribed under the Companies Act, 2013. The remuneration paid to Independent Directors of the Company pertaining to FY 2015-16 is annexed to the Board's Report. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

The Company has entered into a formal service contract with Mr. Yusuf Lanewala as Non-Executive Chairman effective from April 01, 2017 for a period of one (1) year on a remuneration of Rs. 1,200,000/- (Rupees Twelve Lakhs only) subject to the approval of the shareholders and such sitting fees & profit-related commission as may be approved by the Board from time to time. The Chairman of the Company may resign at any time by serving a reasonable written notice to the Board. No severance fee is payable by the Company to the Chairman on termination of this agreement. The details of the Stock options granted to Mr. Yusuf Lanewala are made available in para 'Remuneration

to Chairman & Managing Director, Managing Director & Chief Executive Officer and Executive Director' in this report.

None of the Non-Executive/Independent Directors hold shares or any convertible instruments in the Company, except Mr. Yusuf Lanewala, Non-Executive Chairman (Appointed effective from April 01, 2017 for a period of one year) who holds 50,000 Equity shares and 225,000 Stock Options of the Company.

The criteria for making payments to Non-Executive/Independent Directors are as per the Nomination and Remuneration Policy adopted by the Company which is displayed on the website of the Company. ([Weblink: http://www.mindteck.com/assets/investor\\_pdf/Nomination\\_Remuneration\\_Policy.pdf](http://www.mindteck.com/assets/investor_pdf/Nomination_Remuneration_Policy.pdf))

#### Remuneration to Chairman & Managing Director, Managing Director & Chief Executive Officer, and Executive Director:

The Company has executed formal service contracts with Mr. Sanjeev Kathpalia, Managing Director & Chief Executive Officer and Mr. Meenaz Dhanani, Executive Director with a notice period of 90 days and 60 days respectively. The criteria for making payments to Managing Director & Chief Executive Officer and Executive Directors are as per the Nomination and Remuneration Policy adopted by the Company which is displayed on the website of the Company.

Mr. Yusuf Lanewala was granted 200,000 options at Rs. 30.35/- on

**Table 03:** The detailed remuneration of Mr. Yusuf Lanewala, Chairman, Managing Director & Chief Executive Officer upto March 31, 2017, Mr. Sanjeev Kathpalia, Managing Director & Chief Executive Officer and Mr. Meenaz Dhanani, Executive Director is as under:

Amount in Rs.

Particulars	Name of the Director		
	Yusuf Lanewala*	Sanjeev Kathpalia**	Meenaz Dhanani***
<b>Gross Salary</b>			
Fixed	8,176,695	12,500,000	-
Variable	-	5,500,000	-
<b>Stock Options</b>	225,000 Options	500,000 Options	100,000 Options

\* Mr. Yusuf Lanewala ceased to be the Managing Director and Chief Executive Officer on March 31, 2017 but continued to remain in the Board as Non-Executive Chairman from April 01, 2017

\*\* Mr. Sanjeev Kathpalia was appointed as Managing Director and Chief Executive Officer effective from March 01, 2017

\*\*\* Remuneration to Meenaz Dhanani is paid by the Company's Wholly Owned Subsidiary, Mindteck Inc., USA.

April 04, 2014 under Mindteck Employee Stock Options Scheme 2008. Further, he was also granted 100,000 options at Rs. 90.75/- on August 10, 2016 under Mindteck Employee Stock Options Scheme 2008. Both stock options mentioned above shall vest @ 1/3rd on the completion of every year from the date of grant. The said stock options can be exercisable within the maximum period of 60 months from the date of vesting.

Mr. Sanjeev Kathpalia was granted 250,000 options at Rs. 78.10/- on March 30, 2017 under Mindteck Employee Stock Options Scheme 2014. Further, he was also granted 250,000 options at Rs. 84.45/- on April 06, 2017 under Mindteck Employee Stock Options Scheme 2014. Both stock options mentioned above shall vest @ 1/3rd on the completion of every year from the date of grant. The said stock options can be exercisable within the maximum period of 60 months from the date of vesting

#### **Proceedings of Board Meetings:**

The agenda items for the Board Meetings are decided in advance in consultations with heads of various functions, the Non-Executive Chairman and the Managing Director & Chief Executive Officer. Every Board member can suggest additional items for inclusion in the agenda. Functional heads, who can provide additional insights into the items discussed in the Board Meetings, are also invited for the discussion. Report on the action items are placed before the Board at its succeeding meeting.

#### **Information and updates to Board of Directors**

The following information and updates were made available to the Board of Directors as under:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other Committees of the Board of Directors.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions.

Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

All the information to be provided to the Board as per Part A of Schedule II of SEBI (LODR) has been made available to the Board. The Company's Board reviews and takes on record the statutory compliance reports submitted by the Company's Management on a quarterly basis. In case of business exigencies, resolutions of the Board are passed by circulation. In addition to the above, the Company has complied all Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI (LODR).

#### **Recording minutes of proceedings at Board and Committee Meetings:**

The Company Secretary records the Minutes of the proceedings of each Board and Committee Meetings. Draft minutes are circulated to all the members of the Board/ Committees for their comments. The minutes are entered in the Minutes book immediately on approval and after it's signed.

#### **Post meeting follow up mechanism:**

The important decisions taken at the Board/Committee Meetings are communicated promptly to the concerned departments/divisions and Stock Exchanges wherever necessary to comply with the Listing Agreement and SEBI (LODR). An Action Taken Report on the decisions/minutes of the previous meeting(s) is placed at the following meeting of the Board/Committee for noting and taking on record. Thus, an effective post meeting follow up, review and reporting of the decisions taken at the Board/Committee Meetings is ensured.

## **B. GOVERNANCE BY COMMITTEES OF THE BOARD OF DIRECTORS**

The Company has the following Committees of the Board of Directors:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders Relationship Committee
- iv. Corporate Governance Committee
- v. Corporate Social Responsibility Committee
- vi. Risk Management Committee

### **i. Audit Committee**

The Company's Board has constituted an Audit Committee pursuant to the provisions of the Companies Act, 2013 which has all the necessary features as required by SEBI (LODR).

**a. Composition and Meetings of the Committee:**

Meeting: The Audit Committee Meeting was conducted four times during the year on May 20, 2016, August 10, 2016, November 11, 2016 and February 10, 2017. The approved minutes of the meetings were placed before the Board at the succeeding Board Meeting for information.

**Table 04:** Composition and Attendance Record of Audit Committee Meetings held during the year is as follows:

Members	No. of Meetings	
	Held	Attended
Mr. Narayan A. Menon, Chairman	4	4
Mr. Guhan Subramaniam*	4	3
Mr. Jagdish Malkani	4	3
Mr. Javed Gaya	4	4
Ms. Prochie Sanat Mukherji*	4	3
Mr. Yusuf Lanewala	4	4

\*The Audit Committee was reconstituted to include Ms. Prochie Sanat Mukherji and Mr. Guhan Subramaniam effective from August 10, 2016

Mr. Shivarama Adiga S., Company Secretary, acted as Secretary for all the Audit Committee Meetings held in FY 2016-17.

**b. Powers:**

Powers of the Audit Committee include:

- i. To investigate any activity within its terms of reference
- ii. To seek information from any employee.
- iii. To obtain outside legal or other professional advice, if it considers necessary.
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**c. Roles and Responsibilities:**

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by Management;

- significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- v. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
  - vi. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - viii. Approval or any subsequent modification of transactions of the Company with related parties;
  - ix. Scrutiny of inter-corporate loans and investments;
  - x. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - xi. Evaluation of internal financial controls and risk management systems;
  - xii. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xiv. Discussion with internal auditors of any significant findings and follow up thereon;
  - xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xviii. To review the functioning of the whistleblower mechanism;
  - xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



- xxi. The Audit Committee mandatorily reviews the following information:
1. Management Discussion and Analysis of financial condition and results of operations;
  2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
  3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. Internal Audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
  6. Statement of deviations:
    - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## ii. Nomination and Remuneration Committee

### a. Composition and Meetings of the Committee:

Meeting: The Committee held four meetings during the year: – May 20, 2016, August 10, 2016, November 11, 2016 and February 10, 2017.

**Table 05:** Composition and Attendance Record of Nomination and Remuneration Committee Meetings held during the year is as follows

Members	No. of Meetings	
	Held	Attended
Mr. Javed Gaya, Chairman	4	4
Mr. Guhan Subramaniam*	4	3
Mr. Jagdish Malkani	4	3
Mr. Narayan A. Menon	4	4
Ms. Prochie Sanat Mukherji*	4	3

\*The Nomination and Remuneration Committee was reconstituted to include Ms. Prochie Sanat Mukherji and Mr. Guhan Subramaniam effective from August 10, 2016

### b. Powers/Roles:

The terms of reference of the Nomination and Remuneration Committee include the following:

- i. To decide on all matters relating to the Company's stock option/share purchase schemes including the grant of options/shares to the Directors and employees of the Company and/or of its subsidiaries.
- ii. To determine and make suitable recommendations to the Board in all matters relating to qualification,

appointment, evaluation and remuneration of the Independent Directors of the Board, Executive Directors of the Company and its managerial personnel under the Companies Act, 2013 and SEBI (LODR).

- iii. To review performance and determine the remuneration payable to Executive Directors.
- iv. Establishment and administration of employee compensation and benefit plans.
- v. To decide and make suitable recommendations to the Board on any other matter that the Board may entrust to the Committee with or as may be required by any statutes/regulations/guidelines/Listing Agreements, etc.

### c. The Nomination and Remuneration policy is annexed to the Board's Report

### d. Performance Evaluation criteria for Board of Directors

The Board along with the Nomination and Remuneration Committee laid down the evaluation criteria for Board evaluation which includes evaluation of the performance of the Board as a whole, Individual Directors (including Independent Directors and Chairperson) and various Committees of the Board, in line with the Companies Act, 2013 and the Guidance Note on Board Evaluation issued by SEBI. The Members of the Board evaluate the performance of all Board Members through peer evaluation. Further, each and every Board member evaluates the effectiveness of the Board dynamics & relationships, Company performance strategy and effectiveness of the Board and its Committees. Questionnaires were devised to gather information from the Board of Directors, which were later consolidated to summarize and provide effective feedback to all Individual Directors, Chairperson and Committees of the Board as well as the Board as a whole.

Independent Directors are evaluated with some key performance indicators such as:

- Ability to adopt international best practices to address risk and challenges
- Ability to monitor Corporate Governance practices.
- Commitment to fulfill the obligations and responsibilities.
- Active participation in the Board room discussion and long-term strategic planning.

## iii. Stakeholders Relationship Committee

### a. Composition and Meetings of the Committee:

Meeting: During the year, the Committee did not meet.

**Table 06:** Composition of Stakeholders Relationship Committee is as follows:

Members
Mr. Javed Gaya, Chairman
Mr. Jagdish Malkani
Mr. Yusuf Lanewala

Mr. Shivarama Adiga S., Company Secretary, acts as the Chief Compliance Officer.

**b. Powers/Roles:**

The Stakeholders Relationship Committee approves the transfer of shares, issue of split and duplicate share certificates, etc. The Committee also oversees redressal of the shareholders' grievances/complaints and compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Committee has delegated the power to approve the transfer of physical shares to Company Secretary and to Universal Capital Securities Pvt. Ltd, the Company's Registrar and Share Transfer Agent, once in 15 days, the statement of the same along with the investors complaints are placed before the Board periodically for the purpose of noting.

**Table 07:** Report of Investor Complaints received and disposed of during year ended March 31, 2017:

	No. of cases outstanding as on April 01, 2016	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2017
No. of Investor issues	NIL	NIL	NIL	NIL
No. of Legal cases	NIL	NIL	NIL	NIL

There were no outstanding complaints pending for more than 15 days and there were no cases that were not resolved to the satisfaction of the shareholders.

**iv. Corporate Governance Committee****a. Composition and Meetings of the Committee:**

Meeting: During the year, the Committee did not meet.

**Table 08:** Composition of Corporate Governance Committee is as follows:

Members
Mr. Narayan A. Menon, Chairman
Mr. Jagdish Malkani
Mr. Meenaz Dhanani
Mr. Yusuf Lanewala

**b. Objective:**

The objective of the Committee is to ensure excellence in governance, foster exemplary standards of business conduct and aim to achieve highest levels of transparency, accountability and equity in all facets of operations and transactions in pursuit of increased value to stakeholders.

**c. Terms of reference of the Corporate Governance Committee:**

- Review Board/Corporate Codes and make suitable recommendations to the Board from time to time.
- Review the Structure/Charters of other Board Committees and make suitable recommendations to the Board from time to time.

- Recommend best practices and standards in any particular area to the Board of Directors as per its mandate.

**v. Corporate Social Responsibility Committee****a. Composition and Meetings of the Committee:**

Meeting: During the year, the Committee did not meet but passed 3 Circular Resolutions.

**Table 09:** Composition of Corporate Social Responsibility Committee is as follows:

Members
Mr. Yusuf Lanewala, Chairman
Mr. Jagdish Malkani
Mr. Javed Gaya

**b. Objective:**

To formulate and manage CSR activities as and when appropriate and approved by the Board of Directors from time to time and to comply with all the statutory requirements under the Companies Act, 2013.

**c. Terms of reference of the Corporate Social Responsibility Committee:**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend appropriate targeted CSR funding to the Board.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Formulate a transparent monitoring mechanism for implementation of CSR projects/programs/activities.
- Monitor implementation of CSR activities on a quarterly basis.
- Approve such projects/programs/activities as approved by the Central Government

**vi. Risk Management Committee****a. Composition and Meetings of the Committee:**

Meeting: The Committee met once on August 09, 2016.

**Table 10:** Composition and Attendance Record of Risk Management Committee Meetings held during the year is as follows:

Members	No. of Meetings	
	Held	Attended
Mr. Yusuf Lanewala, Chairman	1	1
Mr. Anand Balakrishnan	1	1
Mr. Meenaz Dhanani	1	1

**b. Objective:**

The Risk Management Committee is concerned with the formulation and implementation of a systematic, structured and a disciplined approach for identification, assessment and management of potential risks and opportunities arising in the course of business.

**c. Terms of reference of the Risk Management Committee:**

- i. Maximization of stakeholders' wealth.
- ii. Promote an innovative and a less risk-averse culture.
- iii. Encourage managers to take well-informed and calculated business risks.
- iv. Ensure the efficient use and allocation of organizational resources.
- v. Preserve, protect and enhance the Company's image and brand assets.
- vi. Identify and assess risk elements.
- vii. Implement suitable strategies to mitigate such risk.

**d. Commodity price risk or foreign exchange risk and hedging activities:**

There is no commodity price risk. The Board has taken a conscious decision not to have a formal hedging strategy in the Company, given the current foreign exchange exposures.

**C. GOVERNANCE BY MANAGEMENT****OTHER DISCLOSURES:****Related Party Transactions:**

During the year 2016-17, no materially significant related party transactions were entered into by the Company with the Directors or Management or their relatives that may have a potential conflict with the interest of the Company at large. The details of the transactions with subsidiaries at arm's length basis are separately shown in Annexure to Board's Report and Notes to accounts 3.17 of the Financials as at March 31, 2017. The Company's Related Party Transactions Policy is displayed on its website.

**(Weblink: [http://www.mindteck.com/assets/investor\\_pdf/RPT\\_Policy.pdf](http://www.mindteck.com/assets/investor_pdf/RPT_Policy.pdf))**

**Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India ('SEBI') or any statutory authority, on any matter related to capital markets, during the last three years:**

No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital market during the last three years, except the amount of Rs 57,000 (Inclusive of Service Tax) paid by the Company for delay in the appointment of Woman Director.

**COMPLIANCE CERTIFICATES:****Certificate on Corporate Governance:**

As required under Schedule V(E) of SEBI (LODR), the Certificate is obtained from a Practicing Company Secretary and is also annexed to the Board's Report as **Annexure-9**.

**CEO and CFO Certificate:**

The Certificate given by the Managing Director & Chief Executive Officer and Chief Financial Officer as per SEBI (LODR) in the prescribed format also forms part of this Annual Report.

**Code of Business Conduct and Ethics:**

In compliance with the Companies Act, 2013 and SEBI (LODR) the Company has adopted a Code of Business Conduct and Ethics for all employees including Directors of the Company and its subsidiaries. All members of the Board and Senior Management Personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics. A copy of the said Code of Business Conduct and Ethics is available on the website. ([www.mindteck.com](http://www.mindteck.com)).

**Compliance with laws:**

The Company believes in commitment to values and compliance of laws which are the hallmarks of good Corporate Governance. Legal Compliance Management in the Company transcends to compliances as a yardstick to measure and manage business risks to maximize shareholder value. The Board periodically reviews the status of compliance and the Company continuously aims to be compliant of all applicable laws at all times.

**Management Discussion and Analysis:**

A Management Discussion and Analysis Report is included in the Annual Report.

**Subsidiaries:**

The Company has no Indian listed or non-listed subsidiary. The statement pertaining to Subsidiaries of the Company forms part of the Board's Report as **Annexure-1**.

**Compliance with mandatory and non-mandatory requirements of SEBI (LODR):**

The Company has disclosed all the mandatory requirements under SEBI (LODR) and the status of adoption of non-mandatory requirements is as under:

- Constituted Corporate Governance Committee
- Constituted Risk Management Committee
- Company has moved towards a regime of financial statements with Unmodified Audit Report
- Internal Auditor directly reports to Audit Committee
- Separate posts of Chairperson and Chief Executive Officer

**Policies and Best Practices:**

The Company has formulated various policies and procedures in accordance with the requirements of the Companies Act, 2013, SEBI (LODR) and other applicable SEBI Regulations to maintain transparency, professionalism and accountability in the organization.

**Code of Practices and Procedures for Fair Disclosure:**

In pursuance to Clause 8 of Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code for timely, appropriate and adequate disclosure of unpublished price sensitive information. The Company, through this code, provides investors with direct access to analyst briefing material, significant background information and questions and answers on its website.

**Board Charter:**

The Company believes that Corporate Governance as a discipline leads to effectiveness and transparency in the functioning of corporate entity. Towards this end, the Company has adopted a Board Charter which clearly defines the mission, role, structure, responsibilities and operations of the Board and its delegation of authority to Management.

**Code of Conduct for Prohibition of Insider Trading:**

Pursuant to Clause 9 of Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated the “Mindteck Code of Conduct to Regulate, Monitor and Report Trading by Insiders” from using unpublished price sensitive information to their advantage. The Company Secretary of the Company is the Compliance Officer for the purpose of this Code of Conduct and maintains a record of the Insiders. No Insider of the Company has violated this Code and no unpublished price sensitive information has been communicated or used by them.

**Whistleblower:**

The Company has adopted a Whistleblower Policy and has established the necessary vigil mechanism in line with the Companies Act, 2013 and SEBI (LODR), for employees to report concerns, alleged wrongful conduct, including unethical behavior, financial irregularities, sexual harassment, infringement and misuse of Intellectual Property. It also provides protection against victimization of employees, who avails this mechanism and also allows him direct access to the Audit committee. No employees have been denied access to the Audit Committee. The Policy is displayed on the website of the Company.

**(Weblink: [http://www.mindteck.com/assets/investor\\_pdf/Whistleblower\\_Policy.pdf](http://www.mindteck.com/assets/investor_pdf/Whistleblower_Policy.pdf))**

**Material Subsidiaries:**

The Company has formulated a Policy on Material Subsidiaries and has established the necessary mechanism under Regulation 16(1)(c) of SEBI (LODR). For the purpose of this Regulation, a subsidiary shall be considered as material if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

**(Weblink: [http://www.mindteck.com/assets/investor\\_pdf/Material\\_Subsubsidiaries\\_Policy\(1\).pdf](http://www.mindteck.com/assets/investor_pdf/Material_Subsubsidiaries_Policy(1).pdf))**

**Policy for Determining Material Information**

The Company has adopted a Policy for Determining Material Information as per SEBI (LODR). This Policy applies with respect to the disclosure of Material Events/Information occurring/arising within the Company and its subsidiaries. This Policy is displayed on the website of the Company.

**(Weblink: [http://www.mindteck.com/assets/investor\\_pdf/Policy-for-Determining-Material-Information.pdf](http://www.mindteck.com/assets/investor_pdf/Policy-for-Determining-Material-Information.pdf))**

**Document Retention and Archival Policy**

The Company has adopted a Document Retention and Archival Policy as per SEBI (LODR). This Policy deals with the retention and archival of all important corporate records of the Company. All the employees are mandated to fully comply with this Policy. This Policy is displayed on the website of the Company.

**(Weblink: [http://www.mindteck.com/assets/investor\\_pdf/Document-Retention-and-Archival-Policy.pdf](http://www.mindteck.com/assets/investor_pdf/Document-Retention-and-Archival-Policy.pdf))**

**Internal Auditor:**

The Audit Committee of the Company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit. Accordingly the Internal Auditor shall act upon and shall produce the audit report for each Quarter before the Audit Committee.

**SOFTWARE DEVELOPMENT CENTERS:****Bengaluru, India:**

A.M.R. Tech Park, Block-1, 3rd Floor  
#664, 23/24, Hosur Main Road  
Bommanahalli, Bengaluru- 560068

**Kolkata, India:**

Millennium Towers  
Unit: T-29C, Tower II, Level IX, Plot No. 62, Block DN  
Sector V, Salt Lake, Kolkata – 700 091

**Pennsylvania, US:**

150 Corporate Center Drive  
Suite 200, Camp Hill, PA 17011

**Singapore:**

7B Keppel Road  
#05-09 PSA Tanjong  
Pagar Complex, Singapore 089055

**INVESTOR CONTACTS:****Registered Office Address for correspondence:****Mindteck (India) Limited**

A.M.R. Tech Park, Block-1, 3rd Floor  
#664, 23/24, Hosur Main Road  
Bommanahalli, Bengaluru - 560068.  
Tel: 91 80 4154 8000  
Fax: 91 80 4112 5813

For additional information on the Company, please refer to our website: **[www.mindteck.com](http://www.mindteck.com)**

**For queries relating to financial statements:****Anand Balakrishnan**

Chief Financial Officer  
Tel: 91 80 4154 8000, Ext. 8002  
Email: [anand.balakrishnan@mindteck.com](mailto:anand.balakrishnan@mindteck.com)

**For queries relating to shares/dividend/compliance:****Shivarama Adiga S.**

Vice President, Legal and Company Secretary  
Tel: 91 80 4154 8000, Ext. 8013  
Email: [shivarama.adiga@mindteck.com](mailto:shivarama.adiga@mindteck.com)

**Address of Registrar and Transfer Agents:****Universal Capital Securities Pvt. Ltd.,**

21/25, Shakil Niwas, Opp. Satya Saibaba Temple  
Mahakali Caves Road, Andheri (East), Mumbai - 400 093, India

**Contact: Santosh Gamare**

Tel: 91 22 28207203-05, Fax No: 91 22 2820 7207  
Email: [gamare@uniseq.in](mailto:gamare@uniseq.in)

**Addresses of Regulatory Authority/Stock Exchanges:****Securities and Exchange Board of India (SEBI)**

Plot No. C4-A, G Block, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051, India  
Tel: 91 22 2644 9000/4045 9000  
Fax: 91 22 2644 9016/20  
Email: [sebi@sebi.gov.in](mailto:sebi@sebi.gov.in)

**Registrar of Companies, Karnataka**

‘E’ Wing, 2ND Floor  
Kendriya Sadana, Koramangala  
Bengaluru-560 034, India  
Tel: 91 80 2563 3105 (Direct)  
91 80 2553 7449/91 80 2563 3104  
Fax: 91 80 2553 8531  
E-mail: [roc.bangalore@mca.gov.in](mailto:roc.bangalore@mca.gov.in)

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001, India  
Phone: 91 22 2272 1233/4, 91 22 6654 5695  
Fax: 91 22 2272 1919

## National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Tel: 91 22 26598100/ 91 22 26598114  
Fax: 91 22 26598120

## Depository for Equity Shares - India:

### National Securities Depository Limited

Trade World, A Wing, 4th and 5th Floors  
Kamala Mills Compound, Senapati Banat Marg  
Lower Parel, Mumbai 400 013, India  
Tel: 91 22 2499 4200  
Fax: 91 22 2497 6351  
Email: info@nsdl.co.in

### Central Depository Services (India) Limited

17th Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai 400 001, India  
Tel: 91 22 2272 3333  
Fax: 91 22 2272 3199  
Email: helpdesk@cdslindia.com

## D. INFORMATION FOR SHAREHOLDERS

### Corporate Profile:

Mindteck (India) Limited was incorporated in Mumbai in 1991 as Hinditron Informatics Limited under the Companies Act, 1956. The name was changed to Mindteck (India) Limited in September, 1999. Later on, in the year 2006, the Registered Office of the Company was shifted from Mumbai to Bengaluru. The Company's CIN is L30007KA1991PLC039702.

### Forthcoming Annual General Meeting (AGM):

AGM for the year 2016 -17 is scheduled on Friday, August 11, 2017 at 12:00 Noon at Hotel Woodlands, "Sri Krishna Hall" No-5, Rajaram Mohan Roy Road, Bengaluru - 560 025.

**Table 11:** Location and time of last three AGMs held:

Date of AGM	Time of AGM	Location
August 14, 2014	11.00 AM	Hotel Woodlands, "Chandani Hall" No-5, Rajaram Mohan Roy Road, Bengaluru-560025
August 11, 2015	12:00 Noon	Hotel Woodlands, "Mini Hall" No-5, Rajaram Mohan Roy Road, Bengaluru-560025
August 11, 2016	12:00 Noon	Hotel Woodlands, "Sri Krishna Hall" No-5 Rajaram Mohan Roy Road Bengaluru-560025

**Table 12:** The following Special Resolutions were passed by the Company in its last three Annual General Meetings:

August 14, 2014	<ol style="list-style-type: none"><li>1. Appointment and payment of remuneration to Mr. Dayananda Shetty as an Executive Director of the Company</li><li>2. Appointment and payment of remuneration of Mr. Meenaz Dhanani as an Executive Director of the Company</li><li>3. Re-Appointment and payment of remuneration of Mr. Yusuf Lanewala as Managing Director and CEO of the Company</li><li>4. Appointment of Mr. Javed Gaya as an Independent Director</li><li>5. Payment of Profit related Commission to Non-Executive Directors including Independent Directors</li><li>6. Introduction of Mindteck Employees Stock Option Scheme 2014 to the employees of the Company</li><li>7. Introduction of Mindteck Employees Stock Option Scheme 2014 to the permanent employees of the Holding Companies' of the Company and/or Subsidiary Companies' of the Company.</li></ol>
August 11, 2015	Payment of Profit related Commission to Mr. Yusuf Lanewala, Chairman and Managing Director.
August 11, 2016	To approve the re-appointment of Mr. Meenaz Dhanani as an Executive Director.

There was no postal ballot taken place during the year and no special resolutions were passed through the postal ballot procedure.

**Financial year:** April 1, 2016 to March 31, 2017

### Book Closure dates for the forthcoming AGM:

August 05, 2017 to August 11, 2017 (both days inclusive).

The Company's equity shares are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') as at March 31, 2017 and Scrip code is "517344" and "MINDTECK" respectively.

The Annual Listing fee for the year 2017-18 has been paid by the Company to the BSE Limited and National Stock Exchange of India Limited. The Annual Custodial fee for the year 2017-18 has been paid by the Company to NSDL and CDSL.

### Dividend:

Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if approved at the ensuing Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on August 04, 2017.

### Share Transfer System:

The Company's Registrars and Share Transfer Agent, Universal Capital Securities Pvt. Ltd., processes physical shares sent for transfer/transmission, etc. in two batches every month and ensures that the share transfers/transmissions, etc. are effected within stipulated time. Transfers/transmissions which are complete in all respects are processed and the certificates in respect thereof are returned to the lodger/shareholder within 15 days of lodgments.

**Secretarial Audit:**

As per the requirements of Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 and as a measure of good Corporate Governance, the Company has appointed Mr. Rajnikant N. Shah, a Practicing Company Secretary, to undertake the reconciliation of the share capital of the Company for submitting to BSE and NSE. The audit reconciles on a Quarterly basis, the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital of the Company. The audit has confirmed that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

During the year, CS S. Kannan, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2016-17 is attached to the Board's Report as **Annexure-5**.

The Board noted the reports given by the Secretarial Auditor and confirmed that there is no qualification, reservation or adverse remark or disclaimer.

**Dematerialization of shares and liquidity:**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited and Central Depository Services (India) Limited. Equity Shares of the Company representing 99.32% of the Company's equity share capital are dematerialized as on March 31, 2017. The Company continues to facilitate requests for dematerialization of shares on a regular basis and the request can be routed through RTA, Universal Capital Securities Private Limited. Under the Depository system, the International Securities Identification Number (ISIN) allotted to Mindteck shares is INE110B01017.

**Shareholding Pattern as on March 31, 2017:**

The details of Shareholding pattern is attached to Board's Report as **Annexure-6**.

**Table 13:** Distribution of Shareholding as on March 31, 2017:

Range	As on March 31, 2017				As on March 31, 2016			
	Shareholders		Shares		Shareholders		Shares	
	No. of Shares	Numbers	% to Total	Numbers	% to Total	Numbers	% to Total	Numbers
1 – 500	9,503	88.52	923,942	3.64	8,916	88.90	833,865	3.31
501 – 1000	563	5.24	462,606	1.82	527	5.25	429,507	1.71
1001 – 2000	298	2.78	453,917	1.79	262	2.61	395,513	1.57
2001 – 3000	115	1.07	292,564	1.15	97	0.97	247,968	0.98
3001 – 4000	42	0.39	147,253	0.58	52	0.52	183,683	0.73
4001 – 5000	51	0.48	235,329	0.93	31	0.31	147,171	0.59
5001–10000	98	0.91	742,170	2.92	88	0.88	641,393	2.55
10001 & above	65	0.61	22,126,114	87.17	56	0.56	22,294,001	88.56
<b>Total</b>	<b>10,735</b>	<b>100.00</b>	<b>25,383,895</b>	<b>100.00</b>	<b>10,029</b>	<b>100.00</b>	<b>25,173,101</b>	<b>100.00</b>

**Unclaimed Dividend:**

Sections 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred as 'the Rules') mandates that companies transfer Dividend that has been unclaimed for a period of seven years from Unpaid Dividend Account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of corresponding shares with respect to the dividend which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly the Dividend for the years mentioned as under, if remains unclaimed within a period of seven years, and corresponding shares will be transferred to IEPF as per the date appended below.

The Shareholders may write to Universal Capital Securities Pvt. Ltd before the due dates to claim their unclaimed dividend. Any shareholder whose unclaimed dividend and corresponding shares are transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back from the IEPF following the procedure prescribed in the Rules. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF account. No claim shall lie in respect thereof with the Company.

The statement of the unclaimed dividend amount as on last AGM i.e. August 11, 2016, as prescribed under Form IEPF-2, has been published on the website of the Company.

In accordance with the above provision, during the year 2016-17 no amount was due to be credited to the Investor Education and Protection Fund Account.

Table 14:

Dividend Year	Type of Dividend	Dividend Rate	Date of Declaration	Due Date for Transfer to IEPF	Amount Unclaimed <sup>(1)</sup> Rs.
2013-14	Final Dividend	10%	14-08-2014	18-10-2021	111,835.00
2014-15	Final Dividend	10%	11-08-2015	15-10-2022	118,819.19
2015-16	Final Dividend	10%	11-08-2016	15-10-2023	631,388.60

(1) Amount unclaimed as at March 31, 2017

#### Communication to the Shareholders:

##### i. Quarterly Results:

The Company has published its Quarterly and year-end financial results in the Business Standard (English) and Hosadigantha (Bengaluru Edition - Kannada) newspapers during the financial year 2016-17. The results have also been submitted to the BSE Limited and National Stock Exchange of India Limited where the Company's equity shares are listed and published on the Company's website ([www.mindteck.com](http://www.mindteck.com)).

##### ii. News Releases and Presentations:

Official news releases, detailed presentations made to media, analysts, etc. are displayed on the Company's website: ([www.mindteck.com](http://www.mindteck.com))

##### iii. Website:

The Company's website [www.mindteck.com](http://www.mindteck.com) contains a separate dedicated "Investors" section where all the shareholders' information is available, along with the full Annual Reports of the Company.

##### iv. Annual Report:

The physical copy of the Annual Report containing the annual audited financial statements, both standalone and consolidated, along with the Auditors' Report thereon, the Board's Report, Management Discussion and Analysis Report and other important information, is circulated to all the shareholders whose email IDs are not registered with the Company. We have also sent soft copies of the Annual Report, along with all the above listed documents, to all

the investors whose email IDs is registered/made available to us as per the Regulation 36 of SEBI (LODR) and Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014.

##### v. Electronic/Soft Copies:

Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014 allows paperless compliances by Companies through electronic mode. As per Regulation 36 (1)(a) of the SEBI (LODR) electronic copies of full annual report shall be sent to all those shareholder(s), who have registered their email address(es) for the purpose. Thus, Companies are now permitted to send various notices/documents, including Annual Reports, to its shareholders through electronic mode. We request all shareholders to be a part of this "Green Initiative" by updating their email IDs for all future correspondence with their respective DPs (for shares held in Demat form) or to the email ID of RTA, Universal Capital Securities Private Limited by sending an email to [mindteck.investors@uniseq.in](mailto:mindteck.investors@uniseq.in) or to the Company Secretary, to [shivarama.adiga@mindteck.com](mailto:shivarama.adiga@mindteck.com). The soft copy of the Annual Report will be made available on the website of the Company. Any shareholder of the Company can also opt for a physical copy by writing to [shivarama.adiga@mindteck.com](mailto:shivarama.adiga@mindteck.com). If not opted, it is deemed to be accepted to send a soft copy through e-mail.

## Market Price Data:

**Table 15:** High/Low of Company's equity shares on the BSE Limited, Mumbai during each month in the year ended March 31, 2017:

Month	Sensex		Share Price		Trade	
	High	Low	High Rs.	Low Rs.	Number of shares traded	Value Rs.
April 2016	26100.54	24523.20	112.00	82.95	990,520	99,540,420
May 2016	26,837.20	25,057.93	114.70	84.00	569,279	56,782,725
June 2016	27,105.41	25,911.33	94.70	78.00	596,144	52,592,464
July 2016	28,240.20	27,034.14	96.45	85.00	583,474	52,865,361
August 2016	28,532.25	27,627.97	100.80	76.00	437,872	38,382,488
September 2016	29,077.28	27,716.78	99.70	74.25	688,544	60,465,268
October 2016	28,477.65	27,488.30	106.00	82.10	673,389	64,645,648
November 2016	28,029.80	25,717.93	94.45	69.00	196,036	15,987,880
December 2016	26,803.76	25,753.74	98.00	75.15	406,873	35,584,578
January 2017	27,980.39	26,447.06	105.20	90.45	423,317	41,414,729
February 2017	29,065.31	27,590.10	97.00	81.00	175,863	15,310,809
March 2017	29,824.62	28,716.21	89.00	77.50	136,536	11,024,627

**Table 16:** High/Low of Company's equity shares on the National Stock Exchange of India Limited, Mumbai during each month in the year ended March 31, 2017:

Month	Nifty		Share Price*		Trade*	
	High	Low	High Rs.	Low Rs.	Number of shares traded	Value Rs.
April 2016	7,992.00	7,516.85	-	-	-	-
May 2016	8,213.60	7,678.35	-	-	-	-
June 2016	8,308.15	7,927.05	-	-	-	-
July 2016	8,674.70	8,287.55	-	-	-	-
August 2016	8,819.20	8,518.15	102.95	75.55	198,718	16,981,389
September 2016	8,968.70	8,555.20	99.90	71.00	1,069,624	95,667,897
October 2016	8,806.95	8,506.15	106.80	82.00	1,375,016	133,303,078
November 2016	8,669.60	7,916.40	94.90	69.10	339,996	27,833,807
December 2016	8,274.95	7,893.80	98.50	70.25	1,035,538	90,776,580
January 2017	8,672.70	8,133.80	105.75	90.05	1,214,241	119,129,017
February 2017	8,982.15	8,537.50	97.00	81.00	414,456	36,436,237
March 2017	9,218.40	8,860.10	89.75	77.45	326,313	26,571,445

\* Mindteck (India) Limited shares were listed and started trading on National Stock Exchange of India Limited effective from August 02, 2016.



**Table 17:** Performance in comparison to broad-based BSE Index and BSE IT Index:

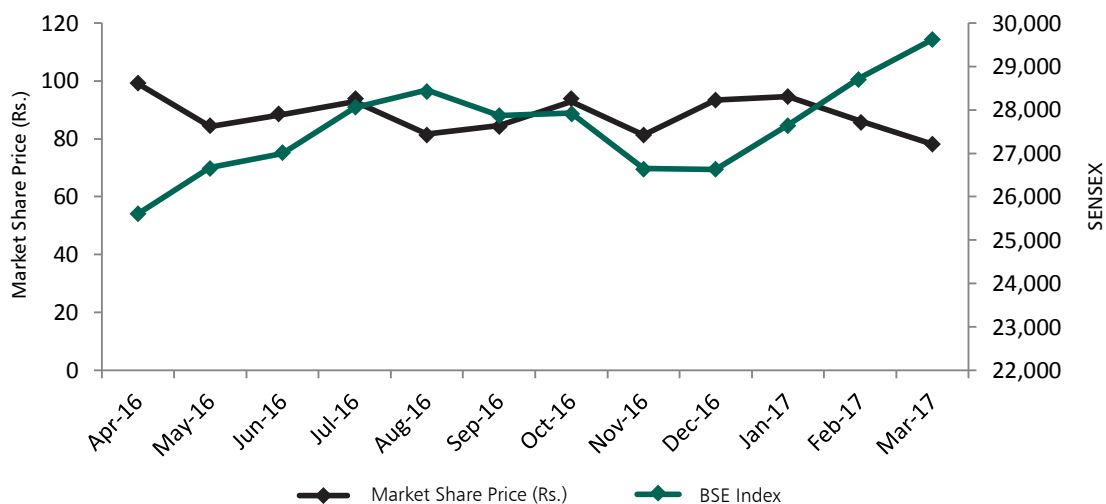
Month	Closing share price on month's last trading day (Rs.)	BSE Index	BSE IT Index
April 2016	99.05	25,606.62	11,330.17
May 2016	84.20	26,667.96	11,576.14
June 2016	88.30	26,999.72	11,199.95
July 2016	92.80	28,051.86	10,813.20
August 2016	81.65	28,452.17	10,439.35
September 2016	84.65	27,865.96	10,229.09
October 2016	92.85	27,930.21	10,032.72
November 2016	81.35	26,652.81	9,851.55
December 2016	93.40	26,626.46	10,176.05
January 2017	94.60	27,655.96	9,586.34
February 2017	86.15	28,743.32	10,376.10
March 2017	78.15	29,620.50	10,365.51

**Table 18:** Performance in comparison to broad-based NSE Index and NSE IT Index:

Month	Closing share price on month's last trading day (Rs.)*	NSE Index	NSE IT Index
April 2016	-	7849.80	11196.25
May 2016	-	8160.10	11395.85
June 2016	-	8287.75	11120.15
July 2016	-	8638.50	10913.30
August 2016	81.60	8786.20	10546.10
September 2016	84.30	8611.15	10292.30
October 2016	92.70	8625.70	10082.70
November 2016	81.55	8224.50	10087.65
December 2016	93.50	8185.80	10399.25
January 2017	94.05	8561.30	9848.50
February 2017	86.80	8879.60	10680.95
March 2017	78.40	9173.75	10703.25

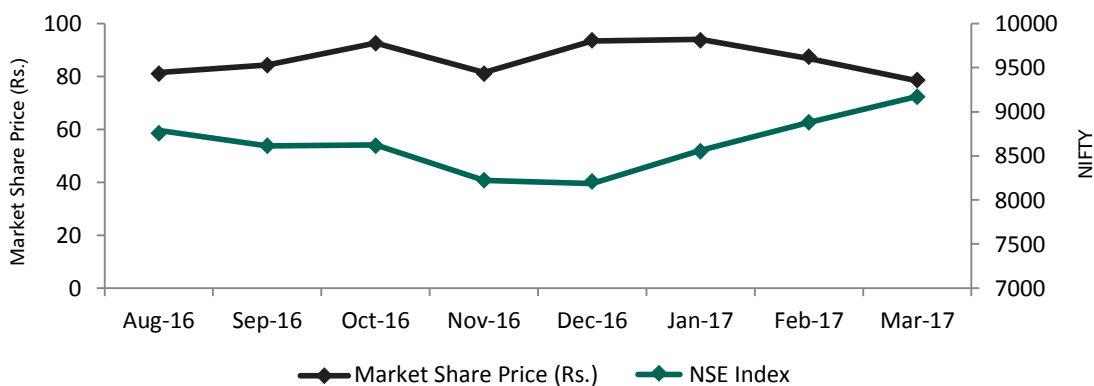
\* Mindteck (India) Limited shares were listed and started trading on National Stock Exchange of India Limited effective from August 02, 2016.

### Performance of Mindteck shares in comparison to BSE Index:



(Source data: www.bseindia.com)

### Performance of Mindteck shares in comparison to NSE Index\*:



\* Mindteck (India) Limited shares were listed and started trading on National Stock Exchange of India Limited effective from August 02, 2016.  
(Source data: www.nseindia.com)

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Business Conduct and Ethics for its Senior Management including the Managing Director and Non-Executive Directors/Independent Directors. I confirm that the Company has, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Business Conduct and Ethics as applicable to them in respect of the financial year ended March 31, 2017.

On behalf of the Board of Directors

**Sanjeev Kathpalia**  
Managing Director and Chief Executive Officer  
(DIN: 05257060)

Bengaluru, India  
May 22, 2017

## Management Discussion and Analysis

In addition to historical information, this Annual Report contains certain forward looking statements. The forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward looking statements. Factors that might cause the difference include, but are not limited to, those discussed in the Management Discussion and Analysis of financial performance and elsewhere in this report. Readers are cautioned not to place undue reliance on these forward looking statements, which reflect management's analysis as of the date hereof.

### ECONOMIC OUTLOOK

The broad story remains unchanged: Over the near-and medium-term, most of the projected pickup in global growth will stem from stronger activity in emerging market and developing economies. IMF'S forecast for FY 2017–18 envisions a rebound in activity in advanced economies that is faster than previously expected. It is now forecast to grow by 2.0 percent in 2017 and 2018. Growth in the group of emerging market and developing economies is forecast to rise to 4.5 percent and 4.8 percent, respectively, in 2017 and 2018, from an estimated outturn of 4.1 percent in 2016. This projected upturn reflects, to an important extent, a stabilization or recovery in a number of commodity exporters, some of which underwent painful adjustments following the drop in commodity prices, and strengthening growth in India, partially offset by a gradual slowdown of the Chinese economy.

Between 2017-19, across major advanced economies, activity is expected to regain modest momentum. Expectations of a looser fiscal policy in the United States has contributed to a stronger dollar and higher U.S. Treasury interest rates—pushing up yields elsewhere as well. The 2017 and 2018 growth forecasts have been marked up for China, reflecting stronger-than-expected policy support, as well as for Russia, where activity appears to have bottomed out and higher oil prices are bolstering the recovery.

Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit). Negotiations on future economic relations between the United Kingdom and the European Union are assumed to proceed without raising excessive uncertainty, and the arrangements are expected to eventually settle in a manner that avoids a very large increase in economic barriers.

The euro area recovery is expected to proceed at a broadly similar pace in FY 2017–18 as in 2016. The modest recovery is projected to be supported by a mildly expansionary fiscal stance, accommodative financial conditions, a weaker euro, and beneficial spillovers from a likely U.S. fiscal stimulus. Political uncertainty as elections approach in several countries, coupled with uncertainty about the European Union's future relationship with the United Kingdom, is expected to weigh on activity.

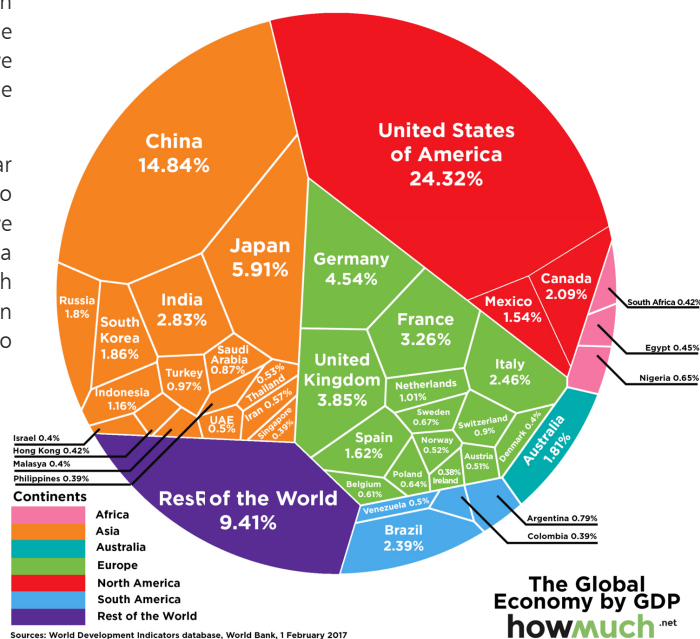
Output in the euro area is expected to grow by 1.7 percent in 2017 and 1.6 percent in 2018. Growth is forecast to soften in Germany (1.6 percent in 2017 and 1.5 percent in 2018), Italy (0.8 percent in 2017 and 2018), and Spain (2.6 percent in 2017 and 2.1 percent in 2018). Overall, economic prospects in emerging and developing Europe are relatively favourable, with the exception of Turkey.

In Japan, a comprehensive revision of the national accounts led to an upward revision of historical growth rates. The growth momentum, fuelled by stronger-than-expected net exports in 2016, is expected to continue into 2017, with growth forecast at 1.2 percent. The pace of expansion is expected to weaken thereafter, with the assumed withdrawal of fiscal support and a recovery of imports offsetting the impact of stronger anticipated foreign demand and Tokyo Olympics-related private investment. Over the medium term, a shrinking labour force will weigh on Japan's growth prospects, although its per capita income growth rates are projected to remain near the levels seen over the past several years.

China's growth remained strong, reflecting continued policy support; activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in a deep recession. IMF advises that the Indian economy is growing strongly and remains a bright spot in the global landscape. It remains one of the fastest growing emerging market economies. India's overall outlook remains positive, although growth will slow temporarily as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation. But the nation's expansion will pick up again as economic reforms kick in. Growth is expected at 6.6 percent in this fiscal year and at 7.2 percent in the following year.

For four of the ASEAN-5 economies—Indonesia, Malaysia, Philippines, Vietnam—economic activity is forecast to accelerate slightly in 2017, whereas Thailand is projected to recover from a temporary dip in tourism and consumption in late 2016.

The chart below depicts the world's 40 largest economies individually and grouped by colour. The economy of the United States represents the largest share of the global economy (24.32%).



The *IMF* forecast also points out that the world economy could more than double in size by 2050, far outstripping population growth, due to technology-driven productivity.

### IT outsourcing trends that will drive the industry in 2017

Businesses overall are encouraged by the benefits gained through innovative technologies such as data and analytics, cloud computing, and process automation. These technologies are seen as an effective way to address market challenges, enhance product and services, and manage talent shortages – all while helping to lower operating costs. According to PwC, cloud computing has gone mainstream for many enterprises, and the Internet of Things (IoT) is changing how both industrial and consumer-oriented companies do business.

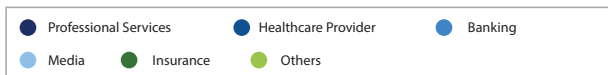
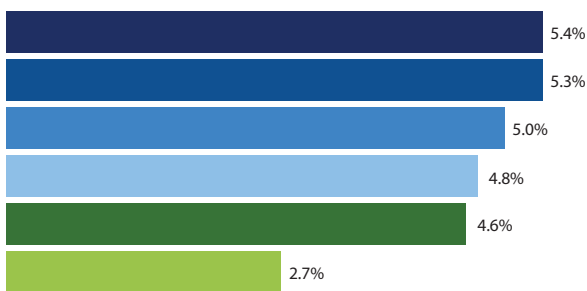
Drones and autonomous vehicles, blockchain, augmented and virtual reality, increasingly sophisticated digital assistants, machine learning Artificial Intelligence (AI) — the list of technological megatrends just keeps growing. With its Predix platform, GE has recast itself as a digital and software-driven company and is developing a leadership position in the Industrial Internet of Things. In order to expand its IoT expertise into the industrial space, Mindteck also joined the GE digital alliance program last year.

Enterprise networking is the largest segment within the Indian IT infrastructure market, with revenue expected to reach USD 1.1 billion this year. Digital transformation is also bringing in new sets of challenges and opportunities for Indian infrastructure leaders.

Industry spending on IT products and services will continue to be led by financial services (banking, insurance, and securities and investment services) and manufacturing (discrete and process). Together, these industries will generate around 30% of all IT revenues as they invest in technology to advance their digital transformation efforts. The telecommunications and professional services industries, and the federal/central government are also forecast to be among the largest purchasers of IT products and services. The industries that will see the fastest spending growth over the forecast period will be professional services, healthcare, and banking, which will overtake discrete manufacturing in 2018 to become the second largest industry in terms of overall spending. This is good news for Mindteck, as we continue to cater and progress in both the professional services and healthcare segments.



Top Industry Based on 5 Year CAGR (2015 - 2020)



Source: IDC Worldwide Semiannual IT Spending Guide Industry and Company Size, 2016H1

As per Deloitte, any technologies, including robotics, virtual and augmented reality, 3-D printing, and AI, are now coming into their own as power and speed increase while the cost of delivery goes

down. They're also opening significant areas of opportunity. A few show particular promise:

- **Machine learning** has the capacity to enhance a wide array of applications, particularly those involving classification, prediction, anomaly detection, and personalization.
- **Blockchain**, the foundation for the digital currency bitcoin, is a very early stage platform that is gaining considerable traction. A distributed database of transaction blocks, it has enormous implications not only for the financial services industry, but potentially for many other sectors as well.
- **Digital transformation** is opening up whole new markets, creating ecosystems that often extend across multiple sectors. Connected and autonomous vehicles, e-medicine, fintech, e-tail, and smart cities are all enabled by connectivity, growth in storage and bandwidth, advances in cognitive technologies, and increasingly sophisticated data analytics. While it may be overhyped on some fronts, the emerging Internet of Things (IoT) has only just begun to reveal its promise.
- **Cloud adoption** is also still in its early stages, and more anything-as-a-service offerings that allow usage-based consumption are likely to emerge. This development will give small- to medium-sized enterprises access to sophisticated capabilities once available only to huge multinationals, creating a virtuous cycle of demand for more products and services.
- **Cybersecurity** products and services are another area with a bright future, at least in part because the success of cloud offerings relies heavily on companies' ability to secure their environments.
- **Pay-per-use** or flexible consumption model. This trend began with cloud-based software-as-a-service offerings, and it continues today.

### Market outlook by industry for 2017

#### Electronic Design, Semiconductor and Storage

In recent years, the sales of electronic components has been remarkably stable. Growth in the electronics industry as a whole has remained small.

Areas such as general industrial electronics, domestic electronics, mobile telecommunications, fixed-line telecommunications and the like are remaining steady, but one that is seeing a considerable level of growth recently is the automotive industry. The level of electronics that is being incorporated into automobiles these days has increased considerably, and it is set to grow even further.

Another major driver is the Internet of Things. With automated homes, factories and cities becoming a reality, the level of electronic control is increasingly fuelling the growth in the use of electronics and the demand for components, reports *Radio Electronics*.

India's ESDM (Electronic System Design and Manufacturing) industry is forecasted to grow at a Compound Annual Growth Rate (CAGR) of 16-23 percent to reach USD 171-228 billion by 2020, an industry-specific report indicates. The report said that the robust growth of India's electronics industry is primarily driven by huge domestic demand for products that can be attributed to a multitude of factors, including a growing middle class, rising disposable incomes and favourable duty structures. Citing large-scale public procurement needs that are driven by government projects like broadband connectivity to villages, rural electrification and e-governance programs, it said favourable ESDM policy initiatives and rising interest of MNCs and Indian enterprises in the sector have created a positive impact on the Indian ESDM value chain.

On electronic production, the report said that in 2015, the electronic products market is sized at USD 61.8 billion, growing at a CAGR of 10 percent over the past two years and that the sector was expected to grow at a CAGR of 15-19 percent to reach USD 123-150 billion by 2020. The Mobile devices segment remains the largest segment in electronics products, as the Indian mobile devices market has been driven by rising demand for mobile handsets, reducing prices and tariffs. Some trends that will dominate the market include:

***The demand for smart electronics devices continues to rise.***

Smart devices are in demand. This trend will lead to the development of new partnerships as electronics manufacturers seek technology partners to aid connectivity required by smart devices.

***Pressures mount for green electronics manufacturing.*** As climate change statistics continue to mount, there is increasing pressure from all areas – consumers, businesses, and governments – to look into more eco-friendly manufacturing solutions.

***There is a push for energy-efficient electronics, forcing manufacturers to develop new methods to produce devices that consume less energy.*** According to a report by *Technavio* that analyzed the market for 2017-2024, increasing demand for energy-efficient devices is to be one of the major factors that will have a positive impact on the growth of the power monitor IC market in the years to come.

***Medical device technology is a market to watch in 2017.***

The trend in manufacturing in the US is mostly in high-value-add processes like IC manufacturing, medical, or military assembly, according to an article from *Source Research, Inc.*

***Strategic partnerships will help electronics manufacturers control costs.*** A report from PwC mentions that many electronic manufacturing services (EMS) companies are expanding into new services that offer high margin, and providing new services along the spectrum. At one end, they're offering more design services, for either sub-assemblies or finished products. At the other end, they're offering more testing services. The more services EMS providers offer, the more they move into new models of joint design manufacturing (JDM) and outsourced design manufacturing (ODM).

***Electronics manufacturers will place more emphasis on logistics for rapid delivery.*** Speed, it seems, will be key in 2017 and beyond. *Electronics Purchasing and Supply Chain* predicted that by 2018, 75 percent of manufacturers will be coordinating enterprise-wide planning activities under the umbrella of rapid integrated business planning. Another related prediction is a 50 percent increase in investments that enable digitally executed manufacturing by the end of 2017, also empowering manufacturers to increase agility.

As far as the semiconductor industry is concerned, Gartner predicts that worldwide semiconductor revenue is forecast to total USD 386 billion in 2017, an increase of 12.3 percent from 2016. It raised its 2017 chip market growth forecast to +12 percent from +7.2 percent. The outlook for emerging opportunities for semiconductors in the Internet of Things (IoT) and wearable electronics remains uncertain with these markets still in the early stages of development and too small to have a significant impact on overall semiconductor revenue growth in 2017.

The Gartner article also highlights that favourable market conditions have continued to gain momentum, accelerating growth in 2017 and 2018. However, it cautions that a correction could arrive in 2019, due to additionally capacity in DRAM and NAND flash.

The semiconductor industry is rapidly becoming an innovation battleground. The contract manufacturing trend has pumped in millions of dollars into emerging and developing countries, such as China, India, and Brazil, while offering cost savings to electronics and technology companies. The growing aerospace and defence, healthcare and medical devices, telecommunications, and consumer electronics sectors are all embracing miniaturization, making it imperative for the semiconductor and electronics industry to respond actively. China will retain its dominant position with an increase in its market share of global semiconductor sales to almost half of the worldwide market.

2017 will represent a breakout year for distributed energy storage, largely driven by the battery energy storage market. Solid-state drives (SSDs) and other technologies will be game changers for storage next year.

***SSDs take over the market.*** By 2017, we will see price parity between solid-state drives and 10K/15K RPM hard drives. With improved controllers, SSDs are delivering wear life comparable to hard drives already, with the advantages of speed, low power, and better reliability. These factors will rapidly increase the pace of HDD replacement, effectively putting enterprise hard drives into the history books.

***Really big SSDs.*** Major multinationals have announced roadmaps that will deliver up to 100 TB 2.5 inch SSDs in 2017, while HDDs might reach 15 or 16 TB in a year or so. These SSDs are game changers. Irrespective of price, SSDs vastly reduce the number of drives needed, drastically cutting cluster costs and also supporting the trend of merging primary and bulk secondary storage into the same hyperconverged appliance.

***Super-fast SSDs.*** We are entering an era where 10 gigabytes-per-second transfer rates will be standard for top-end SSDs. Manufacturers already are sampling products. These units further boost server performance and reduce the server count required.

***Object storage gains traction.*** The move to object storage, with its universal storage access model, spells the end of standalone filer and block-IO storage units. This won't happen in 2017, but object storage will have an increasingly noticeable impact on older technology.

***The M2 form factor.***

The ultra-compact M2 drive form factor – basically a small card with a PCIe/NVMe interface – will take off in 2017, especially in the mobile/desktop space, where it is already pricing close to capacity 2.5 inch drives.

***Non-Volatile Dual In-line Memory Module (NVDIMMs).***

NVDIMMs speed up flash access by around 4x, which is enough to make DIMMs using flash act as memory extenders.

***Hybrid cloud management.*** The gap between public and private cloud brings all sorts of data management and governance issues.

***Software-defined storage and hyper-converged infrastructure.***

These two technologies are intertwined. SDS will be hot in 2017.

According to *Markets and Markets*, the cloud storage market size is estimated to grow from USD 23.76 billion in 2016 to USD 74.94 billion by 2021, at a CAGR of 25.8 percent from 2016 to 2021.

Among services, the managed services segment is expected to grow at the highest rate in the cloud storage market. Managed services allow enterprises to focus on their core businesses, service quality, and better end-user experience while delivering optimized and quality IT services. North America is expected to hold the

largest market share and dominate the cloud storage market from 2016 to 2021 owing to large investments in cloud-based solutions, early adoption of new and emerging technologies, and high internet penetration. The APAC region is in the initial growth phase; however, it is the fastest-growing region for the global cloud storage market. The key reasons for the high growth rate in APAC are growing demand for hybrid cloud storage, increasing need for enterprise data storage, and rising cloud-based applications.

### Healthcare and Medical Devices

As per Deloitte, the challenges of providing and funding healthcare around the globe has not changed much over the last few years – and they are unlikely to do so in 2017. Rising demand and associated spending are being fuelled by an aging population; the growing prevalence of chronic diseases and comorbidities; development of costly clinical innovations; increasing patient awareness, knowledge, and expectations; and, continued economic uncertainty despite regional pockets of recovery, are just a few of the key issues and trends impacting the global healthcare sector.

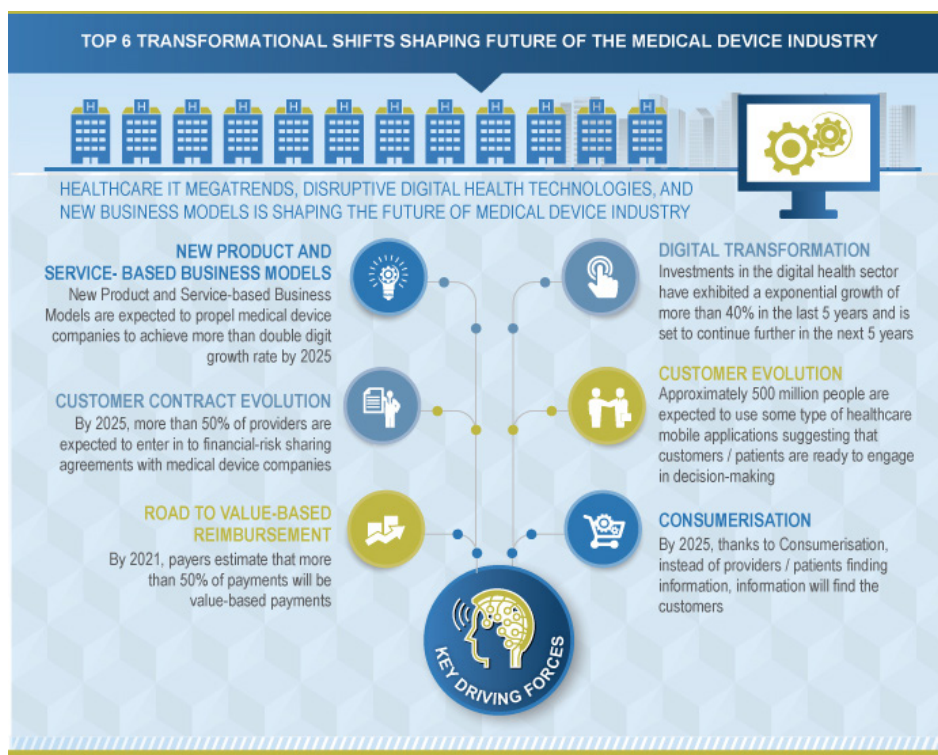
Top 10 innovations predicated in healthcare:

- Next-generation sequencing
- 3D-printed devices
- Immunotherapy

- Artificial intelligence
- Point-of-care diagnostics
- Virtual reality
- Social media
- Biosensors and trackers
- Convenient care
- Telehealth

As per Frost and Sullivan, despite global political uncertainties and a sluggish economic outlook, 2017 will be a significant year for the global medical devices industry that promises the partial realization of major health policies and initiatives. Future medical devices will be more targeted to meet the unique needs of emerging markets (such as China, India, and Brazil), which demonstrate high growth opportunities compared with saturated developed markets in the Western hemisphere.

Collaborative care will help patients schedule their medications, while looping in other members of the care team, preventing re-hospitalizations and empowering patients to retain their independence.



Source: Frost and Sullivan

### Life Sciences

Life Sciences sector growth is closely tied to global healthcare expenditures which, in 2017 and successive years, are expected to be fueled by increasing demand from an aging population and the burgeoning prevalence of chronic and communicable diseases, predicts *Gartner*. Increasingly, life sciences companies are expected to justify the cost of their products using improved targeting, Comparative Effectiveness (CE) measures, and Real-World Evidence (RWE) in addition to hard clinical endpoints. A number of vertical and horizontal clinical trends are expected to drive life sciences innovation; have significant, transformative impacts on the products and services offered to patients; and improve how

companies operate in terms of the efficiency and security of their product supply.

Companies have a small window of time to frame their engagement strategies for operating in a new, customer-centered, digital ecosystem or risk being disintermediated by fast-moving entrants that are developing digitally enabled products, programs and social networks to cater to changing patient expectations. This is also putting pressure on life sciences companies to shift their focus from traditional product development and marketing models to more patient-centric ones. They can begin by leveraging their digital, analytic, and data management capabilities to gather data and monitor outcomes, improve treatment regimen compliance,

increase product utilization and develop tools that help interact with patients across new channels.

Transforming customer needs and patient demands should compel pharma, biotech, and medtech companies to take a more holistic approach to manage operational complexities and business risk and drive greater integration and collaboration across their R&D, manufacturing, and commercial functions—especially with external partners. Gartner also cautions that life sciences companies should examine their supply chain strategies and seek to eliminate inefficiencies along the value chain.

### Government

In 2017, state government leaders will most likely continue to be faced with a rapidly changing landscape based on the exponential speed of technology-driven innovation in areas like customer experience, analytics and coordinating across ecosystems that will continue to impact how they interact with and serve citizens.

The pressure for measurement and accountability is changing the public sector. Analytics solutions can help government agencies and departments transform data to insights. Government leaders will be able to use these insights—coupled with strategy, people, processes, and technology—to deliver insights at the point of action every day, everywhere in the organization that helps to fuel decision.

According to Deloitte, a digital-first government has made great strides. Additionally, renowned experts predict that federal technology trends in 2017 will run the gamut of topics, ranging from artificial intelligence to internet of things to blockchain to endpoint security. Deloitte also indicates that public sectors can take advantage of these tech trends by fully embracing a digital-first mindset.

According to a global Gartner survey, the private sector expects to generate 41% of their revenue in 2020 through digital. The public sector is even more optimistic. CIOs assume that in five years 77% of their processes will be digital.

IDC predicts that the federal and central government are also forecast to be among the largest purchasers of IT products and services.

### Smart Cities and IoT

According to Gartner, urban challenges such as safety and security, traffic congestion, aging infrastructure, and even responses to events like climate change and disasters, have often been addressed by silo-based departments. However, more and more city governments are moving toward smart city solutions that leverage Internet of things (IoT) technologies.

IoT is a key element for smart city deployment. As per *Forbes*, for IoT, 2017 will be another year of growth—and potentially some contraction. There will be huge government interest in 2017, as IoT becomes more pervasive within smart cities.

Gartner also predicts that by 2020, 10% of smart cities will use streetlamps as the backbone for a smart city Wide-Area-Network (WAN) and 30% of smart cities' ambient care applications will have introduced smart machines and robotics in nursing and medical facilities, including proactive care. Mindteck is proud to have been one of the early adopters of IoT, and to have already implemented smart lighting, smart parking, smart metering and remote diagnostic projects for global clients.

## OPPORTUNITIES AND THREATS

- **Matured and niche industry skills:** Clients across the globe are associated with us for our deep technology skills and know-how. Our niche offerings and innovative approach have always provided our clients with optimised solutions with the goal of providing cost advantage, reduced integration risks and improving user productivity.

- **Optimistic global trend:** Until recently, most macroeconomic indicators were regularly leading to downgrades in growth projections. Now, the opposite seems to be happening. IMF's recent flagship report raised its projection for world GDP growth.
- **Opportunities from emerging technologies:** Mindteck has been in the forefront of emerging technologies—from cloud computing, big data, mobile communication, smart city to industrial IoT. Our foray into these spaces has kept us abreast with the latest technologies and has contributed immensely to our clients' project success.
- **Diverse Clientele:** Mindteck's niche expertise serves a wide range of diverse clients globally. Our embedded systems and enterprise applications is complemented by dedicated Centers of Excellence in wireless design, smart energy, storage testing, medical devices and life sciences.
- **Global Delivery Teams:** Mindteck's global delivery capabilities provide clients with the right expertise to deliver quality solutions. We have our offshore delivery centres in Bengaluru, Kolkata, in India and onshore delivery in Singapore and the US.
- **R&D and Centers of Excellence:** We have our own set of IPs, skills and expertise to tap the market in growth-oriented segments. Our Centers of Excellence uses the best practices around specific domains and offer our clients faster time-to-market and lower costs.
- **Cross-selling of our full Portfolio:** Increased collaboration between our delivery units and sales team has led to increased opportunities to cross-sell our services within our 'blue chip' client base.
- **Competition:** Mindteck continues to face new competition in the marketplace from offshore providers. The strength of our long-standing client relationships, depth of our expertise, and strong track record has allowed us to minimize the impact.
- **Threats and breaches:** A recent McAfee report suggests that trust in the cloud will increase, leading to more sensitive data and processing in the cloud and resulting in more cloud attacks. IoT devices are attractive to cybercriminals or nation-states for one or two reasons—they are either a potential source of data or metadata, or a potential attack vector to cause damage. With advanced firewalls, monitoring systems, security plans and breach response, Mindteck is well-prepared to combat and prevent such threats.

## RISKS AND CONCERNS

- **Economic Uncertainties:** The rise of the gig economy will provide for more flexible, project-based arrangements, as an alternative to company-based employment. Mindteck has firmly retained its footing with increasingly better client and employee experiences.
- **Political Uncertainties:** UK's exit from the European Union (Brexit), is clouding the outlook for the Eurozone, while elections in many countries—including the recent US election—are fostering political uncertainty.
- **The shift away from a model-based on outright purchase or licensing to one based on consumption:** Flexible consumption offers substantial benefits, ranging from predictable, recurring revenue streams to higher customer retention driven by stickier, long-term relationships with customers, and improved margins.
- **Niche skill gap, raising talent costs:** The shortage of skills in the market often delays staffing for new projects. Mindteck

reduces this risk by partnering with smaller companies who can provide the required staffing at short notice. We also have our own Mindteck Academy for both internal and external workforce development. Externally, the Academy offers unique online and classroom IT training designed to build opportunities for learning, hiring and economic growth in the communities we serve. Our Transition Care, another innovative service offering from Mindteck, leverages the experience and expertise of seasoned IT professionals who have been displaced. It also provides a way for our clients to protect their brand reputation when faced with having to conduct employee layoffs.

- **High Attrition Rate:** High demand for skilled employees in the market increases the attrition rate. Mindteck strives to counteract these challenges by continually focusing on providing a good work environment and culture. As an answer to this, we have an innovative endeavour under our WE CARE umbrella—Consultant Care, which helps retain valuable IT talent and avoid project disruption.
- **Selling, General and Administrative Cost Containment (SG&A):** It is imperative to not allow SG&A costs to grow proportionally. Efforts to reengineer internal processes and re-vamp internal systems have increased the productivity and helped contain costs. Improvements to customer relationship management, time and expense reporting, asset management, as well as job posting and recruiting processes, have been implemented.

## DISCUSSION ON FINANCIAL PERFORMANCE

### Business

- During the year under review your Company recorded consolidated revenue of Rs. 3,416.56 million as against Rs. 3,116.30 million in the previous year. Of the revenues that were recorded, 71% is attributed to the US and the rest to Europe and Asia.
- Mindteck's net profit for the year stood at Rs. 124.24 million, as against Rs. 259.27 million in the corresponding previous year.
- At an operating margin level, Mindteck recorded EBITDA (Including other income) of Rs. 172.68 million this fiscal as against Rs. 229.24 million last year.

### Share Capital

Mindteck has an issued share capital base of 25,383,895 Equity Shares of Rs 10/- face value. All the shares are fully paid up. In addition, 102,878 equity shares are reserved for allotment to certain allottees as at March 31, 2017, in relation to discharge of consideration for the acquisition of Chendle Holdings Ltd., one of the Company's wholly owned subsidiaries. The allotment has been pending owing to the non-availability of Permanent Account Number (PAN) for these shareholders. Of the total issued capital, an aggregate of 10,969,944 equity shares have been issued for consideration other than cash. These allotments are connected to the M & A deals completed by the Company in FY 2008.

Further, issued capital also includes 416,000 equity shares allotted to the Mindteck Employee Welfare Trust (MEWT). The Trust was set up with the objective of transferring its holding in Mindteck (India) Ltd to deserving employees, by way of share-based compensation. Consequent to ESOP schemes issued by the Company in 2005, 2008 and 2014, the allotted shares continue to be held by the MEWT. Owing to the consolidation of the Trust's accounts with that of Mindteck, the number of shares and corresponding capital and share Premium, held by the Trust are deducted from the issued share capital and securities premium accounts of Consolidated Financial Statements.

During the year, 28,800 options have been granted to employees under the Mindteck Employees Stock Options Scheme 2005, 308,600 options have been granted to employees under the Mindteck Employees Stock Options Scheme 2008, and 250,000 options have been granted to employees under the Mindteck Employees Stock Options Scheme 2014.

### Reserves and Surplus

Mindteck has retained a balance of Rs. 747.83 million in the Statement of Profit and Loss as at March 31, 2017. Shareholders' funds, excluding capital reserves, increased from Rs. 1,806.11 million in FY 2016 to Rs. 1,911.08 million in FY 2017.

### Non-Current Liabilities

Non-current liabilities include term loan, rental deposit, rent equalization reserve and provision for employee benefits. The non-current liabilities, increased from Rs. 55.95 million in FY 2016 to Rs. 66.77 million in FY 2017. The increase is mainly due to provision made for employee benefits.

### Current Liabilities

Current liabilities include current portion of a term loan, trade payables, provision for employee benefits, provision for tax, provision for proposed dividend and other current liabilities. The current liabilities increased from Rs. 364.35 million in FY 2016 to Rs. 366.02 million in FY 2017.

Trade payables decreased from Rs. 163.08 million in FY 2016 to Rs. 146.80 million in FY 2017.

Other current liabilities comprise unearned income, unpaid dividend, statutory liabilities such as PF and TDS, and payroll payables amounting to Rs. 131.35 million as at March 31, 2017 compared to Rs. 109.34 as at March 31, 2016.

Short-term provision for employee benefits, taxation and proposed dividend and tax thereon stood at Rs. 77.80 million as at March 31, 2017 compared to Rs. 91.93 million as at March 31, 2016. The reduction is mainly due to dividend being considered as a non-adjusting item. (Refer to Consolidated Note 3.3.4)

### Non-Current Assets

Non-current assets include fixed assets, deferred tax asset (net), long-term loans and advances and other non-current assets.

Mindteck invested Rs. 9.11 million in fixed assets during the fiscal year, which primarily relates to computer equipment and computer software in India and the US.

Deferred tax assets or liability arises while distributing the tax expense over a period of time that the tax profits and book profits differ on account of varying treatment of deductible items of expenses in the respective books and varying depreciation methodologies in the tax books and financial statements. These are called temporary timing differences. Deferred tax assets are also generally recognized in respect of brought forward tax losses from earlier years to the extent they are eligible for set off against likely tax profits from operations. In accordance with governing accounting standards on recognition of deferred tax asset/liability, the Company has recognized only such portion of deferred tax impact that results from temporary timing differences.

Long-term loans and advances comprise security deposits, advance tax and tax deducted at source and service tax input credit totalling to Rs. 110.41 million as at March 31, 2017 compared to Rs. 127.27 million as at March 31, 2016. The decrease is due to the reduction in Service Tax liability used to set off against the input credit and Security Deposits, being classified as short term.



Other non-current assets consist of fixed deposits with a bank against which the bank has a lien for the guarantees issued amounting to Rs. 5.04 million as at March 31, 2017.

### Current Assets

Current assets include trade receivables, cash and bank balances, short-term loans and advances and other current assets.

Mindteck's accounts receivables as at March 31, 2017 amounted to Rs. 735.04 million, representing about 79 days of sales. All debts doubtful of recovery have been provided for in the financial statements.

Cash and Bank balances amounted to Rs. 391.45 million compared to Rs. 505.41 million in the previous year which includes both rupee and foreign currency accounts.

Short-term loans and advances include security deposits, service tax input credit, VAT credit, employee and supplier advances. The balance as at March 31, 2017 stood at Rs. 76.95 million compared to Rs. 24.79 million as at March 31, 2016.

Other current assets include unbilled revenue, claimable expenses, prepaid expenses and accrued interest. The balance as at March 31, 2017 stood at Rs. 174.55 million.

### Investments

Mindteck (India) Limited has six wholly-owned subsidiaries and three step-down subsidiaries as at March 31, 2017. The nature of operations of these subsidiaries is as follows:

- Mindteck, Inc., US - Operating company
- Mindteck Singapore Pte. Ltd., Singapore - Operating company
- Mindteck (UK) Ltd. - Operating company
- Mindteck Middle East Limited S.P.C. - Operating company
- Mindteck Software Malaysia SDN BHD - Operating company
- Mindteck Germany GmbH - Selling and marketing company (step-down subsidiary)
- Mindteck Netherlands BV- Selling and marketing company (step-down subsidiary)
- Mindteck Solutions Philippines Inc.- Operating company (step-down subsidiary)
- Chendle Holdings Limited - Investment arm, holding stock in Mindteck, Inc., US

## RESULTS OF OPERATION

### Income

Revenues from software services registered a positive growth of 9.64% in FY17. The Company recorded Rs. 3,416.56 million in FY17 as against Rs. 3,116.30 million in FY16. The items of other income include rental income from own property, net foreign exchange gain, interest income from deposits, provision no longer required written back and other miscellaneous items.

### Expenses

Employee benefit expenses and cost of technical sub-contractors for the FY17 stood at Rs. 2,915.55 million as against Rs. 2,554.96 million in FY16. Manpower expense increased to 85% of revenue compared to 82% last year.

Finance cost in FY17 was Rs. 3.74 million as compared to Rs. 3.24 million in FY16. There is a marginal increase compared to the previous year.

Other expenses of FY17 amounted to Rs. 350.83 million compared to Rs. 354.51 million last year. The Company has contributed Rs. 33.80 Lakhs towards Corporate Social Responsibility during the FY17. During the year, the Company implemented several cost rationalization measures to reduce the expense base. Mindteck will continue to focus on cost-effective measures to further productivity and increase efficiency in the operations.

Tax expense for the year amounting to Rs. 27.69 million (net) is the aggregate of current tax liability in all tax jurisdictions in which Company operates. Tax provision in India is based on the normal tax computation in accordance with the prevailing tax laws.

### Operating Profit and Net Profit

EBIDTA for the year amounted to Rs. 172.68 million as against Rs. 229.24 million the previous year. Net Profit is Rs. 124.24 million in FY17, at about 3.64% of software revenue, as against Rs 259.27 million in FY16, at about 8.32% of software revenue.

## HUMAN RESOURCE MANAGEMENT

During the year, continuous learning programs were initiated as below:

- For the second consecutive year, we organized the IdeaFest - Dare to Dream Challenge - wherein employees were encouraged to share innovative ideas and had mentors (SMEs) assigned to take it forward.
- Multiple sessions of a Knowledge Sharing Program (KSP) were initiated by Subject Matter Experts (SMEs) which helped all relevant stakeholders, including sales, inside sales and delivery, to build their go-to market strategies.
- Onboarding portal was developed and launched for office staff to help new hires get better insight of Mindteck, its services, culture and processes.
- Annual employee engagement survey, conducted for US and India employees between August–September 2016 was analyzed and reviewed. HR is working closely with senior management around areas that require improvement.
- Conducted cross-skill training for employees enabling them to work on upcoming technologies
- Mandated all project managers to complete the Project Management Certification.
- Various well-being programs were conducted for employees, including health check-up camp, dental and eye check-up camp, yoga and meditation programs.
- Soft skill trainings for both technical and non-technical employees was conducted.
- Conducted constant clustered and skip level meetings, through which we were able to predict employee expectations, increase open communication and facilitate better employment engagement. These activities also ensured retention of our key resources by meeting their expectations.

**Attrition Rate:** Mindteck's annualized attrition rate for 2016-17 was 26.5 as against the Industry standards, which vary between 25-30%.

Year	Permanent	Contractual	Total
2016-17	578	21	599
2015-16	611	17	628

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

To,

The Board of Directors

Mindteck (India) Limited

We, Sanjeev Kathpalia, Managing Director and Chief Executive Officer and Anand Balakrishnan, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- 1) We have reviewed financial statements for the Quarter and Year ended March 31, 2017 and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2017, which are fraudulent, illegal or which violate the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls for financial reporting and we have:
  - a) Evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
  - b) Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware; and
  - c) The steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors
  - a) Significant changes that have occurred in the internal control over financial reporting during the quarter;
  - b) All significant changes in accounting policies during the quarter, if any, and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud, if any, of which we are aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting;
  - d) All deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's Auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.



**Sanjeev Kathpalia**  
Managing Director and Chief Executive Officer



**Anand Balakrishnan**  
Chief Financial Officer

Place: Bengaluru

Date: May 22, 2017

# Independent Auditor's Report

## To the Members of Mindteck (India) Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Mindteck (India) Limited ("the Company"), which comprise the balance sheet as at March 31, 2017, the statement of profit and loss, the cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and cash flows for the year ended on that date.

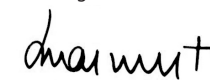
### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) we have sought and 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 it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) on the basis of the written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 3.10 to the standalone financial statements;
    - b. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;
    - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
    - d. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company– Refer note 3.22 to the standalone financial statements.

for **B S R & Company**

Chartered Accountants

Firm registration No.: 128032W



**Vineet Dhawan**

Partner

Membership Number: 092084

Bengaluru

May 22, 2017

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MINDTECK (INDIA) LIMITED

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noted.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company.
- (ii) The Company is a service company, primarily rendering software, IT-enabled and related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) According to the information and explanations given to us, the Company has not granted loans, investments and security to companies, firms or other parties. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the guarantee provided.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Service tax, Sales tax, Value added tax, Cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there has been a delay in few cases. As explained to us, the Company did not have any dues on account of Customs Duty and Excise Duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Service tax, Sales tax, Value added tax, Cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- (vii) (b) According to the information and explanations given to us, there are no dues of Service Tax, Sales Tax, Value added tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. The Company, however, disputes the following income tax dues:

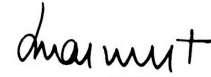
Name of the statute	Nature of the dues demanded	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax/ interest/ transfer pricing	8,161,000 (5,000,000)*	Assessment year 2006-07	Income Tax Officer, Bengaluru
Income Tax Act, 1961	Income tax/ interest/ transfer pricing	Nil (2,900,000)*	Assessment year 2007-08	Income Tax Officer, Bengaluru
Income Tax Act, 1961	Income tax/ interest/ transfer pricing	Nil (15,000,000)*	Assessment year 2009-10	Income Tax Officer, Bengaluru
Income Tax Act, 1961	Income tax/ interest/ transfer pricing	22,559,080	Assessment year 2010-11	Income Tax Officer, Bengaluru
Income Tax Act, 1961	Income tax/ interest/ transfer pricing	4,744,070 (2,000,000)*	Assessment year 2012-13	Income Tax Officer, Bengaluru
Income Tax Act, 1961	Income tax/ interest/ transfer pricing	6,449,000	Assessment year 2013-14	Income Tax Officer, Bengaluru

\*Amount in parenthesis represents the payment made under protest.

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to bankers. The Company did not have any outstanding dues to any financial institution, Government or debenture holders during the year.
- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us and based on our examination of the records of the Company, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid/provided for in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, all the transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Company**  
Chartered Accountants  
Firm registration No.: 128032W



**Vineet Dhawan**  
Partner  
Membership number: 092084

*Bengaluru*  
*May 22, 2017*

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MINDTECK (INDIA) LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mindteck (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that,

in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **B S R & Company**

Chartered Accountants

Firm registration No.: 128032W

**Vineet Dhawan**

Partner

Membership number: 092084

Bengaluru

May 22, 2017

# Balance Sheet as at March 31, 2017

Amount in Rs.

	Note	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	3.1.1	253,838,950	251,731,010
Reserves and surplus	3.1.2	<u>1,528,421,281</u>	<u>1,468,355,369</u>
		<b>1,782,260,231</b>	<b>1,720,086,379</b>
<b>Share application money pending allotment</b>	3.1.1 (b)	<b>7,565,656</b>	7,565,656
<b>Non-current liabilities</b>			
Other long-term liabilities	3.2.1	2,021,180	2,021,180
Long-term provisions	3.2.2	<u>25,265,002</u>	<u>20,671,755</u>
		<b>27,286,182</b>	<b>22,692,935</b>
<b>Current liabilities</b>			
Short-term borrowings	3.3.1	10,067,994	-
Trade payables			
Total outstanding dues of micro enterprises & small enterprises	3.3.2	362,157	-
Total outstanding dues of creditors other than micro enterprises & small enterprises	3.3.2	59,331,865	89,383,808
Other current liabilities	3.3.3	30,121,849	22,573,911
Short-term provisions	3.3.4	<u>46,828,273</u>	<u>79,523,516</u>
		<b>146,712,138</b>	<b>191,481,235</b>
		<b>1,963,824,207</b>	<b>1,941,826,205</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets	3.4.1	15,502,597	24,674,385
Intangible fixed assets	3.4.1	6,326,066	4,227,575
Capital work in progress	3.4.1	3,721,300	-
Non-current investments	3.4.2	1,231,291,030	1,231,291,030
Deferred tax assets (net)	3.4.3	16,275,162	13,827,503
Long-term loans and advances	3.4.4	142,578,381	157,889,515
Other non-current assets	3.4.5	<u>2,629,881</u>	<u>3,019,255</u>
		<b>1,418,324,417</b>	<b>1,434,929,263</b>
<b>Current assets</b>			
Trade receivables	3.5.1	164,985,794	143,755,119
Cash and bank balances	3.5.2	254,637,884	304,059,777
Short-term loans and advances	3.5.3	72,401,777	23,975,373
Other current assets	3.5.4	<u>53,474,335</u>	<u>35,106,673</u>
		<b>545,499,790</b>	<b>506,896,942</b>
		<b>1,963,824,207</b>	<b>1,941,826,205</b>
Significant accounting policies	2		

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

As per our report of even date attached

**for B S R & Company**  
Chartered Accountants  
Firm registration number: 128032W

**for and on behalf of the Board of Directors of  
Mindteck (India) Limited**

**Vineet Dhawan**  
Partner  
Membership No.: 092084

**Yusuf Lanewala**  
Chairman  
DIN - 01770426

**Sanjeev Kathpalia**  
Managing Director and CEO  
DIN - 05257060

**Javed Gaya**  
Director  
DIN - 01481518

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S**  
Company Secretary

Place: Bengaluru  
Date: May 22, 2017

Place: Bengaluru  
Date: May 22, 2017

# Statement of Profit and Loss for the Year Ended March 31, 2017

Amount in Rs.

	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations - sale of services		836,381,611	866,462,106
Other income	3.6	22,023,280	22,131,878
<b>Total revenue</b>		<b>858,404,891</b>	<b>888,593,984</b>
<b>Expenses</b>			
Employee benefits expense	3.7	556,739,184	512,740,834
Cost of technical sub-contractors		15,706,419	16,939,736
Finance costs	3.8	702,881	495,103
Depreciation and amortization expense	3.4.1	14,002,898	15,624,410
Other expenses	3.9	189,548,134	207,586,882
<b>Total expenses</b>		<b>776,699,516</b>	<b>753,386,965</b>
<b>Profit before tax</b>		<b>81,705,375</b>	<b>135,207,019</b>
Tax (expense)/credit			
Current tax		(29,818,833)	(54,156,200)
Tax relating to earlier years		-	(6,000,000)
Deferred tax credit		2,447,659	6,965,178
<b>Profit after tax</b>		<b>54,334,201</b>	<b>82,015,997</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic		2.15	3.27
Diluted		2.11	3.19
Weighted average number of equity shares used in computing earnings per share			
Basic	3.18	25,257,743	25,099,858
Diluted	3.18	25,809,538	25,702,078
Significant accounting policies	2		

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

As per our report of even date attached  
**for B S R & Company**  
*Chartered Accountants*  
 Firm registration number: 128032W

**for and on behalf of the Board of Directors of  
 Mindteck (India) Limited**

**Vineet Dhawan**  
*Partner*  
 Membership No.: 092084

**Yusuf Lanewala**  
*Chairman*  
 DIN - 01770426

**Sanjeev Kathpalia**  
*Managing Director and CEO*  
 DIN - 05257060

**Javed Gaya**  
*Director*  
 DIN - 01481518

**Anand Balakrishnan**  
*Chief Financial Officer*

**Shivarama Adiga S**  
*Company Secretary*

Place: Bengaluru  
 Date: May 22, 2017

Place: Bengaluru  
 Date: May 22, 2017



# Cash Flow Statement for the Year Ended March 31, 2017

Amount in Rs.

	Note	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flow from operating activities</b>			
Profit before taxation		81,705,375	135,207,019
Adjustments:			
Depreciation and amortization		14,002,898	15,624,410
Interest income		(19,572,117)	(19,642,406)
Unrealised exchange differences		248,465	(551,762)
Profit on sale of fixed assets		-	(95,968)
Provision for doubtful debts and advances		422,636	-
<b>Operating profit before working capital changes</b>		<b>76,807,257</b>	<b>130,541,293</b>
Changes in trade receivables		(21,947,307)	43,240,614
Changes in loans and advances and other assets		(26,944,348)	20,022,764
Changes in current liabilities and provisions		(23,612,586)	17,351,198
<b>Cash generated from operations before taxes</b>		<b>4,303,016</b>	<b>211,155,869</b>
Income taxes paid, net		(57,169,034)	(65,552,935)
<b>Net cash (used in)/provided by operating activities</b>		<b>(52,866,018)</b>	<b>145,602,934</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets		(7,898,901)	(6,845,464)
Proceeds from sale of fixed assets		-	120,570
Interest received		22,968,889	15,014,173
<b>Net cash provided by investing activities</b>		<b>15,069,988</b>	<b>8,289,279</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of equity shares		7,870,362	3,922,555
Proceeds from secured loans		10,067,994	-
Dividends paid (including distribution tax)		(29,686,687)	(30,101,391)
<b>Net cash used in financing activities</b>		<b>(11,748,331)</b>	<b>(26,178,836)</b>
Net (decrease)/increase in cash and cash equivalents		(49,544,361)	127,713,377
Cash and cash equivalents at the beginning of the year		304,059,777	176,443,619
Effect of exchange differences on translation of foreign currency cash and cash equivalents		122,468	(97,219)
<b>Cash and cash equivalents at the end of the year</b>	3.5.2	<b>254,637,884</b>	<b>304,059,777</b>

Cash and cash equivalents at the end of the year include unpaid dividend amounting Rs. 862,584 (Previous year Rs. 220,808).

As per our report of even date attached

**for B S R & Company**  
Chartered Accountants  
Firm registration number: 128032W

**for and on behalf of the Board of Directors of  
Mindteck (India) Limited**

**Vineet Dhawan**  
Partner  
Membership No.: 092084

**Yusuf Lanewala**  
Chairman  
DIN - 01770426

**Sanjeev Kathpalia**  
Managing Director and CEO  
DIN - 05257060

**Javed Gaya**  
Director  
DIN - 01481518

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S**  
Company Secretary

Place: Bengaluru  
Date: May 22, 2017

Place: Bengaluru  
Date: May 22, 2017

# Notes to the Financial Statements for the Year Ended March 31, 2017

## 1. BACKGROUND

Mindteck (India) Limited ('Mindteck' or 'the Company') was incorporated to render engineering and IT services to customers across various industry verticals in specific service horizontals. Mindteck's core offerings are in Product Engineering, Application Software, Electronic Design, Testing and Enterprise Business services.

In the Product Engineering space, Mindteck renders Electronic Design, Firmware and Software in the key vertical areas of Life Sciences and Analytical Instruments, Semiconductor Fab Equipment, Medical Instruments and in the high-end Storage Products segment. The Enterprise Business services line provides services in the areas of support and maintenance of enterprise-wide applications. Application Software services are centered around providing solutions to independent software vendors in the Banking and Financial Services Industry (BFSI) space and a broad range of services for custom Application Development, Application Management, Re-engineering, Validation and Verification across the spectrum.

Through IT-enabled services, the Company provides offshore-based employee resourcing, marketing and pre-sales support services to its subsidiaries.

Mindteck is headquartered in Bengaluru with a branch office in Kolkata and Mumbai. The software development centres in Bengaluru and Kolkata are 100% Export Oriented Units ('EOU') set up under the Software Technology Parks of India (STPI) Scheme of the Government of India. Mindteck has subsidiaries in the United States of America, United Kingdom, Singapore, Malaysia and Bahrain.

Mindteck has wholly owned subsidiaries (including step-down subsidiaries) in the United States of America, Singapore, Philippines, Malaysia, Bahrain, United Kingdom, Netherlands and Germany. Mindteck is the flagship company of the Group and is listed in India on the Bombay Stock Exchange and National Stock Exchange.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable, Accounting Standards ('AS') issued by Institute of Chartered Accountants of India (ICAI), other generally accepted accounting principles in India and guidelines issued by the Securities and Exchange Board of India (SEBI).

### 2.2 Use of estimates

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

### 2.3 Fixed assets and depreciation

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

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use on such date, are disclosed under long-term loans and advances and capital work-in-progress respectively.

Depreciation/amortization is provided on the straight-line method over the useful lives of assets estimated by the Company. Depreciation/amortization for assets purchased/sold during a period is proportionately charged. The Company estimates the useful lives for fixed assets as follows:

Asset Classification	Useful life
Computer equipment	3 years
Computer software	3 years
Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years
Buildings	58 years

The Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold improvements are amortized over the lease term or the estimated useful life of assets, whichever is shorter.

### 2.4 Investments

Long-term investments are carried at cost less provision for any diminution, other than temporary, in the value of such investments determined on a specific identification basis. Current investments are valued at the lower of cost (determined on specific identification basis) and fair market value. The comparison of cost and fair market value is carried out separately in respect of each investment.

The cost of investment includes acquisition charges such as brokerage, fees and duties.

The cost of acquisition of an investment, or partly acquired, by the issue of shares or other securities, is the fair value of the securities issued which, in appropriate cases, may be indicated by the issue price as determined by the statutory authorities.

Profit or loss on sale of investments is determined separately for each investment.

## 2.5 Retirement benefits

Gratuity, a defined benefit, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India (LIC). Provision for gratuity liabilities, pending remittance to the fund, is carried in the balance sheet. Actuarial gains and losses are charged to the statement of profit and loss.

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

Contributions paid/payable to the recognized provident fund, a defined contribution, are charged to the statement of profit and loss.

## 2.6 Revenue recognition

The Company derives its revenues from software and IT-enabled service including services provided primarily to related parties. Revenue from software services provided on a time-and-material basis is recognized upon performance of services and at the agreed contractual rates. Revenue from fixed price contracts is recognized using the percentage completion method determined by relating the actual cost incurred to date to the estimated total cost of the contract. Provision for estimated losses, if any, on incomplete contracts are recorded in the year in which such losses become probable based on the current contract estimates.

Revenue from IT-enabled services is recognized as the related services are performed, in accordance with the specific terms of the contract with customers.

Unbilled revenue represents earnings in excess of billings while unearned income represents billings in excess of earnings.

Revenues are stated net of discounts, if any, and any applicable duties or taxes.

Dividend income is recognized when the right to receive payment is established.

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

## 2.7 Foreign exchange transactions

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

The Company is exposed to foreign currency transactions including foreign currency revenues and receivables.

## 2.8 Provision and contingent liabilities

The Company creates a provision when there is a present

obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

## 2.9 Taxation

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

Minimum Alternate Tax (MAT) paid in accordance with the laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the balance sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and resultant assets can be measured reliably.

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

## 2.10 Earnings per share

In determining the earnings per share, the net profit after tax is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted

as of the beginning of the period unless issued at a later date. In computing dilutive earnings per share, potential equity shares that are dilutive, i.e. which reduces earnings per share or increases loss per share, are included.

The weighted average number of equity shares held by the Mindteck Employees Welfare Trust is reduced from the equity shares outstanding in computing basic earnings per share.

### **2.11 Goodwill**

Goodwill has been recorded to the extent the cost of acquisition of net assets, comprising purchase consideration and transaction costs, exceeds the value of net assets acquired. Goodwill is amortized over its useful life of five years, assessed at each year end for impairment.

### **2.12 Impairment of assets**

The Company assesses, at each balance sheet date, whether there is any indication that an asset (including goodwill) may be impaired. If any such indications exist, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount,

the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

### **2.13 Employee Stock Options**

The Company measures the compensation cost relating to employee stock options using the intrinsic value method. The compensation cost, if any, is amortized over the vesting period of the options on a straight line basis.

### **2.14 Cash flow statement**

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

### 3. NOTES TO THE FINANCIAL STATEMENT

#### 3.1.1 Share Capital

Amount in Rs.

Particulars	As at	
	March 31, 2017	March 31, 2016
<b>Authorised</b>		
<b>Equity shares</b>		
28,000,000 (previous year 28,000,000) equity shares of Rs 10 each	<b>280,000,000</b>	280,000,000
<b>Preference shares</b>		
500,000 (previous year 500,000) cumulative, non-convertible, redeemable preference shares of Rs 100 each	<b>50,000,000</b>	50,000,000
	<b><u>330,000,000</u></b>	<b><u>330,000,000</u></b>
<b>Issued, subscribed and paid-up capital</b>		
<b>Equity shares</b>		
25,383,895 (previous year 25,173,101) equity shares of Rs 10 each fully paid-up	<b>253,838,950</b>	251,731,010
	<b><u>253,838,950</u></b>	<b><u>251,731,010</u></b>

a. Deconsolidation of the Mindteck Employees Welfare Trust ('Trust')

Effective January 1, 2015, the Trust has been deconsolidated subsequent to the SEBI (Share Based Employee Benefits) Regulations, issued on October 28, 2014.

b. On April 1, 2008, the Company acquired 100% equity in its fellow subsidiary Chendle Holdings Limited, BVI ('Chendle Holdings') including its wholly owned subsidiary Primetech Solutions Inc., USA.

At an agreed valuation of USD 6,600,000 (approximately Rs. 264,664,741), the purchase consideration was agreed to be settled by a fresh issue of the equity shares of the Company to the shareholders of Chendle Holdings. The issue of equity shares to discharge the purchase consideration has been recorded at a price of Rs. 73.54 per equity share, being the fair value of the equity shares issued, in accordance with the requirements of paragraph 10 of AS-13, 'Accounting for Investments'.

Of the total purchase consideration payable, 102,878 equity shares (Previous year: 102,878 equity shares) have been reserved for allotment to certain shareholders of Chendle Holdings, subject to the furnishing of Permanent Account Number (PAN) and other requirements by these shareholders. The submission of PAN is a pre-requisite to complete the allotment of shares. The Company is in the process of following up with the shareholders of Chendle Holdings to obtain the PAN and upon receiving the PAN, the Company would allot the shares to these shareholders.

c. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year is given below:

Amount in Rs.

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	Amount	Numbers	Amount
<b>Equity shares</b>				
Number of shares outstanding at the beginning of the year	<b>25,173,101</b>	<b>251,731,010</b>	25,062,971	250,629,710
Add: Additions during the year on exercise of employee stock options/restricted shares	<b>210,794</b>	<b>2,107,940</b>	110,130	1,101,300
Number of shares outstanding at the end of the year	<b>25,383,895</b>	<b>253,838,950</b>	25,173,101	251,731,010

d. The Company has two class of shares referred to as equity shares having a par value of Rs. 10 and cumulative, non-convertible, redeemable preference shares having a par value of Rs. 100. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders meeting.

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

The Board of Directors, at its meeting held on May 22, 2017, has recommended a dividend of 10% (Re. 1 per equity share of par value Rs. 10 each) for the year ended March 31, 2017 (Previous year 10%).

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

e. Equity shares held by holding company and subsidiary of holding company is given below:

Particulars	As at March 31, 2017	As at March 31, 2016
Embtech Holdings Limited, Holding Company	16,431,604	16,431,604

f. Equity shareholders holding more than 5 percent of equity shares along with the number of equity shares held is as given below:

Sl. No.	Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
		No. of shares	%	No. of shares	%
1	Embtech Holdings Limited	16,431,604	64.73%	16,431,604	65.27%
2	First Asian Investments S.A.	1,390,569	5.48%	1,390,569	5.52%

g. The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

h. There are no equity shares which are allotted as fully paid-up without payment being received in cash during the period of five years immediately preceding the balance sheet date.

i. Employee stock options

a. *Employee Share Incentive Scheme 2000*

The Company has an Employee Share Incentive Scheme 2000 ('ESIS 2000') for the benefit of its employees administered through the Mindteck Employees Welfare Trust ('The Trust'). The Trust, which was constituted for this purpose, subscribed to 416,000 equity shares renounced in its favour by the Company's promoters/directors in the Company's earlier Rights Issue. These shares are to be distributed amongst the Company's employees, based on the recommendations made by the Company's Nomination and Remuneration Committee. No equity shares have been distributed under the ESIS 2000 and therefore, no stock compensation expense has been recorded.

b. *Mindteck Employee Stock Option Scheme 2005*

During the year ended March 31, 2006, the Company introduced the 'Mindteck Employees Option Scheme 2005' ('the Option Scheme 2005') for the benefit of the employees, as approved by the Board of Directors in its meeting held on July 4, 2005 and the shareholders meeting held on July 29, 2005. The Option Scheme 2005 provides for the creation and issue of 500,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee. The options vest annually in a graded manner over a three year period and are exercisable during a maximum period of five years from the date of vesting.

During the year ended March 31, 2017, the Company has granted 14,400 options on 11 November, 2016 at an exercise price of Rs 85.05 per share and 14,400 options on 10 February, 2017 at an exercise price of Rs.92.10 per share.

Option activity during the year and weighted average exercise price of stock options under the Option Scheme 2005 is given as below:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Options outstanding at the beginning of the year	282,500	63.17	219,700	36.79
Granted during the year	28,800	88.58	157,800	89.29
Exercised during the year on exercise of employee stock options/restricted shares	59,300	36.34	44,900	24.20
Lapsed during the year	51,900	77.87	50,100	58.77
Options outstanding at the end of the year	200,100	71.56	282,500	63.17
Options exercisable at the end of the year	99,600	59.24	82,700	35.22

c. *Mindteck Employee Stock Option Scheme 2008*

During the year ended March 31, 2009, the Company introduced 'Mindteck Employees Stock Option Scheme 2008' ('the Option Scheme 2008') for the benefit of the employees, as approved by the Board of Directors in its meeting held on May 27, 2008 and the shareholders meeting held on July 30, 2008. The Option Scheme 2008 provides for the creation and issue of 1,200,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2017, the Company has granted 69,600 options on 20 May, 2016 at an exercise price of Rs. 103.90 per share and 239,000 options on 10 August, 2016 at an exercise price of Rs. 90.75 per share.

Option activity during the year and weighted average exercise price of stock options under the Option Scheme 2008 is given as below:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Options outstanding at the beginning of the year	482,686	39.83	569,250	38.94
Granted during the year	308,600	93.72	10,500	130.80
Exercised during the year on exercise of employee stock options/restricted shares	151,494	37.04	65,230	43.60
Lapsed during the year	34,168	85.24	31,834	46.34
Options outstanding at the end of the year	605,624	65.42	482,686	39.83
Options exercisable at the end of the year	210,016	40.42	115,353	35.94

d. *Mindteck Employee Stock Option Scheme 2014*

During the year ended March 31, 2015, the Company introduced 'Mindteck Employees Stock Option Scheme 2014' ('the Option Scheme 2014') for the benefit of the employees, as approved by the Board of Directors in its meeting held on May 29, 2014 and the shareholders meeting held on August 14, 2014. The Option Scheme 2014 provides for the creation and issue of 2,500,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2017, the Company has granted 250,000 options on 30 Mar, 2017 at an exercise price of Rs 78.10 per share.

Option activity during the year and weighted average exercise price of stock options under the Option Scheme 2014 is given as below:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Options outstanding at the beginning of the year	-	-	-	-
Granted during the year	250,000	78.10	-	-
Exercised during the year on exercise of employee stock options/restricted shares	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of the year	250,000	78.10	-	-
Options exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life of the options outstanding as at March 31, 2017 is 6.02 years (Previous year 5.92 years).

The Company uses the intrinsic value method to account for the stock compensation cost. The exercise price has been determined as the closing price of the Company's shares traded on the Bombay Stock Exchange on the day prior to the date of grant of options and thus there is no stock compensation expense under the intrinsic value method for the options granted during the year.

The Guidance Note on 'Accounting for Employee Share-based Payments' issued by the ICAI requires the disclosure of pro-forma net results and EPS, both basic and diluted, had the Company adopted the fair value approach described in the guidance note. Had the Company accounted for compensation cost under the fair value method, the reported profit after taxation for the year ended March 31, 2017 would have been Rs. 54,105,208 (Previous year Rs. 81,286,524), i.e. lower by Rs. 228,995 (Previous year lower by Rs. 729,474), and the basic and diluted EPS for the year would have been Rs. 2.14 and Rs. 2.10 (Previous year Rs. 3.24 and Rs. 3.16), respectively.

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options has been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 years, an expected dividend yield of 5-10% on the underlying equity shares, volatility in the share price of 40-100% and a risk free rate of 7-9.5%. The Company's calculations are based on a single option valuation approach. The expected volatility is based on historical volatility of the share price during the period after eliminating abnormal price fluctuations.

### 3.1.2 Reserves and Surplus

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Capital reserve</b>	<b>35,689,935</b>	35,689,935
<b>Securities premium account</b>		
Opening balance	1,032,556,102	1,029,734,847
Add: Additions during the year on exercise of employee stock options/restricted shares	5,762,422	2,821,255
	<u>1,038,318,524</u>	<u>1,032,556,102</u>
<b>Surplus (Balance in the statement of profit and loss)</b>		
Opening balance	400,109,332	348,393,013
Add: Amount transferred from statement of profit and loss	54,334,201	82,015,997
Appropriations:		
Proposed dividend	(26,362)	(25,174,701)
Tax on proposed dividend	(4,349)	(5,124,977)
	<u>454,412,822</u>	<u>400,109,332</u>
<b>Total</b>	<b>1,528,421,281</b>	1,468,355,369



### 3.2.1 Other long-term liabilities

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Rental deposit	2,021,180	2,021,180
<b>Total</b>	<b>2,021,180</b>	<b>2,021,180</b>

### 3.2.2 Long-term Provisions

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Provision for employee benefits</b>		
- Gratuity (Refer note 3.3.5)	18,170,656	13,293,356
- Compensated absences	7,094,346	7,378,399
<b>Total</b>	<b>25,265,002</b>	<b>20,671,755</b>

### 3.3.1 Short-term Borrowings

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Loans repayable on demand from banks (Secured)		
- Bank overdraft	10,067,994	-
<b>Total</b>	<b>10,067,994</b>	<b>-</b>

Bank overdraft carry interest of 10.85 percent per annum, computed on a monthly basis on the actual amount utilized and/or repayable on demand.

### 3.3.2 Trade Payables

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Total outstanding dues of micro enterprises & small enterprises (Refer note 3.20)	362,157	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Inter-company payables	7,893,111	26,445,306
- Accrued expenses	16,604,150	19,533,890
- Others	34,834,604	43,404,612
<b>Total</b>	<b>59,694,022</b>	<b>89,383,808</b>

### 3.3.3 Other Current Liabilities

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Unearned income	5,122,935	9,274,357
Unpaid dividends	862,584	220,808
Other liabilities		
- Statutory liabilities	11,245,897	9,270,399
- Capital Creditors	2,752,000	-
- Salary payable	10,138,433	3,808,347
<b>Total</b>	<b>30,121,849</b>	<b>22,573,911</b>

### 3.3.4 Short-term Provisions

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
- Compensated absences	1,379,476	1,259,891
- Bonus and incentives	20,915,174	24,050,667
Other provisions		
- Taxation	24,533,623	23,915,206
Proposed equity dividend	-	25,173,101
Tax on proposed equity dividend payable	-	5,124,651
<b>Total</b>	<b>46,828,273</b>	<b>79,523,516</b>

### 3.3.5 Employee Benefits: Post-employment Benefit Plans

#### Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to Rs. 23,122,676 (Previous year: Rs. 20,367,460).

#### Defined benefit plans

The Company operates post-employment defined benefit plans that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is funded by the plan assets.

The following tables set out the status of the gratuity plan as required under AS-15 Employee Benefits:

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Obligations at beginning of the year	23,498,146	20,132,922	15,622,218	14,659,660	10,642,518
Service cost	4,068,573	4,978,526	5,403,165	2,630,457	4,720,513
Interest cost	1,478,797	1,392,321	1,152,619	1,210,496	792,985
Benefits paid	(2,813,546)	(2,953,205)	(1,915,706)	(2,773,358)	(1,335,731)
Actuarial (gain)/loss	(456,727)	(52,418)	(129,374)	(105,037)	(160,628)
<b>Obligations at end of the year</b>	<b>25,775,243</b>	<b>23,498,146</b>	<b>20,132,922</b>	<b>15,622,218</b>	<b>14,659,660</b>
<b>Change in plan assets</b>					
Plan assets at beginning of the year, at fair value	10,204,790	8,255,525	9,449,446	7,073,778	8,073,140
Expected return on plan assets	664,250	750,896	700,556	641,304	264,986
Actuarial gain/(loss)	(85,017)	41,277	21,229	(150,671)	71,383
Contributions	-	4,110,297	-	4,658,393	-
Charges debited	(365,890)	-	-	-	-
Benefits paid	(2,813,546)	(2,953,205)	(1,915,706)	(2,773,358)	(1,335,731)
<b>Plan assets at end of the year, at fair value</b>	<b>7,604,587</b>	<b>10,204,790</b>	<b>8,255,525</b>	<b>9,449,446</b>	<b>7,073,778</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>					
Present value of the defined benefit obligations at the end of the year	25,775,243	23,498,146	20,132,922	15,622,218	14,659,660
Fair value of plan assets at the end of the year	(7,604,587)	(10,204,790)	(8,255,525)	(9,449,446)	(7,073,778)
<b>Liability recognized in the balance sheet</b>	<b>18,170,656</b>	<b>13,293,356</b>	<b>11,877,397</b>	<b>6,172,772</b>	<b>7,585,882</b>
Current liability (within 12 months)	-	-	-	-	-
Non current liability	18,170,656	13,293,356	11,877,397	6,172,772	7,585,882
<b>Liability recognized in the balance sheet</b>	<b>18,170,656</b>	<b>13,293,356</b>	<b>11,877,397</b>	<b>6,172,772</b>	<b>7,585,882</b>

### 3.3.5 Employee Benefits: Post-employment Benefit Plans (Continued)

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Gratuity cost</b>					
Service cost	4,068,573	4,978,526	5,403,165	2,630,457	4,720,513
Interest cost	1,478,797	1,392,321	1,152,619	1,210,496	792,985
Expected return on plan assets	(664,250)	(750,896)	(700,556)	(641,304)	(264,986)
Actuarial (gain)/loss	(371,710)	(93,695)	(150,603)	45,634	(232,011)
<b>Net gratuity cost</b>	<b>4,511,410</b>	<b>5,526,256</b>	<b>5,704,625</b>	<b>3,245,283</b>	<b>5,016,501</b>
<b>Assumptions</b>					
Interest rate	6.69% p.a.	7.46% p.a.	7.86% p.a.	9.12% p.a.	7.95% p.a.
Expected rate of return on plan assets	7.55% p.a.	8.50% p.a.	8.25% p.a.	8.00% p.a.	8.00% p.a.
Expected rate of salary increase	10.00% p.a.	10.00% p.a.	10.00% p.a.	10.00% p.a.	10.00% p.a.
Attrition rate	20.00% p.a.	19.00% p.a.	20.00% p.a.	19.00% p.a.	19.00% p.a.
Retirement age	<b>58 years</b>	<b>58 years</b>	<b>58 years</b>	<b>58 years</b>	<b>58 years</b>

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

### 3.4.1 Fixed Assets and Capital Work in Progress

Amount in Rs.

Assets	Gross Block			Accumulated Depreciation				Net Block	
	As at April 01, 2016	Additions during the year	As at March 31, 2017	As at April 01, 2016	Charge for the year	Deletions during the year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible assets</b>									
Computer equipment	46,494,591	970,807	47,465,398	37,638,175	7,263,860	-	44,902,035	2,563,363	8,856,416
Office equipment	18,405,808	184,510	18,590,318	11,428,196	2,171,042	-	13,599,238	4,991,080	6,977,612
Furniture and fixtures	12,719,346	233,293	12,952,639	11,531,287	665,699	-	12,196,986	755,653	1,188,059
Building- Asset given under operating lease	10,156,520	-	10,156,520	2,822,340	165,099	-	2,987,439	7,169,081	7,334,180
Vehicles	589,401	-	589,401	271,283	294,698	-	565,981	23,420	318,118
<b>Total (A)</b>	<b>88,365,666</b>	<b>1,388,610</b>	<b>89,754,276</b>	<b>63,691,281</b>	<b>10,560,398</b>	<b>-</b>	<b>74,251,679</b>	<b>15,502,597</b>	<b>24,674,385</b>
<b>Intangible assets, owned:</b>									
Goodwill (arising on business acquisition)	7,000,000	-	7,000,000	7,000,000	-	-	7,000,000	-	-
Computer software	39,254,359	5,540,991	44,795,350	35,026,784	3,442,500	-	38,469,284	6,326,066	4,227,575
<b>Total (B)</b>	<b>46,254,359</b>	<b>5,540,991</b>	<b>51,795,350</b>	<b>42,026,784</b>	<b>3,442,500</b>	<b>-</b>	<b>45,469,284</b>	<b>6,326,066</b>	<b>4,227,575</b>
<b>Total (A+B)</b>	<b>134,620,025</b>	<b>6,929,601</b>	<b>141,549,626</b>	<b>105,718,065</b>	<b>14,002,898</b>	<b>-</b>	<b>119,720,963</b>	<b>21,828,663</b>	<b>28,901,960</b>
Previous year	128,789,533	6,845,464	134,620,025	91,084,025	15,624,410	990,370	105,718,065	28,901,960	37,705,508

**Capital work in progress:**

Capital work in progress of Rs. 3,721,300 as at 31 March, 2017 represents cost incurred towards leasehold improvements at AMR Tech Park located at Hosur Main Road, Bengaluru.

### 3.4.2 Non-current Investments

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Trade investment</b>		
Un-quoted equity shares, fully paid up (valued at cost)		
- Investment in subsidiaries	1,231,291,030	1,231,291,030
<b>Total</b>	<b>1,231,291,030</b>	<b>1,231,291,030</b>

Detail of investment in equity instruments of subsidiaries (100% wholly owned) is as given below:

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
500 (previous year 500) common stock of BHD 100 par value of Mindteck Middle East SPC, Bahrain, fully paid	1,830,360	1,830,360
250,000 (previous year 250,000) common stock of MYR 1 par value of Mindteck Software Malaysia SDN. BHD, fully paid	3,016,212	3,016,212
1,310,500 (previous year 1,310,500) shares of SGD 1 par value of Mindteck Singapore Pte Ltd., fully paid	84,664,219	84,664,219
968,408 (previous year 968,408) ordinary shares of GBP 1 par value of Mindteck UK Limited, fully paid	14,804,544	14,804,544
2 (previous year 2) shares of USD 1 par value of Chendle Holdings Limited, fully paid	195,419,991	195,419,991
13,000 (previous year 13,000) common stock of USD 1 par value of Mindteck, Inc., USA, fully paid	931,555,704	931,555,704
<b>Total</b>	<b>1,231,291,030</b>	<b>1,231,291,030</b>

### 3.4.3 Deferred Tax Assets (Net)

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

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Deferred tax asset</b>		
Fixed assets	2,476,367	1,210,014
Provision for doubtful debts & deposits	1,876,109	1,817,710
Compensated absences	2,801,700	2,989,539
Gratuity	6,007,764	4,600,565
Others	3,113,222	3,209,675
<b>Deferred Tax Assets (Net)</b>	<b>16,275,162</b>	<b>13,827,503</b>

### 3.4.4 Long-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<i>(Unsecured considered good)</i>		
Advance tax and tax deducted at source	54,994,818	29,026,200
Taxes paid under protest	24,900,000	22,900,000
Service tax input credit	-	20,743,544
Security deposits	22,569,581	45,105,789
Loans and advances to related parties [Refer note 3.17(e)]	40,113,982	40,113,982
<i>(Unsecured considered doubtful)</i>		
Security deposits	5,422,636	5,000,000
<b>Total</b>	<b>148,001,017</b>	<b>162,889,515</b>
Less: Provision for doubtful deposits	(5,422,636)	(5,000,000)
<b>Total</b>	<b>142,578,381</b>	<b>157,889,515</b>

### 3.4.5 Other Non-current Assets

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<i>(Unsecured considered good)</i>		
Deposit accounts with bank*	2,629,881	3,019,255
<b>Total</b>	<b>2,629,881</b>	<b>3,019,255</b>

\*Represents restricted bank balances of Rs. 2,629,881 (Previous year: Rs. 3,019,255). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

### 3.5.1 Trade Receivables

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- Considered good	869,818	188,339
- Considered doubtful	251,710	252,282
Less: Provision for doubtful debts	(251,710)	(252,282)
	<u>869,818</u>	<u>188,339</u>
Other debts		
- Considered good	164,115,976	143,566,780
<b>Total</b>	<b>164,985,794</b>	<b>143,755,119</b>

### 3.5.2 Cash and Bank Balances

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Cash and cash equivalent</b>		
Balances with banks		
- Current accounts	5,525,033	33,735,389
- Deposit accounts	248,240,858	270,091,916
Cash on hand	9,409	11,664
Other bank balances		
- Unpaid dividend account	862,584	220,808
<b>Total</b>	<b>254,637,884</b>	<b>304,059,777</b>

Deposits with original maturity of more than 12 months is Rs. 2,629,881 (Previous year Rs. 3,019,255) which has been shown under 'Other Non Current Assets'.

### 3.5.3 Short-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<i>(Unsecured, considered good)</i>		
Security deposits	38,712,100	-
Service Tax input credit/refund	26,802,305	17,140,427
Employee advances	4,953,658	6,270,385
Supplier advances	1,933,714	564,561
<b>Total</b>	<b>72,401,777</b>	<b>23,975,373</b>

### 3.5.4 Other Current Assets

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Unbilled revenue <i>(unsecured, considered good)</i>	31,020,339	13,181,816
Claimable expenses	4,783,283	1,318,185
Due from related parties [Refer note 3.17(e)]	9,033,239	8,835,461
Accrued interest	1,802,198	5,198,970
Prepaid expenses	6,835,276	6,572,241
<b>Total</b>	<b>53,474,335</b>	<b>35,106,673</b>

### 3.6 Other Income

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest income	19,572,117	19,642,406
Rental income	2,448,543	2,268,504
Profit on sale of fixed assets, net	-	95,968
Other non-operating income	2,620	125,000
<b>Total</b>	<b>22,023,280</b>	<b>22,131,878</b>

### 3.7 Employee Benefits Expense

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	514,417,532	474,674,138
Contribution to provident and other funds	28,136,902	25,670,759
Staff welfare expenses	14,184,750	12,395,937
<b>Total</b>	<b>556,739,184</b>	<b>512,740,834</b>

### 3.8 Finance Costs

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Bank charges	702,881	495,103
<b>Total</b>	<b>702,881</b>	<b>495,103</b>

### 3.9 Other Expenses

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rent	64,674,256	59,719,394
Hiring charges	4,340,349	2,831,681
Travel expenses	14,861,701	9,895,273
Foreign exchange loss, net	4,016,371	2,740,139
Power and fuel	10,823,028	13,335,196
Communication expenses	5,268,616	5,952,693
Professional charges	17,740,659	12,445,361
Repairs and maintenance-building	-	109,544
Repairs and maintenance-others	13,903,624	16,668,672
Project supply and services	24,368,017	57,514,152
Rates and taxes	1,871,098	4,617,097
Insurance	1,617,753	1,449,151
Remuneration to auditors (Refer note 3.19)	2,213,900	2,123,208
Membership and subscription	3,834,861	3,761,894
Printing and stationery	932,113	1,515,256
Recruitment expenses	8,111,452	3,563,717
Provision for doubtful advances, net	422,636	-
Contribution towards Corporate Social Responsibility	3,380,000	2,750,000
Miscellaneous expenses	7,167,700	6,594,454
<b>Total</b>	<b>189,548,134</b>	<b>207,586,882</b>

### 3.10 Contingent Liabilities and Commitments

- Corporate Guarantee of Rs. 129,760,940, i.e. USD 2 million (Previous year: Rs. 132,511,600, i.e. USD 2 million), has been provided by the Company in favour of a banking institution in the United States of America with respect to the extension of credit facilities by the banking institution to Mindteck, Inc., a wholly owned subsidiary of the Company.
- Income tax matters of the Company aggregating to Rs. 32,814,050 (Previous year: Rs. 123,117,414) are pending at various forums. The management believes that the Company has a good case to defend and no liability is expected in this regard.
- Company has utilised bank guarantee facilities of Rs. 12,579,463 (Previous year: Rs. 8,868,660) against the bank guarantees provided to Customers, Customs and Excise Departments for Software Technology Park of India (STPI) bonding facilities.



### 3.11 Quantitative Details

The Company is engaged in providing software, IT-enabled and related services. Such services are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 5 (viii) (c) of general instructions for preparation of the statement of profit and loss as per revised Schedule III to the Companies Act, 2013.

### 3.12 Value of imports on CIF Basis

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
The Company did not have any imports during the year.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 3.13 Expenditure in Foreign Currency

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Travel expenses	1,107,770	851,112
Communication expenses	162,133	402,224
Other Expenses (professional and other charges)	5,331,951	19,297,216
Membership and subscription	619,498	-
Project supply and services	2,035,853	290,818
<b>Total</b>	<b>9,257,205</b>	<b>20,841,370</b>

### 3.14 Earnings in Foreign Currency

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Export of software services	424,907,823	524,747,888
IT-enabled services	82,123,766	41,199,837
<b>Total</b>	<b>507,031,589</b>	<b>565,947,725</b>

### 3.15 Segmental Reporting

The Company's operations predominantly relate to providing software and IT-enabled services which constitute the Company's two primary business segments. The Company considers the business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

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

Income and direct expenses in relation to segments is categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

Segment assets excluding trade receivables have not been identified to any reportable segment, as these are used interchangeably between segments and hence Management believes that it is currently not practical to provide segment disclosures relating to total carrying amount of segment assets, liabilities and fixed assets, since a meaningful segregation is not possible.

## Business Segments

Amount in Rs.

Statement of profit and loss for the year ended March 31, 2017	Software services	IT-enabled services	TOTAL
Revenues	754,257,845	82,123,766	836,381,611
Operating expenses, net	459,454,357	38,216,881	497,671,238
<b>Segmental operating income</b>	<b>294,803,488</b>	<b>43,906,885</b>	<b>338,710,373</b>
Unallocable expenses			278,325,397
Interest expense			702,881
Other income			22,023,280
<b>Net profit before taxes</b>			<b>81,705,375</b>
Income taxes			(27,371,174)
<b>Net profit after taxes</b>			<b>54,334,201</b>

Amount in Rs.

Statement of profit and loss for the year ended March 31, 2016	Software services	IT-enabled services	TOTAL
Revenues	825,262,269	41,199,837	866,462,106
Operating expenses, net	443,219,343	23,122,578	466,341,921
<b>Segmental operating income</b>	<b>382,042,926</b>	<b>18,077,259</b>	<b>400,120,185</b>
Unallocable expenses			286,549,941
Interest expense			495,103
Other income			22,131,878
<b>Net profit before taxes</b>			<b>135,207,019</b>
Income taxes			(53,191,022)
<b>Net profit after taxes</b>			<b>82,015,997</b>

## Segment Assets

Amount in Rs.

Segment assets for the year ended March 31, 2017	Software services	IT-enabled services	TOTAL
Trade receivables	157,881,636	7,104,158	164,985,794
Unallocable	-	-	1,798,838,413
<b>Total</b>	<b>157,881,636</b>	<b>7,104,158</b>	<b>1,963,824,207</b>

Amount in Rs.

Segment assets for the year ended March 31, 2016	Software services	IT-enabled services	TOTAL
Trade receivables	138,899,365	4,855,754	143,755,119
Unallocable	-	-	1,798,071,086
<b>Total</b>	<b>138,899,365</b>	<b>4,855,754</b>	<b>1,941,826,205</b>

## Geographical Segments

Amount in Rs.

Revenue	Year ended March 31, 2017	Year ended March 31, 2016
USA	346,692,902	446,968,600
Europe	117,499,774	109,208,968
India	341,192,546	300,514,381
Rest of the world	30,996,389	9,770,157
<b>Total</b>	<b>836,381,611</b>	<b>866,462,106</b>

### 3.16 Lease Transactions

The Company leases office and residential facilities and certain equipment under operating lease arrangements.

Lease rental expense for office facilities under non-cancellable operating leases during the year ended March 31, 2017 amounted to Rs. Nil (Previous year Rs. Nil).

Future minimum lease payments under non-cancellable operating lease are set out below:

Amount in Rs.

Minimum lease payments	As at March 31, 2017	As at March 31, 2016
Payable - not later than one year	28,348,056	-
Payable - later than one year and not later than five years	93,835,609	-

The Company leases office facilities, residential facilities and equipment under cancellable operating leases. The rental expense under cancellable operating leases during the year ended March 31, 2017 amounted to Rs 64,674,256 (previous year Rs 59,719,394).

### 3.17 Related Party Transactions

#### a. Related parties where control exists

The related parties where control exists are the holding companies (including ultimate and intermediary holding companies), subsidiaries and the Mindteck Employees Welfare Trust.

##### i. Holding companies

- Transcompany Ltd., British Virgin Islands (BVI) - Ultimate holding company
- Vanguard Group Holding Ltd., BVI - Intermediary holding company
- Mindteck Holdings Ltd., BVI - Intermediary holding company
- Business Holdings Ltd., BVI - Intermediary holding company
- Garrington Investments Ltd., BVI - Intermediary holding company
- Infotech Ventures Ltd. - Subsidiary of Intermediary holding company
- Embtech Holdings Ltd., Mauritius - Holding company

##### ii. Subsidiaries (including step subsidiaries)

- Mindteck, Inc., USA (formerly Infotech Consulting, Inc.)
- Mindteck Software Malaysia SDN. BHD, Malaysia
- Mindteck Middle East Limited SOC, Kingdom of Bahrain
- Mindteck UK Limited, United Kingdom
- Mindteck Singapore Pte. Limited, Singapore
- Mindteck Solutions Philippines Inc.
- Mindteck Netherlands BV, Netherlands
- Mindteck Solutions Philippines Inc.
- Mindteck Germany GmbH, Germany
- Chendle Holdings Ltd, BVI

##### iii. Mindteck Employees Welfare Trust

#### b. Key Managerial Personnel

- |                    |   |
|--------------------|---|
| Yusuf Lanewala     | Chairman and Managing Director ( <i>Appointed as Non-Executive Chairman effective from April 01, 2017</i> ) |
| Meenaz Dhanani     | Executive Director  |
| Sanjeev Kathpalia  | Managing Director and Chief Executive Officer ( <i>Appointed with effect from March 01, 2017</i> )          |
| Anand Balakrishnan | Chief Financial Officer   |
| Avneet Gupta       | Chief Operating Officer ( <i>Resigned with effect from August 08, 2016</i> )                                |
| Shivarama Adiga S. | Company Secretary   |

c. Transactions with related parties for the year ended are as follows:

Amount in Rs.

Sl. No.	Transaction/nature of relationship	Subsidiaries (including step-subsidiaries)	
		For the year ended March 31, 2017	For the year ended March 31, 2016
i.	<b>Income from software and IT-enabled services:</b>		
	Mindteck, Inc., USA	346,088,476	449,092,810
	Mindteck UK Limited	111,628,090	107,928,954
	Mindteck Singapore Pte. Limited	25,235,835	7,390,870
	Mindteck Middle East Limited S.P.C.	520,498	297,994
	Mindteck Software Malaysia SDN. BHD	5,240,056	-
	Mindteck Germany GmbH	5,871,684	1,237,097
	<b>TOTAL</b>	<b>494,584,639</b>	<b>565,947,725</b>
ii.	<b>Reimbursement of expenses incurred on behalf of:</b>		
	Mindteck, Inc., USA	35,257,281	31,850,508
	Mindteck UK Limited	5,585,210	7,071,896
	Mindteck Singapore Pte. Limited	3,603,057	3,824,158
	Mindteck Middle East Limited S.P.C.	1,584,516	2,230,647
	Mindteck Software Malaysia SDN. BHD	4,826,107	3,200,621
	Mindteck Solutions Philippines Inc.	10,875	-
	Mindteck Germany GmbH	1,335,627	4,981,011
	<b>TOTAL</b>	<b>52,202,673</b>	<b>53,158,841</b>
iii.	<b>Reimbursement of expenses incurred by:</b>		
	Mindteck, Inc., USA	15,120,009	23,810,285
	Mindteck UK Limited	14,441	3,076,771
	Mindteck Singapore Pte. Limited	4,315,013	505,240
	Mindteck Middle East Limited S.P.C.	200,339	-
	Mindteck Germany GmbH	1,278	-
	Mindteck Software Malaysia SDN. BHD	-	45,530
	<b>TOTAL</b>	<b>19,651,080</b>	<b>27,437,826</b>

d. Transactions with the Key Management Persons for the year ended are as follows:

Amount in Rs.

Sl. No.	Nature of Transaction	For the year ended March 31, 2017	For the year ended March 31, 2016
i.	Remuneration to Key Managerial Personnel	21,308,507	23,982,434
ii.	Directors' sitting fees	1,370,000	1,060,000

e. The balances receivable from and payable to related parties are as follows:

Amount in Rs.

Sl. No.	Transaction/nature of relationship	Subsidiaries (including step-subsidiaries)	
		As at March 31, 2017	As at March 31, 2016
	<b>Balance due to/due from subsidiaries</b>		
<b>A.</b>	<b>Amounts Receivable:</b>		
	Mindteck, Inc., USA	34,756,436	51,043,223
	Mindteck UK Limited	10,192,744	8,204,506
	Mindteck Singapore Pte. Limited	8,883,742	1,455,426
	Mindteck Software Malaysia SDN. BHD	609,163	-
	Mindteck Middle East Limited S.P.C.	283,152	257,936
	Mindteck Germany GmbH	2,201,135	121,579
	<b>TOTAL</b>	<b>56,926,372</b>	<b>61,082,670</b>
<b>B.</b>	<b>Other Current Assets:</b>		
	Mindteck, Inc., USA	2,962,377	2,411,866
	Mindteck UK Limited	633,768	526,932
	Mindteck Singapore Pte. Limited	540,206	313,522
	Mindteck Middle East Limited S.P.C.	381,497	1,093,287
	Mindteck Software Malaysia SDN. BHD	534,872	410,057
	Mindteck Solutions Philippines Inc.	10,445	-
	Mindteck Germany GmbH	3,970,074	4,079,797
	<b>TOTAL</b>	<b>9,033,239</b>	<b>8,835,461</b>
<b>C.</b>	<b>Amounts Payable:</b>		
	Mindteck, Inc., USA	4,694,458	23,315,295
	Mindteck UK Limited	13,423	2,993,371
	Mindteck Singapore Pte. Limited	3,140,007	85,749
	Mindteck Germany GmbH	1,217	-
	Mindteck Software Malaysia SDN. BHD	44,006	50,891
	<b>TOTAL</b>	<b>7,893,111</b>	<b>26,445,306</b>
<b>D.</b>	<b>Loans and Advances:</b>		
	Mindteck Employees Welfare Trust	40,113,982	40,113,982
	<b>TOTAL</b>	<b>40,113,982</b>	<b>40,113,982</b>

### 3.18 Earnings Per Share (EPS)

The computation of earnings per share is set out below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Profit after taxation (Rs.)</b>	<b>54,334,201</b>	82,015,997
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	<b>25,257,743</b>	25,099,858
Effect of dilutive potential shares		
- Employee stock options	<b>448,917</b>	499,342
- Equity shares reserved for issuance	<b>102,878</b>	102,878
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	<b>25,809,538</b>	25,702,078

### 3.19 Auditor's Remuneration

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Audit fees	1,800,000	1,750,000
Tax audit fee	100,000	75,000
Other services	200,000	200,000
Reimbursement of expenses	113,900	98,208
<b>TOTAL</b>	<b>2,213,900</b>	<b>2,123,208</b>

**3.20** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has been made in the financials statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year:		
- Principal amount payable to suppliers	362,157	-
- Interest accrued on the above amount	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
- Amount of interest for delayed payment to suppliers actually paid during the year	-	-
- Amount of delayed payments actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of this allowance of a deductible expenditure under section 23 of this Act.	-	-

### 3.21 Unhedged Foreign Currency Exposure

Foreign currency exposures that have not been hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount (Rs.)	Amount (Foreign Currency)	Amount (Rs.)	Amount (Foreign Currency)
Trade receivables for services rendered	40,221,517	USD 620,959	51,697,963	USD 780,278
	9,244,329	GBP 114,088	8,177,141	GBP 85,886
	283,152	BHD 1,634	257,936	BHD 1,457
	446,368	EUR 6,440	-	-
	8,665,934	SGD 186,649	949,630	SGD 19,320
Advances recoverable	5,289,015	USD 82,233	4,770,704	USD 72,004
	3,744,224	EUR 54,020	4,064,757	EUR 54,020
Trade payables for services availed	4,626,026	USD 71,332	29,055,491	USD 438,520
	81,028	GBP 1000	-	-
	44,006	MYR 3,000	50,892	MYR 3,000
	3,140,007	SGD 67,630	85,749	SGD 1,745

### 3.22 Disclosure on Specified Bank Notes

The Company did not have specified bank notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Amount in Rs.

Particulars	Specified Bank Notes	Other Denomination Notes	TOTAL
Closing cash in hand as on November 8, 2016	-	4,425	4,425
Add: Permitted Receipts	-	87,000	87,000
Less: Permitted Payments	-	78,138	78,138
Less: Amount Deposited in bank	-	-	-
Closing cash in hand as on December 30, 2016	-	13,287	13,287

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 08, 2016

As per our report of even date attached  
**for B S R & Company**  
*Chartered Accountants*  
 Firm registration number: 128032W

**Vineet Dhawan**  
*Partner*  
 Membership No.: 092084

Place: Bengaluru  
 Date: May 22, 2017

**for and on behalf of the Board of Directors of  
 Mindteck (India) Limited**

**Yusuf Lanewala**  
*Chairman*  
 DIN - 01770426

**Anand Balakrishnan**  
*Chief Financial Officer*

Place: Bengaluru  
 Date: May 22, 2017

**Sanjeev Kathpalia**  
*Managing Director and CEO*  
 DIN - 05257060

**Shivarama Adiga S**  
*Company Secretary*

**Javed Gaya**  
*Director*  
 DIN - 01481518

# Independent Auditor's Report

## To the Members of Mindteck (India) Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mindteck (India) Limited ("the Holding Company") and its subsidiaries including step subsidiaries (collectively referred to as "the Group"), comprising the consolidated balance sheet as at March 31, 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made

by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements and other financial information of two subsidiaries which have been incorporated in the consolidated financial statements. These subsidiaries account for total assets of Rs 33,013,376 and net assets of Rs 921,716 as at March 31, 2017, total revenue of Rs 74,128,263 and net cash inflows of Rs 9,139,586 for the year ended on that date, as shown in these consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(3) of the Act, is solely based on the reports of the other auditors. The financial statements and other financial information of these subsidiaries incorporated outside India as drawn up in accordance with accounting principles generally accepted in their respective countries have been audited by other auditors duly qualified to act as auditors in the respective countries. For purposes of preparation of the consolidated financial statements, the aforesaid financial statements have been restated by the Management so that they conform to the generally accepted accounting principles in India. Our opinion on the consolidated financial statements and our report in terms of Section 143(3) of the Act is not modified in respect of the above matters with respect to the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2017



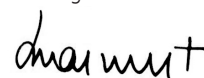
taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 3.10 to the consolidated financial statements;
  - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company; and
- d. The Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the them– Refer note 3.19 to the consolidated financial statements.

*Bengaluru*  
*May 22, 2017*

for **B S R & Company**  
Chartered Accountants  
Firm registration No.: 128032W



**Vineet Dhawan**  
*Partner*

Membership number: 092084

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MINDTECK (INDIA) LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mindteck (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. The Group does not have any Indian subsidiaries or associates or jointly controlled companies.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial

control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **B S R & Company**  
Chartered Accountants  
Firm registration No.: 128032W

  
**Vineet Dhawan**

Partner  
Membership number: 092084

Bengaluru  
May 22, 2017

# Consolidated Balance Sheet as at March 31, 2017

Amount in Rs.

	Note	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
Shareholder's funds			
Share capital	3.1.1	249,678,950	247,571,010
Reserves and surplus	3.1.2	<u>1,740,558,734</u>	<u>1,637,701,603</u>
		<b>1,990,237,684</b>	<b>1,885,272,613</b>
<b>Share application money pending allotment</b>	3.1.1 (b)	<b>7,565,656</b>	7,565,656
<b>Non-current liabilities</b>			
Other long-term liabilities	3.2.1	2,021,179	2,021,179
Long-term provisions	3.2.2	<u>64,753,148</u>	<u>53,926,642</u>
		<b>66,774,327</b>	<b>55,947,821</b>
<b>Current liabilities</b>			
Short term borrowings	3.3.1	10,067,994	-
Trade payables			
Total outstanding dues of micro enterprises & small enterprises	3.3.2	362,157	-
Total outstanding dues of creditors other than micro enterprises & small enterprises	3.3.2	<u>146,440,547</u>	163,081,819
Other current liabilities	3.3.3	131,351,265	109,335,326
Short-term provisions	3.3.4	<u>77,798,106</u>	<u>91,933,675</u>
		<b>366,020,069</b>	<b>364,350,820</b>
		<b>2,430,597,736</b>	<b>2,313,136,910</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets	3.4.1	15,587,894	26,094,797
Intangible fixed assets	3.4.1	883,128,191	882,090,956
Capital work in progress	3.4.1	3,721,300	-
Deferred tax assets (net)	3.4.2	34,713,673	13,827,503
Long-term loans and advances	3.4.3	110,412,768	127,270,254
Other non-current assets	3.4.4	<u>5,038,702</u>	<u>3,019,255</u>
		<b>1,052,602,528</b>	<b>1,052,302,765</b>
<b>Current assets</b>			
Trade receivables	3.5.1	735,042,561	579,955,945
Cash and bank balances	3.5.2	391,446,672	505,408,372
Short-term loans and advances	3.5.3	76,952,787	24,794,981
Other current assets	3.5.4	<u>174,553,188</u>	<u>150,674,847</u>
		<b>1,377,995,208</b>	<b>1,260,834,145</b>
		<b>2,430,597,736</b>	<b>2,313,136,910</b>
Significant accounting policies	2		

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

As per our report of even date attached  
**for B S R & Company**  
*Chartered Accountants*  
 Firm registration number: 128032W

**for and on behalf of the Board of Directors of  
 Mindteck (India) Limited**

**Vineet Dhawan**  
*Partner*  
 Membership No.: 092084

**Yusuf Lanewala**  
*Chairman*  
 DIN - 01770426

**Sanjeev Kathpalia**  
*Managing Director and CEO*  
 DIN - 05257060

**Javed Gaya**  
*Director*  
 DIN - 01481518

**Anand Balakrishnan**  
*Chief Financial Officer*

**Shivarama Adiga S**  
*Company Secretary*

Place: Bengaluru  
 Date: May 22, 2017

Place: Bengaluru  
 Date: May 22, 2017

# Consolidated Statement of Profit and Loss for the Year Ended March 31, 2017

Amount in Rs.

	Note	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations - sale of services		3,416,563,861	3,116,296,709
Other income	3.6	22,494,679	22,408,422
<b>Total revenue</b>		<b>3,439,058,540</b>	<b>3,138,705,131</b>
<b>Expenses</b>			
Employee benefits expense	3.7	2,219,026,048	1,984,940,586
Cost of technical sub-contractors		696,525,403	570,022,096
Finance costs	3.8	3,744,026	3,235,858
Depreciation and amortization expense	3.4.1	17,004,199	18,182,565
Other expenses	3.9	350,828,796	354,506,264
<b>Total expenses</b>		<b>3,287,128,472</b>	<b>2,930,887,369</b>
<b>Profit before tax</b>		<b>151,930,068</b>	<b>207,817,762</b>
Tax (expense)/credit			
Current tax	3.11	(48,572,548)	50,491,241
Tax expense relating to earlier years		-	(6,000,000)
Deferred tax credit		20,886,170	6,965,178
<b>Profit after tax</b>		<b>124,243,690</b>	<b>259,274,181</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic		5.00	10.50
Diluted		4.81	10.25
Weighted average number of equity shares used in computing earnings per share			
Basic	3.15	24,841,743	24,683,858
Diluted	3.15	25,809,538	25,286,078
Significant accounting policies	2		

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

As per our report of even date attached

**for B S R & Company**  
Chartered Accountants  
Firm registration number: 128032W

**Vineet Dhawan**  
Partner  
Membership No.: 092084

Place: Bengaluru  
Date: May 22, 2017

**for and on behalf of the Board of Directors of  
Mindteck (India) Limited**

**Yusuf Lanewala**  
Chairman  
DIN - 01770426

**Anand Balakrishnan**  
Chief Financial Officer

Place: Bengaluru  
Date: May 22, 2017

**Sanjeev Kathpalia**  
Managing Director and CEO  
DIN - 05257060

**Shivarama Adiga S**  
Company Secretary

**Javed Gaya**  
Director  
DIN - 01481518

# Consolidated Cash Flow Statement for the Year Ended March 31, 2017

Amount in Rs.

	Note	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flow from operating activities</b>			
Profit before taxation		151,930,068	207,817,762
Adjustments:			
Depreciation and amortization		17,004,199	18,182,565
Interest expense		148,472	136,976
Interest income		(19,600,204)	(18,073,303)
Unrealised exchange differences		684,913	(287,686)
Profit on sale of fixed assets		-	(95,968)
Provision for doubtful debts and advances		2,310,875	-
<b>Operating profit before working capital changes</b>		<b>152,478,323</b>	<b>207,680,346</b>
Changes in trade receivables		(183,396,711)	64,916,265
Changes in loans and advances and other assets		(51,126,294)	10,322,432
Changes in current liabilities and provisions		24,144,717	(48,773,348)
<b>Cash (used in)/generated from operations before taxes</b>		<b>(57,899,965)</b>	<b>234,145,694</b>
Income taxes paid, net		(58,039,937)	(63,632,462)
<b>Net cash (used in)/provided by operating activities</b>		<b>(115,939,902)</b>	<b>170,513,232</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets		(10,075,796)	(4,941,251)
Proceeds from sale of fixed assets		-	120,570
Interest received		22,996,976	13,445,079
<b>Net cash provided by investing activities</b>		<b>12,921,180</b>	<b>8,624,398</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of equity shares		7,870,362	3,922,555
Proceeds from secured loans		10,067,994	-
Interest paid		(148,472)	(136,976)
Dividends paid (including distribution tax)		(29,270,687)	(29,687,318)
<b>Net cash used in financing activities</b>		<b>(11,480,803)</b>	<b>(25,901,739)</b>
Net (decrease)/increase in cash and cash equivalents		(114,499,525)	162,235,891
Cash and cash equivalents at the beginning of the year		505,408,372	343,935,725
Effect of exchange differences on translation of foreign currency cash and cash equivalents		537,825	(763,244)
<b>Cash and cash equivalents at the end of the year</b>	3.5.2	<b>391,446,672</b>	<b>505,408,372</b>

Cash and cash equivalents at the end of the year include unpaid dividend amounting Rs. 862,584 (Previous year Rs. 220,808).

As per our report of even date attached  
**for B S R & Company**  
 Chartered Accountants  
 Firm registration number: 128032W

**for and on behalf of the Board of Directors of  
 Mindteck (India) Limited**

**Vineet Dhawan**  
 Partner  
 Membership No.: 092084

**Yusuf Lanewala**  
 Chairman  
 DIN - 01770426

**Sanjeev Kathpalia**  
 Managing Director and CEO  
 DIN - 05257060

**Javed Gaya**  
 Director  
 DIN - 01481518

**Anand Balakrishnan**  
 Chief Financial Officer

**Shivarama Adiga S**  
 Company Secretary

Place: Bengaluru  
 Date: May 22, 2017

Place: Bengaluru  
 Date: May 22, 2017

# Notes to the Consolidated Financial Statements for the Year Ended March 31, 2017

## 1. DESCRIPTION OF THE GROUP

Mindteck (India) Limited ('Mindteck' or 'the Company') together with its wholly owned subsidiaries, set out below, collectively referred to as 'the Group' is a provider of Information Technology services to a wide range of Fortune 500 companies, multinationals and small and medium enterprises worldwide. The Group offers a complete range of technology outsourcing services, including IT Services, Product Engineering and R&D Services, IT Infrastructure & Managed Services and Energy Management Software Solutions.

The Group's clientel  constitute varied industry verticals, including Public Sector (Government), High Technology (such as Semiconductor, Data Storage, Cloud Services), Smart Energy

and Product Engineering (such as Life Sciences and Analytical Instruments, Industrial Systems, Medical Systems).

The Group has four global delivery centres located in the United States, India and Singapore and has sixteen offices across India, the United States, United Kingdom, Netherlands, Germany, Bahrain, Singapore, Philippines and Malaysia.

Mindteck has wholly owned subsidiaries (including step-down subsidiaries) in the United States of America, Singapore, Philippines, Malaysia, Bahrain, United Kingdom, Netherlands and Germany. Mindteck is the flagship company of the Group and is listed in India on the Bombay Stock Exchange and National Stock Exchange.

### List of subsidiaries with percentage holding as on March 31, 2017

Subsidiaries	Country of incorporation and other particulars	Percentage of ultimate holding (%)
Chendle Holdings Limited ('Chendle')	A subsidiary of Mindteck from April 1, 2008, incorporated under the laws of British Virgin Islands	100
Mindteck UK Limited ('Mindteck UK')	A subsidiary of Mindteck from April 1, 2008, incorporated under the laws of the United Kingdom	100
Mindteck Netherlands BV ('Mindteck Netherlands')	A subsidiary of Mindteck UK from October 17, 2008, incorporated under the laws of Netherlands	100
Mindteck Germany GmbH ('Mindteck Germany')	A subsidiary of Mindteck UK from April 2, 2008, incorporated under the laws of Germany	100
Mindteck Singapore Pte Ltd. ('Mindteck Singapore')	A subsidiary of Mindteck from April 1, 2008, incorporated under the laws of Singapore	100
Mindteck, Inc.	A subsidiary of Mindteck incorporated under the laws of the Commonwealth of Pennsylvania, USA	100
Mindteck Software Malaysia SDN. BHD ('Mindteck Malaysia')	A subsidiary of Mindteck incorporated under the laws of Malaysia	100
Mindteck Middle East Ltd S.P.C, Kingdom of Bahrain ('Mindteck Middle East')	A subsidiary of Mindteck incorporated under the laws of the Kingdom of Bahrain	100
Mindteck Solutions Philippines Inc. (Mindteck Philippines)	A subsidiary of Mindteck Singapore Pte Ltd. from March 8, 2016, incorporated under the laws of Philippines	100

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of consolidated financial statements

The financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable, Accounting Standards ('AS') issued by Institute of Chartered Accountants of India (ICAI), other generally accepted accounting principles in India and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statement are presented in Indian Rupees.

### 2.2 Principles of consolidation

The consolidated financial statements include the financial statements of Mindteck and its subsidiaries, which are more

than 50% owned or controlled. The financial statements of the parent company and its majority owned/controlled subsidiaries have been combined on a line-by-line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/transactions and the resultant unrealized gain/loss from the date the parent company acquired these subsidiaries.

The consolidated financial statements are prepared using uniform accounting policies in use at the Group.

### 2.3 Use of estimates

The preparation of consolidated financial statements in conformity with the Generally Accepted Accounting Principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of income and expenses for the year, assets and liabilities and disclosures relating to contingent liabilities as on the date of the consolidated financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

## 2.4 Fixed assets and depreciation

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

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

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use on such date, are disclosed under long-term loans and advances and capital work-in-progress respectively.

Depreciation/amortization is provided on the straight-line method. The rates specified under Schedule II of the Companies Act, 2013 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset, or of the remaining useful life on a subsequent review, is shorter than that envisaged in the aforesaid Schedule, depreciation/amortization is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, the management has estimated the useful life of fixed assets as follows:

Asset Classification	Useful life
Computer equipment	3 years
Computer software	3 years
Office equipment	3 to 5 years
Furniture and fixtures	5 to 7 years
Vehicles	5 to 6 years
Buildings	58 years

The Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Leasehold improvements are amortized over the lease-term or the estimated useful life of assets whichever is shorter.

## 2.5 Retirement benefits

Gratuity, a defined benefit for employees of the Indian entity, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India (LIC). Provision for gratuity liabilities, pending remittance to the fund, is carried in the balance sheet. Actuarial gains and losses are charged to the statement of profit and loss.

Compensated absences, a long-term defined employee benefit, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Group accrues for the expected cost of short-term compensated absences in the period in which the employee renders services.

Contributions payable to the recognized Provident Fund employee pension and social security schemes in certain overseas subsidiaries, which are defined contribution schemes, are charged to the statement of profit and loss.

## 2.6 Revenue recognition

The Group derives its revenues from software services. Revenue from software services on a time-and-material basis is recognized upon performance of services and at the agreed contractual rates. Revenue from fixed price contracts is recognized using the percentage completion method determined by relating the actual cost incurred to date, to the estimated total cost of the contract. Provision for estimated losses, if any, on incomplete contracts are recorded in the year in which such losses become probable based on the current contract estimates.

Unbilled revenue represents earnings in excess of billings while unearned income represents billings in excess of earnings.

Revenues are stated net of discounts and any applicable duties or taxes.

Dividend income is recognized when the right to receive payment is established.

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

## 2.7 Intangible assets

Intangible assets are measured initially at cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

### *Acquired intangible assets*

Intangible assets are recorded at the consideration paid for acquisition.

### *Internally generated intangible assets*

The cost of internally generated intangible assets arising from development comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

Expenditure on research (or on the research phase of an internal project) are recognized as an expense when they are incurred.

### *Goodwill*

Any excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, is recorded as goodwill arising on consolidation.

In an amalgamation in the nature of a purchase, any excess of the amount of the consideration over the value of the net assets of the transferor company acquired is recorded as goodwill arising on amalgamation.

Goodwill, arising on purchase of net assets, is recorded to the extent the cost of acquisition of the net assets, comprising purchase consideration and transaction costs, exceeds the value of net assets acquired.

### Amortization

Intangible assets are amortized over their estimated useful life on a straight-line basis commencing from the date the asset is available to the Group for its use.

Goodwill arising on consolidation/acquisition of assets is not amortized. It is tested for impairment on a periodic basis and written off, if found impaired. Goodwill, arising on purchase of business, is amortized over its useful life of five years and is assessed at each balance sheet date for the impairment. Goodwill arising on amalgamation is amortized on a systematic basis over its useful life of three years.

## 2.8 Foreign exchange transactions

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All the subsidiaries of the Company have been identified as non-integral operations in accordance with the requirements of AS-11. The financial statements of such non-integral foreign operations are translated into Indian Rupees as follows:

- All assets and liabilities, both monetary and non-monetary are translated using the closing rate.
- Revenue items are translated at the respective yearly average rates.
- The resulting net exchange difference is presented as "Foreign Currency Translation Reserve" under Reserves and Surplus.
- Contingent liabilities are translated at the closing rate.

## 2.9 Provision and contingent liabilities

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

## 2.10 Taxation

The current income tax charge is determined in accordance

with the relevant tax regulations applicable to respective entities within the Group.

Deferred tax charge or credit are recognized for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain to be realized.

Minimum Alternate Tax (MAT) paid in accordance with the Indian Income Tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the balance sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant assets can be measured reliably.

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

## 2.11 Earnings per share

In determining the earnings per share, the net profit after tax is divided by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earnings per share, potential equity shares that are dilutive, i.e. which reduces earnings per share or increases loss per share, are included.

The weighted average number of equity shares held by the Mindteck Employees Welfare Trust is reduced from the equity shares outstanding in computing basic earnings per share.

## 2.12 Impairment of assets

The Group assesses, at each balance sheet date, whether there is any indication that an asset (including goodwill) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized. In respect of goodwill, impairment loss is reversed only when it is caused by specific external events and their effects have been reversed by subsequent external events.

### **2.13 Employee Stock Options**

The Group measures the compensation cost relating to employee stock options using the intrinsic value method. The compensation cost, if any, is amortized over the vesting period of the options on a straight line basis.

### **2.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 3.1.1 Share Capital

Amount in Rs.

Particulars	As at	
	March 31, 2017	March 31, 2016
<b>Authorised</b>		
<b>Equity shares</b>		
28,000,000 (previous year 28,000,000) equity shares of Rs 10 each	<b>280,000,000</b>	280,000,000
<b>Preference shares</b>		
500,000 (previous year 500,000) cumulative, non-convertible, redeemable preference shares of Rs 100 each	<b>50,000,000</b>	50,000,000
	<b><u>330,000,000</u></b>	<b><u>330,000,000</u></b>
<b>Issued, subscribed and paid-up capital</b>		
<b>Equity shares</b>		
25,383,895 (previous year 25,173,101) equity shares of Rs 10 each fully paid-up	<b>253,838,950</b>	251,731,010
Less: 416,000 (previous year 416,000) equity shares of Rs 10 each fully paid-up held by the Mindteck Employees Welfare Trust (refer to note 'a' below)	<b>(4,160,000)</b>	(4,160,000)
	<b><u>249,678,950</u></b>	<b><u>247,571,010</u></b>

a. Consolidation of the Mindteck Employees Welfare Trust

The investment in the equity shares of the Company held by the Trust has been reduced from the share capital and securities premium account. Further, the opening retained earnings of the Trust has been included in the Company's opening retained earnings. Balances, after inter-company eliminations, have been appropriately consolidated in the Company's financial statements on a line-by-line basis.

b. On April 1, 2008, the Company acquired 100% equity in its fellow subsidiary Chendle Holdings Limited, BVI ('Chendle Holdings') including its wholly owned subsidiary Primetech Solutions Inc., USA, at an agreed valuation of USD 6,600,000 (approximately Rs. 264,664,741), the purchase consideration was agreed to be settled by a fresh issue of the equity shares of the Company to the shareholders of Chendle Holdings. The issue of equity shares to discharge the purchase consideration has been recorded at a price of Rs. 73.54 per equity share, being the fair value of the equity shares issued, in accordance with the requirements of paragraph 10 of AS-13, 'Accounting for Investments'.

Of the total purchase consideration payable, 102,878 equity shares (Previous year: 102,878 equity shares) have been reserved for allotment to certain shareholders of Chendle Holdings, subject to the furnishing of Permanent Account Number (PAN) and other requirements by these shareholders. The submission of PAN is a pre-requisite to complete the allotment of shares. The Company is in the process of following up with the shareholders of Chendle Holdings to obtain the PAN and upon receiving the PAN, the Company would allot the shares to these shareholders.

c. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year is given below:

Amount in Rs.

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	Amount	Numbers	Amount
<b>Equity shares</b>				
Shares outstanding at the beginning of the year (after reduction of equity shares held by Mindteck Employees Welfare Trust)	<b>24,757,101</b>	<b>247,571,010</b>	24,646,971	246,469,710
Add: shares issued during the year on exercise of employee stock options/restricted shares	<b>210,794</b>	<b>2,107,940</b>	110,130	1,101,300
Shares outstanding at the end of the year	<b>24,967,895</b>	<b>249,678,950</b>	24,757,101	247,571,010

d. The Company has two class of shares referred to as equity shares having a par value of Rs. 10 and cumulative, non-convertible, redeemable preference shares having a par value of Rs. 100. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders meeting.

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

The Board of Directors, at its meeting held on May 22, 2017, has recommended a dividend of 10% (Re. 1 per equity share of par value Rs. 10 each) for the year ended March 31, 2017 (Previous year 10%).

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

e. Equity shares held by holding company and subsidiary of holding company is given below:

Particulars	As at March 31, 2017	As at March 31, 2016
Embtch Holdings Limited, Holding Company	16,431,604	16,431,604

f. Equity shareholders holding more than 5 percent of equity shares along with the number of equity shares held is as given below:

Sl. No.	Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
		No. of shares	%	No. of shares	%
1	Embtch Holdings Limited	16,431,604	64.73%	16,431,604	65.27%
2	First Asian Investments S.A.	1,390,569	5.48%	1,390,569	5.52%

g. The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

h. There are no equity shares which are allotted as fully paid-up without payment being received in cash during the period of five years immediately preceding the balance sheet date.

i. Employee stock options

a. *Employee Share Incentive Scheme 2000*

The Company has an Employee Share Incentive Scheme 2000 ('ESIS 2000') for the benefit of its employees administered through the Mindteck Employees Welfare Trust ('The Trust'). The Trust, which was constituted for this purpose, subscribed to 416,000 equity shares renounced in its favour by the Company's promoters/directors in the Company's earlier Rights Issue. These shares are to be distributed amongst the Company's employees, based on the recommendations made by the Company's Nomination and Remuneration Committee. No equity shares have been distributed under the ESIS 2000 and therefore, no stock compensation expense has been recorded.

b. *Mindteck Employee Stock Option Scheme 2005*

During the year ended March 31, 2006, the Company introduced the 'Mindteck Employees Option Scheme 2005' ('the Option Scheme 2005') for the benefit of the employees, as approved by the Board of Directors in its meeting held on July 4, 2005 and the shareholders meeting held on July 29, 2005. The Option Scheme 2005 provides for the creation and issue of 500,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options vest annually in a graded manner over a three year period and are exercisable during a maximum period of five years from the date of vesting.

During the year ended March 31, 2017, the Company has granted 14,400 options on November 11, 2016 at an exercise price of Rs. 85.05 per share and 14,400 options on February 10, 2017 at an exercise price of Rs.92.10 per share.

Option activity during the year and weighted average exercise price of stock options under the Option Scheme 2005 is given as below:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Options outstanding at the beginning of the year	282,500	63.17	219,700	36.79
Granted during the year	28,800	88.58	157,800	89.29
Exercised during the year on exercise of employee stock options/restricted shares	59,300	36.34	44,900	24.20
Lapsed during the year	51,900	77.87	50,100	58.77
Options outstanding at the end of the year	200,100	71.56	282,500	63.17
Options exercisable at the end of the year	99,600	59.24	82,700	35.22

c. *Mindteck Employee Stock Option Scheme 2008*

During the year ended March 31, 2009, the Company introduced 'Mindteck Employees Stock Option Scheme 2008' ('the Option Scheme 2008') for the benefit of the employees, as approved by the Board of Directors in its meeting held on May 27, 2008 and the shareholders meeting held on July 30, 2008. The Option Scheme 2008 provides for the creation and issue of 1,200,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2017, the Company has granted 69,600 options on 20 May, 2016 at an exercise price of Rs. 103.90 per share and 239,000 options on 10 August, 2016 at an exercise price of Rs. 90.75 per share.

Option activity during the year and weighted average exercise price of stock options under the Option Scheme 2008 is given as below:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Options outstanding at the beginning of the year	482,686	39.83	569,250	38.94
Granted during the year	308,600	93.72	10,500	130.80
Exercised during the year on exercise of employee stock options/restricted shares	151,494	37.04	65,230	43.60
Lapsed during the year	34,168	85.24	31,834	46.34
Options outstanding at the end of the year	605,624	65.42	482,686	39.83
Options exercisable at the end of the year	210,016	40.42	115,353	35.94

d. *Mindteck Employee Stock Option Scheme 2014*

During the year ended March 31, 2015, the Company introduced 'Mindteck Employees Stock Option Scheme 2014' ('the Option Scheme 2014') for the benefit of the employees, as approved by the Board of Directors in its meeting held on May 29, 2014 and the shareholders meeting held on August 14, 2014. The Option Scheme 2014 provides for the creation and issue of 2,500,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2017, the Company has granted 250,000 options on 30 Mar, 2017 at an exercise price of Rs 78.10 per share.

Option activity during the year and weighted average exercise price of stock options under the Option Scheme 2014 is given as below:

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Options outstanding at the beginning of the year	-	-	-	-
Granted during the year	250,000	78.10	-	-
Exercised during the year on exercise of employee stock options/restricted shares	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of the year	250,000	78.10	-	-
Options exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life of the options outstanding as at March 31, 2017 is 6.02 years (previous year 5.92 years).

The Company uses the intrinsic value method to account for the stock compensation cost. The exercise price has been determined as the closing price of the Company's shares traded on the Bombay Stock Exchange on the day prior to the date of grant of options and thus there is no stock compensation expense under the intrinsic value method for the options granted during the year.

The Guidance Note on 'Accounting for Employee Share-based Payments' issued by the ICAI requires the disclosure of pro-forma net results and EPS, both basic and diluted, had the Company adopted the fair value approach described in the guidance note. Had the Company accounted for compensation cost under the fair value method, the reported profit after taxation for the year ended March 31, 2017 would have been Rs. 124,014,694 (Previous year profit of Rs. 258,544,707), i.e. lower by Rs. 228,995 (Previous year profit lower by Rs. 729,474), and the basic and diluted EPS for the year would have been Rs. 4.99 and Rs. 4.80 (Previous year Rs. 10.47 and Rs. 10.22 respectively).

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options has been calculated using Black- Scholes option pricing model, considering the expected term of the options to be 4 years, an expected dividend yield of 5-10% on the underlying equity shares, volatility in the share price of 40-100% and a risk free rate of 7-9.5%. The Company's calculations are based on a single option valuation approach. The expected volatility is based on historical volatility of the share price during the period after eliminating abnormal price fluctuations.

### 3.1.2 Reserves and Surplus

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Capital reserve</b>	<b>86,726,769</b>	86,726,769
<b>Securities premium Account</b>		
Opening balance	996,316,102	993,494,847
Add: Additions during the year on exercise of employee stock options/restricted shares	5,762,422	2,821,255
	<u>1,002,078,524</u>	<u>996,316,102</u>
<b>Surplus (Balance in the statement of profit and loss)</b>		
Opening balance	623,200,331	393,809,828
Add: Amount transferred from statement of profit and loss	124,243,690	259,274,181
Appropriations/Additions:		
Dividend proposed	389,638	(24,758,701)
Dividend distribution tax	(4,349)	(5,124,977)
	<u>747,829,310</u>	<u>623,200,331</u>
<b>Foreign currency translation reserve</b>		
Opening balance	82,943,408	58,669,570
Movement during the year	(27,534,270)	24,273,838
	<u>55,409,138</u>	<u>82,943,408</u>
<b>Adjustment on amalgamation of foreign subsidiaries</b>		
[Pursuant to the amalgamation of ISS Consultants Inc. into its parent, Mindteck (USA) Inc. which was effective May 31, 2007, in accordance with AS-14 'Accounting for Amalgamations', goodwill was adjusted with revenue reserves. Mindteck (USA) Inc. was subsequently merged with Mindteck Inc.]	(151,485,007)	(151,485,007)
<b>Total</b>	<b><u>1,740,558,734</u></b>	<b><u>1,637,701,603</u></b>

### 3.2.1 Other Long-term Liabilities

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Rental deposit	2,021,179	2,021,179
<b>Total</b>	<b><u>2,021,179</u></b>	<b><u>2,021,179</u></b>

### 3.2.2 Long-term Provisions

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Provision for employee benefits</b>		
- Gratuity (Refer note 3.3.5)	18,170,656	13,293,356
- Compensated absences	46,582,492	40,633,286
<b>Total</b>	<b><u>64,753,148</u></b>	<b><u>53,926,642</u></b>

### 3.3.1 Short-term Borrowings

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Loans repayable on demand from banks (Secured)		
- Bank overdraft	10,067,994	-
<b>Total</b>	<b><u>10,067,994</u></b>	<b>-</b>

Bank overdraft carry interest of 10.85 percent per annum, computed on a monthly basis on the actual amount utilized and/or repayable on demand.

### 3.3.2 Trade Payables

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Total outstanding dues of micro enterprises & small enterprises (Refer note 3.18)	362,157	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		
- Accrued expenses	57,558,896	73,448,736
- Others	88,881,651	89,633,083
<b>Total</b>	<b>146,802,704</b>	<b>163,081,819</b>

### 3.3.3 Other Current Liabilities

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Unearned income	5,141,982	10,158,460
Unpaid dividends	862,584	220,808
Other liabilities		
- Statutory liabilities	41,356,018	36,132,325
- Capital Creditors	2,752,000	-
- Salary payable	81,238,681	62,823,733
<b>Total</b>	<b>131,351,265</b>	<b>109,335,326</b>

### 3.3.4 Short-term Provisions

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
- Compensated absences	2,506,060	2,449,249
- Bonus and incentives	30,878,516	32,084,730
Other provisions		
- Taxation	44,413,530	27,101,944
Proposed equity dividend	-	25,173,101
Tax on proposed equity dividend payable	-	5,124,651
<b>Total</b>	<b>77,798,106</b>	<b>91,933,675</b>

### 3.3.5 Employee Benefits: Post-employment Benefit Plans

#### Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to Rs. 23,122,676 (Previous year: Rs. 20,367,460).

#### Defined benefit plans

The Company operates post-employment defined benefit plans that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is funded by the plan assets.

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Obligations at beginning of the year	23,498,146	20,132,922	15,622,218	14,659,660	10,642,518
Service cost	4,068,573	4,978,526	5,403,165	2,630,457	4,720,513
Interest cost	1,478,797	1,392,321	1,152,619	1,210,496	792,985
Benefits paid	(2,813,546)	(2,953,205)	(1,915,706)	(2,773,358)	(1,335,731)
Actuarial (gain)/loss	(456,727)	(52,418)	(129,374)	(105,037)	(160,628)
<b>Obligations at end of the year</b>	<b>25,775,243</b>	<b>23,498,146</b>	<b>20,132,922</b>	<b>15,622,218</b>	<b>14,659,660</b>
<b>Change in plan assets</b>					
Plan assets at beginning of the year, at fair value	10,204,790	8,255,525	9,449,446	7,073,778	8,073,140
Expected return on plan assets	664,250	750,896	700,556	641,304	264,986
Actuarial gain/(loss)	(85,017)	41,277	21,229	(150,671)	71,383
Contributions	-	4,110,297	-	4,658,393	-
Charges debited	(365,890)	-	-	-	-
Benefits paid	(2,813,546)	(2,953,205)	(1,915,706)	(2,773,358)	(1,335,731)
<b>Plan assets at end of the year, at fair value</b>	<b>7,604,587</b>	<b>10,204,790</b>	<b>8,255,525</b>	<b>9,449,446</b>	<b>7,073,778</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>					
Present value of the defined benefit obligations at the end of the year	25,775,243	23,498,146	20,132,922	15,622,218	14,659,660
Fair value of plan assets at the end of the year	(7,604,587)	(10,204,790)	(8,255,525)	(9,449,446)	(7,073,778)
<b>Liability recognized in the balance sheet</b>	<b>18,170,656</b>	<b>13,293,356</b>	<b>11,877,397</b>	<b>6,172,772</b>	<b>7,585,882</b>

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<b>Gratuity cost</b>					
Service cost	4,068,573	4,978,526	5,403,165	2,630,457	4,720,513
Interest cost	1,478,797	1,392,321	1,152,619	1,210,496	792,985
Expected return on plan assets	(664,250)	(750,896)	(700,556)	(641,304)	(264,986)
Actuarial (gain)/loss	(371,710)	(93,695)	(150,603)	45,634	(232,011)
<b>Net gratuity cost</b>	<b>4,511,410</b>	<b>5,526,256</b>	<b>5,704,625</b>	<b>3,245,283</b>	<b>5,016,501</b>
<b>Assumptions</b>					
Interest rate	6.69% p.a.	7.46% p.a.	7.86% p.a.	9.12% p.a.	7.95% p.a.
Expected rate of return on plan assets	7.55% p.a.	8.50% p.a.	8.25% p.a.	8.00% p.a.	8.00% p.a.
Expected rate of salary increase	10.00% p.a.	10.00% p.a.	10.00% p.a.	10.00% p.a.	10.00% p.a.
Attrition rate	20.00% p.a.	19.00% p.a.	20.00% p.a.	19.00% p.a.	19.00% p.a.
Retirement age	<b>58 years</b>	<b>58 years</b>	<b>58 years</b>	<b>58 years</b>	<b>58 years</b>

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



### 3.4.1 Fixed Assets and Capital Work in Progress

Amount in Rs.

Assets	Gross Block					Accumulated Depreciation					Net Block	
	As at April 01, 2016	Additions during the year	Deletions	Foreign Exchange Difference*	As at March 31, 2017	As at April 01, 2016	Charge for the year	Deletions	Foreign Exchange Difference*	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible assets</b>												
Computer equipment	78,905,766	2,135,264	-	(1,574,442)	79,466,588	67,751,058	9,522,106	-	(1,472,133)	75,801,031	3,665,557	11,154,708
Office equipment	16,479,895	777,190	-	(88,189)	17,168,896	12,729,253	2,327,957	-	(62,890)	14,994,320	2,174,576	3,750,642
Furniture and fixtures	42,899,992	637,111	-	(1,021,532)	42,515,571	39,362,842	1,248,523	-	(651,055)	39,960,310	2,555,261	3,537,150
Vehicles	1,651,389	-	-	(22,209)	1,629,180	1,333,271	294,698	-	(22,209)	1,605,760	23,420	318,117
Building- Asset given under operating lease	10,156,520	-	-	-	10,156,520	2,822,341	165,099	-	-	2,987,440	7,169,080	7,334,180
<b>Total (A)</b>	<b>150,093,562</b>	<b>3,549,565</b>	<b>-</b>	<b>(2,706,372)</b>	<b>150,936,755</b>	<b>123,998,765</b>	<b>13,558,383</b>	<b>-</b>	<b>(2,208,287)</b>	<b>135,348,861</b>	<b>15,587,894</b>	<b>26,094,797</b>
<b>Intangible assets, owned:</b>												
Goodwill (arising on business acquisition)	881,409,027	-	-	(1,455,821)	879,953,206	7,000,000	-	-	-	7,000,000	872,953,206	874,409,027
Computer software	48,231,261	5,556,931	-	122,162	53,910,354	40,549,332	3,445,816	-	(260,888)	43,734,260	10,174,985	7,681,929
<b>Total (B)</b>	<b>929,640,288</b>	<b>5,556,931</b>	<b>-</b>	<b>(1,333,659)</b>	<b>933,863,560</b>	<b>47,549,332</b>	<b>3,445,816</b>	<b>-</b>	<b>(260,888)</b>	<b>50,734,260</b>	<b>883,128,191</b>	<b>882,090,956</b>
<b>Total (A+B)</b>	<b>1,079,733,850</b>	<b>9,106,496</b>	<b>-</b>	<b>(4,040,031)</b>	<b>1,084,800,315</b>	<b>171,548,097</b>	<b>17,004,199</b>	<b>-</b>	<b>(2,469,175)</b>	<b>186,083,121</b>	<b>898,716,085</b>	<b>908,185,753</b>
Previous year	1,070,288,898	4,941,251	1,014,972	5,518,673	1,079,733,850	151,060,703	18,182,565	(990,370)	3,295,199	171,548,097	908,185,753	919,228,195
<b>Capital work in progress:</b>												
Capital work in progress of Rs. 3,72,1,300 as at 31 March, 2017 represents cost incurred towards leasehold improvements at AMR Tech Park located at Hosur Main Road, Bengaluru.												
<b>*Foreign Exchange Difference</b>												
Represents the effect of translation of assets held by foreign subsidiaries which are considered as non integral operation in terms of AS-11 - Effects of changes in Foreign Exchange rates.												

### 3.4.2 Deferred Tax Assets (Net)

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

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Deferred tax asset</b>		
Fixed assets	4,866,922	1,210,014
Provision for doubtful debts & deposits	2,690,499	1,817,710
Compensated absences	11,768,271	2,989,539
Gratuity	6,007,764	4,600,565
Others	9,380,217	3,209,675
<b>Deferred Tax Assets (Net)</b>	<b>34,713,673</b>	<b>13,827,503</b>

### 3.4.3 Long-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<i>(Unsecured, considered good)</i>		
Advance tax and tax deducted at source (net of provision for income tax)	56,888,251	32,109,276
Taxes paid under protest	24,900,000	22,900,000
Service tax input credit	-	20,743,544
Security deposits	28,624,517	51,517,434
<i>(Unsecured, considered doubtful)</i>		
Security deposits	5,422,636	5,000,000
<b>Total</b>	<b>115,835,404</b>	<b>132,270,254</b>
Less: Provision for doubtful deposits	(5,422,636)	(5,000,000)
<b>Total</b>	<b>110,412,768</b>	<b>127,270,254</b>

### 3.4.4 Other Non-current Assets

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<i>(Unsecured, considered good)</i>		
Deposit accounts with bank*	5,038,702	3,019,255
<b>Total</b>	<b>5,038,702</b>	<b>3,019,255</b>

\*Represents restricted bank balances of Rs. 5,038,702 (Previous year: Rs. 3,019,255). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

### 3.5.1 Trade Receivables

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- Considered good	18,558,709	9,128,770
- Considered doubtful	11,170,935	9,757,805
Less: Provision for doubtful debts	(11,170,935)	(9,757,805)
	<u>18,558,709</u>	<u>9,128,770</u>
Other debts		
- Considered good	716,483,852	570,827,175
<b>Total</b>	<b>735,042,561</b>	<b>579,955,945</b>

### 3.5.2 Cash and Bank Balances

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Cash and cash equivalent</b>		
Balances with banks		
- Current accounts	142,083,551	231,348,817
- Deposit accounts	248,240,858	273,544,154
Cash on hand	259,679	294,593
Other bank balances		
- Unpaid dividend account	862,584	220,808
<b>Total</b>	<b>391,446,672</b>	<b>505,408,372</b>

Deposits with original maturity of more than 12 months is Rs. 5,038,702 (Previous year Rs. 3,019,255) which has been shown under "Other non current assets".

### 3.5.3 Short-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
<i>(Unsecured, considered good)</i>		
Security deposits	38,712,100	-
Service Tax input credit/refund	26,802,305	17,140,427
Employee advances	8,062,940	6,882,033
Supplier advances	3,375,442	772,521
<b>Total</b>	<b>76,952,787</b>	<b>24,794,981</b>

### 3.5.4 Other Current Assets

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
Unbilled revenue	148,060,983	129,942,428
Claimable expenses	6,690,972	2,960,361
Accrued interest	1,802,189	5,198,961
Prepaid expenses	17,999,044	12,573,097
<b>Total</b>	<b>174,553,188</b>	<b>150,674,847</b>

### 3.6 Other Income

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest income	19,600,204	18,073,303
Rental income	2,448,543	2,268,504
Profit on sale of fixed assets, net	-	95,968
Other non-operating income	445,932	1,970,647
<b>Total</b>	<b>22,494,679</b>	<b>22,408,422</b>

### 3.7 Employee Benefits Expense

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	1,998,697,246	1,794,385,554
Contribution to provident and other funds	132,722,563	114,560,171
Staff welfare expenses	87,606,239	75,994,861
<b>Total</b>	<b>2,219,026,048</b>	<b>1,984,940,586</b>

### 3.8 Finance Costs

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense	148,472	136,976
Bank charges	3,595,554	3,098,882
<b>Total</b>	<b>3,744,026</b>	<b>3,235,858</b>

### 3.9 Other Expenses

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rent	87,334,287	82,250,159
Hiring charges	4,706,494	3,045,590
Travel expenses	49,524,718	37,878,541
Foreign exchange loss, net	5,945,285	3,803,968
Power and fuel	11,222,582	13,612,149
Communication expenses	15,954,360	16,910,192
Professional charges	58,862,145	51,727,716
Repairs and maintenance-building	-	109,544
Repairs and maintenance-others	15,658,330	18,506,341
Project supply and services	24,134,387	57,959,059
Rates and taxes	3,593,587	6,586,791
Insurance	4,475,364	3,820,157
Remuneration to auditors (Refer note 3.16)	4,183,900	3,875,518
Membership and subscription	35,518,817	29,576,017
Printing and stationery	2,306,003	3,328,300
Recruitment expenses	13,734,619	10,977,007
Provision for doubtful advances, net	422,636	-
Provision for doubtful debts, net	1,888,239	-
Contribution towards Corporate Social Responsibility	3,380,000	2,750,000
Miscellaneous expenses	7,983,043	7,789,215
<b>Total</b>	<b>350,828,796</b>	<b>354,506,264</b>

### 3.10 Contingent Liabilities and Commitments

- Corporate Guarantee of Rs. 129,760,940, i.e. USD 2 million (Previous year: Rs. 132,511,600, i.e. USD 2 million) has been provided by the Company in favour of a banking institution in the United States of America with respect to the extension of credit facilities by the banking institution to Mindteck, Inc., a wholly owned subsidiary of the Company.
- Income tax matters of the Company aggregating to Rs. 32,814,050 (Previous year: Rs. 123,117,414) are pending at various forums. The management believes that the Company has a good case to defend and no liability is expected in this regard.
- Company has utilised bank guarantee facilities of Rs.12,579,463 (Previous year: Rs. 8,868,660) against the bank guarantees provided to Customers, Customs and Excise Departments for Software Technology Park of India (STPI) bonding facilities.

**3.11** During the year ended 31 March 2016, provisions relating to Net Operating Losses (NOL) pertaining to Mindteck, Inc., a subsidiary company were reversed due to expiry of the Statute of Limitations. Current tax credit for the year ended March 31, 2016 included Rs. 115,128,357 representing reversal of these provisions.

### 3.12 Segmental Reporting

The Group's operations predominantly relate to providing software services to external customers and providing IT-enabled services to consolidated subsidiaries within the Group. The Group considers business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

Since IT-enabled services are rendered to subsidiaries which are consolidated, the disclosure of a separate IT-enabled services segment as a separate primary segment is not applicable. The Group is therefore considered to constitute a single primary business segment and accordingly primary segment disclosures have not been presented.

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

#### Geographical Segments

Amount in Rs.

Revenue	Year ended March 31, 2017	Year ended March 31, 2016
USA	2,426,748,951	2,128,082,550
India	341,796,972	300,514,381
Rest of the world	648,017,938	687,699,778
<b>Total</b>	<b>3,416,563,861</b>	<b>3,116,296,709</b>

Amount in Rs.

Carrying amount of segment assets by location of asset	As at March 31, 2017	As at March 31, 2016
USA	681,379,642	597,079,839
India	624,952,687	599,659,116
Rest of the world	276,132,601	268,265,149
Unallocated corporate asset - Goodwill on consolidation	848,132,806	848,132,806
<b>Total</b>	<b>2,430,597,736</b>	<b>2,313,136,910</b>

Amount in Rs.

Cost to acquire tangible and intangible fixed assets by location of assets	Year ended March 31, 2017	Year ended March 31, 2016
USA	931,914	655,370
India	6,929,601	3,538,655
Rest of the world	1,244,981	747,226
<b>Total</b>	<b>9,106,496</b>	<b>4,941,251</b>

### 3.13 Lease Transactions

The Group leases office and residential facilities and certain equipment under operating lease arrangements.

Lease rental expense for office facilities under non-cancellable operating leases during the year ended March 31, 2017 amounted to Rs. Nil (Previous year: Rs. Nil).

Future minimum lease payments under non-cancellable operating lease are set out below:

Amount in Rs.

Minimum lease payments	As at March 31, 2017	As at March 31, 2016
Payable - not later than one year	28,348,056	-
Payable - later than one year and not later than five years	93,835,609	-

The Group leases office facilities, residential facilities and equipment under cancellable operating leases. The rental expense under cancellable operating leases during the year ended March 31, 2017 amounted to Rs. 87,334,287 (Previous year Rs. 82,250,159).

### 3.14 Related Party Transactions

Name of the related party	Nature of relationship
Transcompany Ltd., British Virgin Islands (BVI)	Ultimate holding company
Vanguard Investments Ltd., BVI	Intermediary holding company
Mindteck Holdings Ltd., BVI	Intermediary holding company
Business Holdings Ltd., BVI	Intermediary holding company
Garrington Investments Ltd., BVI	Intermediary holding company
Infotech Ventures Ltd	Subsidiary of intermediary holding company
Embtech Holdings Ltd., Mauritius	Holding company
Mindteck Employees Welfare Trust	Controlled Trust

Key Managerial Personnel	
Yusuf Lanewala	Chairman and Managing Director ( <i>Appointed as Non-Executive Chairman effective from April 01, 2017</i> )
Meenaz Dhanani	Executive Director
Sanjeev Kathpalia	Managing Director and Chief Executive Officer ( <i>Appointed with effect from March 01, 2017</i> )
Anand Balakrishnan	Chief Financial Officer
Avneet Gupta	Chief Operating Officer ( <i>Resigned with effect from August 08, 2016</i> )
Shivarama Adiga S.	Company Secretary

Transactions with the Key Management Personnel during the year is as follows:

Amount in Rs.

Sl. No.	Nature of Transaction	For the year ended March 31, 2017	For the year ended March 31, 2016
i.	Remuneration to Key Managerial Personnel	21,308,507	23,982,434
ii.	Directors' sitting fees	1,370,000	1,060,000

The balances receivable from and payable to related parties as at March 31, 2017 and as at March 31, 2016 are Nil.

### 3.15 Earnings Per Share (EPS)

The computation of earnings per share is set out below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Profit after taxation (Rs)</b>	<b>124,243,690</b>	259,274,181
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	<b>24,841,743</b>	24,683,858
Effect of dilutive potential shares		
- Employee stock options	<b>448,917</b>	499,342
- Equity shares reserved for issuance	<b>102,878</b>	102,878
- Equity shares held by Mindteck Employees Welfare Trust (reduced for calculation of Basic EPS as per the Guidance Note on 'Accounting for Employee Share-Based Payments' issued by the ICAI)	<b>416,000</b>	-
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	<b>25,809,538</b>	25,286,078

### 3.16 Auditor's Remuneration

Amount in Rs.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Audit fees	1,950,000	1,750,000
Tax audit fee	100,000	75,000
Other services	2,000,000	1,950,000
Reimbursement of expenses	133,900	100,518
<b>TOTAL</b>	<b>4,183,900</b>	<b>3,875,518</b>

### 3.17 Unhedged Foreign Currency Exposure

Foreign currency exposures that have not been hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Amount (Rs.)	Amount (Foreign Currency)	Amount (Rs.)	Amount (Foreign Currency)
Advances recoverable	850,989	EUR 12,276	4,010,560	EUR 53,292
	1,355,044	QAR 74,907	-	-
	5,812,675	USD 89,568	983,036	USD 14,835
Trade payables for services availed	66,174	EUR 866	-	-
	28,256	USD 434	3,174,949	USD 47,894

### 3.18

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Amount in Rs.

Particulars	As at March 31, 2017	As at March 31, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year:		
- Principal amount payable to suppliers	362,157	-
- Interest accrued on the above amount	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
- Amount of interest for delayed payment to suppliers actually paid during the year	-	-
- Amount of delayed payments actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of this allowance of a deductible expenditure under section 23 of this Act.	-	-

### 3.19 Disclosure on Specified Bank Notes

The Company did not have specified bank notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Amount in Rs.

Particulars	Specified Bank Notes	Other Denomination Notes	TOTAL
Closing cash in hand as on November 8, 2016	-	4,425	4,425
Add: Permitted Receipts	-	87,000	87,000
Less: Permitted Payments	-	78,138	78,138
Less: Amount Deposited in bank	-	-	-
Closing cash in hand as on December 30, 2016	-	13,287	13,287

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 08, 2016.

As per our report of even date attached

**for B S R & Company**

*Chartered Accountants*

Firm registration number: 128032W

**Vineet Dhawan**

*Partner*

Membership No.: 092084

**for and on behalf of the Board of Directors of  
Mindteck (India) Limited**

**Yusuf Lanewala**

*Chairman*

DIN - 01770426

**Sanjeev Kathpalia**

*Managing Director and CEO*

DIN - 05257060

**Javed Gaya**

*Director*

DIN - 01481518

**Anand Balakrishnan**

*Chief Financial Officer*

**Shivarama Adiga S**

*Company Secretary*

*Place: Bengaluru*

*Date: May 22, 2017*

*Place: Bengaluru*

*Date: May 22, 2017*



# Notice of Annual General Meeting

(CIN: L30007KA1991PLC039702)

**NOTICE** is hereby given that the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of the Members of Mindteck (India) Limited will be held on Friday, August 11, 2017 at 12:00 Noon at Hotel Woodlands, "Sri Krishna Hall", No-5, Rajaram Mohan Roy Road, Bengaluru-560 025, to transact the following business:

## AS ORDINARY BUSINESS:

### 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Board's Report and Auditor's Report thereon.

### 2. Declaration of Dividend

To declare dividend of Re 1/- per Equity Share for the financial year ended March 31, 2017.

### 3. Re-Appointment of Mr. Meenaz Dhanani who retires by rotation

To appoint a Director in place of Mr. Meenaz Dhanani (DIN:06705048), who retires by rotation and being eligible, offers himself for re-appointment.

### 4. Appointment of Statutory Auditor and to fix their Remuneration

To appoint the Statutory Auditor to hold office from the conclusion of this meeting until the conclusion of the thirty first Annual General Meeting of the Company and to fix their remuneration and pass the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141,142 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), in respect of whom the Company has received the eligibility letter in writing and recommended by the Board, be and hereby appointed as Statutory Auditor of the Company for a period of five years, from the conclusion of this meeting until the conclusion of Thirty First Annual General Meeting, subject to ratification by Members of the Company at every Annual General Meeting on such remuneration as may be determined by the Board of Directors."

## AS SPECIAL BUSINESS:

### 5. Appointment of Mr. Sanjeev Kathpalia as a Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Sanjeev Kathpalia (DIN:05257060), appointed as an Additional Director under Article 114(a) of Articles of Association of the Company, Sections 152 and 161(1) of the Companies Act, 2013 and Rules made thereunder, by the Board on February 10, 2017 and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose Mr. Sanjeev Kathpalia (DIN:05257060), as Director of the Company liable to retire by rotation, be and hereby appointed.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby severally authorized to take such steps, actions and do things, deeds, matters, including the filing of necessary forms with Ministry of Corporate Affairs as may be required or are necessary, so as to give proper effect to this Resolution."

### 6. Appointment and payment of Remuneration to Mr. Sanjeev Kathpalia as Managing Director and Chief Executive Officer of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Article 131 of Articles of Association and the provisions of Sections 196, 197 and 203 read with Schedule V of Companies Act, 2013 and all other applicable Acts, Rules and Regulations including any statutory modification(s) or re-enactment(s) thereof for the time being in force, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and subject to such statutory approvals, such terms and conditions as may be stipulated by the Members in the general meeting and the Central Government while granting approvals in that behalf Mr. Sanjeev Kathpalia (DIN:05257060), a Resident, be and is hereby appointed as Managing Director & Chief Executive Officer of the Company, from March 01, 2017, for a period of three (3) years on a total remuneration of Rs.1,80,00,000/- (Rupees One Crore Eighty Lakhs only) per annum as stipulated in the employment agreement and recommended by the Nomination and Remuneration Committee of the Board, and agreed upon between the Board of Directors and Mr. Sanjeev Kathpalia with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointee.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee shall be paid the above remuneration as the Minimum Remuneration as may be agreed to between the Board of Directors and the appointee.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby severally authorized to take such steps, actions and do things, deeds, matters including the filing of necessary forms with Ministry of Corporate Affairs and obtaining necessary approvals from Central Government as may be required or are necessary so as to give proper effect to this Resolution."

### 7. Alteration to Articles of Association

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 5 and 14 of the Companies Act, 2013 read with applicable Rules made thereunder and Regulations including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, from the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, consent of the Members of the Company be and is hereby accorded for the amendment by replacing the entire existing Articles of Association of the Company by adopting Table F of Schedule I to the Companies, 2013.

## 8. Service of Documents to the Members by the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and Rules prescribed there under, the consent of the Company be and is hereby accorded to charge from the Member a fee in advance equivalent to the estimated actual expenses for delivery of any document requested by a Member to be sent through post or registered post or speed post or courier or electronic or any other particular mode.”

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby severally authorized to take such steps, actions and do things, deeds, matters as may be required or are necessary so as to give proper effect to this Resolution.”

## 9. Preferential Issue of 64,299 Equity Shares to Black Horse Limited (Erstwhile Investor of Chendle Holdings Limited)

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules prescribed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force and in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, Foreign Exchange Management Act, 1999 and such other Statutes, Notifications, Rules and Regulations as may be applicable and relevant, issued by the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), Stock Exchanges and any other appropriate authorities, including the enabling provisions of the Listing Agreements entered into by the Company with the relevant Stock Exchanges and the provisions of the Memorandum of Association and the Articles of Association of the Company, subject to such approvals, consents, permissions of appropriate authorities, as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, consents, permissions, the Board of Directors of the Company be and are hereby authorized by the Company to issue and allot 64,299 (Sixty Four Thousand Two Hundred and Ninety Nine) Equity Shares of Rs. 10/- (Rupees Ten only) each to Black Horse Limited, an Independent Shareholder of Chendle Holdings Ltd. on preferential issue basis through stock swap basis.

### **RESOLVED FURTHER THAT**

- (i) The Equity shares so offered and allotted to the independent shareholder of Chendle Holdings Limited shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.
- (ii) The Equity shares shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlements to Dividend.
- (iii) The offer, issue and allotment of the aforesaid shares on a stock swap basis shall be made within 15 (Fifteen) days from the date of this Resolution approved by the shareholders in their Meeting. Provided that where the allotment is pending on account of pendency of any regulatory or Central Government approval(s), the allotment shall be completed within 15 (Fifteen) days of such approval(s).

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby severally authorized to take such steps, actions and do things, deeds, matters including the filing of necessary forms with Ministry of Corporate Affairs and obtaining necessary approvals from Stock Exchanges as may be required or are necessary so as to give proper effect to this Resolution.”

## 10. Approval for Related Party Transaction with Mr. Meenaz Dhanani

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188(1) (f) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, consent of the Members be and is hereby accorded to enter into a Contract with Mr. Meenaz Dhanani, a Director of the Company to hold an office or place of profit as a President in Mindteck, Inc., USA a wholly owned subsidiary of the Company on a remuneration of USD 191,268 per annum along with all other benefits as per the Company Policy, payable by Mindteck, Inc., USA as approved by the Audit Committee and Board of Directors of the Company with effect from June 16, 2017.

**RESOLVED FURTHER THAT** the Board shall have the authority to revise the aforesaid salary together with allowances, benefits, amenities, facilities and other perquisites from time to time.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby severally authorized to file necessary e-Forms with Registrar of Companies, Karnataka and intimate the Stock Exchanges, as may be required and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

### **Registered Office:**

A. M. R. Tech Park Block -1  
3rd Floor, # 664, 23/24,  
Hosur Main Road, Bommanahalli,  
Bengaluru -560068 India.  
May 22, 2017

### **BY ORDER OF THE BOARD for Mindteck (India) Limited**

Shivarama Adiga S.  
Vice President,  
Legal and Company Secretary

### **Notes:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a Member of the Company. A person can act as a proxy for not more than 50 Members and holding not more than 10% of the total Share Capital. Proxies, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
2. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business is annexed hereto.
3. Corporate Members intending to depute their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting, as well as for exercising e-voting.
4. A blank Attendance Slip is annexed to this Annual Report. Members/proxies are requested to fill in their particulars on the

- attendance slip, affix their signature in the appropriate place and hand it to Company's officials/Registrar at the entrance of the meeting venue.
5. Pursuant to Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Register shall remain closed from August 05, 2017 to August 11, 2017 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
  6. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear on the Register of Members as on August 04, 2017.
  7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
  8. The Register of Contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company.
  9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their updated e-mail IDs, Bank details, Electronic Clearing Services (ECS) or (NECS) compliant bank account numbers, mandates, nominations, Power of Attorney, change of address, change of name, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records that will help the Company and its RTA to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to their RTA, Universal Capital Securities Private Limited at 21/25, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093. Contact No. 022-2820 7203-05, Fax No. 022 -2820 7207. Attached please find a format to update your Electronic Clearing Services (ECS) and email IDs in the last page of this Annual Report.
  10. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONSIDER CONVERTING THEIR HOLDING TO DEMATERIALIZED FORM TO ELIMINATE RISKS ASSOCIATED WITH THE PHYSICAL SHARES AND FOR EASE IN PORTFOLIO MANAGEMENT. MEMBERS CAN CONTACT UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED IN THIS REGARD.
  11. Members intending to seek explanation/clarification/copy of any document at the meeting about the information contained in the Annual Report are requested to inform the Company at least a week in advance of their intention to do so, in order to make relevant information available, if the Chairman permits such information to be furnished.
  12. Members who have not yet encashed their dividends for the previous years, and wish to claim any outstanding dividends are requested to write to the Company's Registrar. Members' attention is particularly drawn to the "Corporate Governance Report" of the Annual Report in respect of Unclaimed Dividends.
  13. Pursuant to Schedule VII read with Regulation 40(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory to furnish a PAN card copy of both transferor and transferee for the registration of transfer of shares in physical form with the Company's RTA.
  14. As per Section 101 and 136 read with applicable Rules of the Companies Act, 2013 in addition to the Ministry of Corporate Affairs Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, a 'Green Initiative in Corporate Governance' has allowed companies to send documents to shareholders through electronic mode. Accordingly the complete set of the Annual Report along with the AGM notice has been sent by e-mail to Members who have provided their e-mail addresses. Members are requested to support this initiative in full measure and contribute towards a greener environment by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the RTA. Those Members for whom the e-mail copies of Annual Reports were sent may write to the Company Secretary for a physical copy if needed. Members requiring any information or copies of financials of Subsidiary may write to the Company Secretary or inspect the same on the website of the Company under the Investors Section.
  15. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facility to cast their vote electronically through the e-voting services provided by NSDL on all resolutions set forth in this Notice. The instructions for e-voting are as under:
    - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
      - i. Open the email and also open PDF file named **"MINDTECK e-voting.pdf"** with your Client ID or Folio No. as the password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
      - ii. Open the internet browser and type the following **URL: <https://www.evoting.nsdl.com/>**
      - iii. Click on Shareholder–Login.
      - iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password.
      - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
      - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take the utmost care to keep your password confidential.
      - vii. Once the e-voting home page opens, click on e-voting: Active Voting Cycles.
      - viii. Select **"EVEN"** (E-Voting Event Number) of Mindteck (India) Limited. Now you are ready for e-voting as Cast Vote page opens.
      - ix. Cast your vote by selecting appropriate option and click on **"Submit"** and also **"Confirm"** when prompted.

- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi. Once the vote on the Resolution is cast, the Member shall not be allowed to change it subsequently.
  - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email to **mindteck.scrutinizer@gmail.com** with a copy marked to **evoting@nsdl.co.in**
  - xiii. In case of any queries, you may refer to Frequently Asked Questions (FAQs) -Shareholders and e-voting user manual-Shareholders, available at the downloads section of **www.evoting.nsdl.com** or call on Toll Free Number- 1800 222 990.
- B. In case a Member receives a physical copy of the Notice of AGM (for Members whose e-mail addresses are not registered with the Company/Depositories):
- i. Initial password is provided in the enclosed ballot form: **EVEN** (E-Voting Event Number), user ID and password.
  - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast a vote.
- C. Other Instructions:
- i. The e-voting period commences on Tuesday, August 08, 2017 (9.00 a.m.) and ends on Thursday, August 10, 2017 (5.00 p.m.). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on August 04, 2017 (**Cut-off date**), may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
  - ii. The voting rights of Members shall be in proportion to their shares of the paid- up equity share capital of the Company as on August 04, 2017 (**Cut-off date**).
  - iii. Those investors who became shareholders of the Company after dispatch of the AGM Notice and holding shares as of August 04, 2017 (**Cut-off Date**) may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or **shivarama.adiga@mindteck.com**. However, if you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
  - iv. Mr. Gopalakrishnaraj H H., Practicing Company Secretary (Membership No. FCS 5654), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members, who do not have access to the e-voting process) in a fair and transparent manner.
  - v. The Scrutinizer shall, within a period not exceeding 24 hours from the conclusion of the Annual General Meeting, unblock all the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - vi. Members who do not have access to the e-voting facility may send a duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company - Mr. Gopalakrishnaraj H H., Practicing Company Secretary (Membership No. FCS 5654) at the Registered Office of the Company not later than Thursday, August 10, 2017 (5.00 p.m.).
  - vii. Members have the option to request a physical copy of the Ballot Form by sending an email to **investors@mindteck.com** or **shivarama.adiga@mindteck.com** by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Thursday, August 10, 2017 (5.00 p.m.).
  - viii. Any Ballot Form received after this date shall be treated as invalid.
  - ix. A Member may opt for only one mode of voting – either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
  - x. The results declared, along with the Scrutinizer's Report, shall be placed on the Company's website (**www.mindteck.com**) and on the website of NSDL (**www.evoting.nsdl.com**) within 48 hours of the passing of the Resolutions at the Twenty-Sixth AGM of the Company on August 11, 2017 and communicated to the Stock Exchanges, where the shares of the Company are listed.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 5 & 6: Appointment of Mr. Sanjeev Kathpalia as Director liable to retire by rotation and Managing Director & Chief Executive Officer**

Mr. Sanjeev Kathpalia (DIN:05257060) was appointed as an Additional Independent Director of the Company with effect from February 10, 2017, pursuant to Sections 152 and 161(1) of the Companies Act, 2013, read with Article 114(a) of the Articles of Association of the Company and subject to the approval of shareholders in the ensuing AGM.

Pursuant to the provisions of Sections 152 and 161(1) of the Companies Act, 2013, Mr. Sanjeev Kathpalia, will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a Member along with a deposit of Rs. 1,00,000/- (Rupees One Lakh Only) proposing the candidature of Mr. Sanjeev Kathpalia for the office of Director.

Mr. Sanjeev Kathpalia has given a declaration to the Company provided under Section 164 and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Director fulfills the conditions specified in the Companies Act, 2013 and Rules framed there under as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Managing Director & Chief Executive Officer of the Company.

The appointment of the Managing Director and Chief Executive Officer is placed before the Shareholders for approval.

The terms and conditions of appointment of the Managing Director and Chief Executive Officer shall be open for inspection by the Shareholders at the Registered Office of the Company during normal working hours on any working day, excluding Saturday and Sunday.

**The major terms and conditions of his appointment are as follows:**

- A. Term of appointment:** From March 01, 2017 to 29 February, 2020.
- B. Compensation:** The annual Remuneration of the Managing Director and Chief Executive Officer, Mr. Sanjeev Kathpalia shall be Rs 1,80,00,000/- (Rupees One Crore Eighty Lakhs only) as under:
  - Fixed Pay:** Rs 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs only)
  - Variable Pay:** Rs 55,00,000/- (Rupees Fifty Five Lakhs only)
  - Stock Options:** 5,00,000 (Five Lakhs Only)
  - Saving and retirement plans:** As per the existing policy of the Company.

**Insurance:** Group Medical and Group Accident Policies.

**Other Benefits:** Leave as per existing Company policy.

- C. The period of notice of termination:** 90 Days.
- D.** The intention of the Company for the appointment of Mr. Sanjeev Kathpalia is to manage and control the Company's business and operations with the aim of securing significant, sustained increase in the value of the Company for its shareholders. He is entrusted with substantial powers of management of the operations, performance and all other areas of Mindteck and all its subsidiaries, subject to the superintendence, control and direction of the Board.

The Resolution seeks the approval of the Members in terms of Sections 196, 197, 203 read with Rules made thereunder along with Schedule V and other applicable provisions of the Companies Act, 2013 for the appointment of Mr. Sanjeev Kathpalia for a period of three (3) years from March 01, 2017.

The copies of relevant resolutions of the Board with respect to the appointment are available for inspection by the Members at the Registered Office of the Company during working hours on any working day till the date of the Annual General Meeting.

Details of Mr. Sanjeev Kathpalia, pursuant to the requirement of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, relating to Corporate Governance, are given in the Annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, except Mr. Sanjeev Kathpalia and his relatives, in the Resolution set out at Item No. 5 & 6 of the Notice.

**ADDITIONAL INFORMATION AS PER SECRETARIAL STANDARDS**

Name	Mr. Sanjeev Kathpalia
Age	64 years
Date of Appointment	Mr. Kathpalia was appointed as an Additional Director of the Company on February 10, 2017 and Managing Director and Chief Executive Officer effective from March 01, 2017
Qualifications	Mr. Kathpalia holds an MBA from IIM Calcutta, and a Bachelor of Technology in Chemical Engineering from IIT Delhi.
Experience	Mr. Sanjeev Kathpalia is a seasoned strategist with over 35 years of global experience spanning executive roles in investment banking, manufacturing and business development.
Remuneration last drawn	USD 255,000 p.a. plus reimbursement of expenses of USD 24,000 p.a.
Shareholding in the Company	NIL
Relationship with other Directors/KMP of the Company	NIL
Number of Board Meetings attended during the financial year 2016-17	NIL
Directorships in other Companies	Wellcorp Health Services Private Limited
Chairman/Member of the Committee(s) of Board of Directors in other Companies in which he is a Director	NIL

**Item No. 7: Alteration to Articles of Association**

Upon enactment of the Companies Act, 2013 various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act. Accordingly, it is proposed to adopt a new set of Articles of Association of the Company, as per **Table F of Schedule I** to the Companies Act, 2013 which sets out

the model Articles of Association for a Company limited by Shares, in place of the existing Articles of Association.

By virtue of Sections 5 and 14 of the Companies Act, 2013, approval of Members is required by way of Special Resolution in General Meeting to amend the Articles of Association of the Company. Accordingly, the Board of Directors of the Company seek the approval of the Members of the Company for the aforesaid alteration by way

of a Special Resolution. A copy of the altered Articles of Association will be available for inspection at the Annual General Meeting and such copy will be so made available for inspection in physical or in electronic form during normal working hours on any working day, except Saturday and Sunday at the Registered Office of the Company at A.M.R. Tech Park Block -1, 3rd Floor, # 664, 23/24, Hosur Main Road, Bommanahalli, Bengaluru - 560068.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board recommends the Resolution for the approval of the Members.

**Item No. 8: Service of Documents to the Members by the Company**

As per the provisions of Section 20 of the Companies Act, 2013, a Member may request for any document through a particular mode, for which the Member shall pay such fees as may be determined by the Company in its Annual General Meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense to be borne by the Company for such dispatch will be paid in advance by the Member to the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

The Board recommends the Resolution for the approval of the Members

**Item No. 9: Preferential Issue of 64,299 Equity Shares to Black Horse Limited (Erstwhile Investor of Chendle Holdings Limited)**

The Members of the Company in their Extra-Ordinary General Meeting held on February 05, 2008 had passed a special resolution under Section 372A of the Companies Act, 1956 approving the simultaneous investment/acquisition of the 100% issued and paid up capital of Chendle Holdings Ltd. (CHL).

The Company had also obtained the necessary approval from Foreign Investment Promotion Board (FIPB) on September 07, 2007 for the 100% acquisition of CHL as required by Reserve Bank of India (RBI). Further, the Company obtained the necessary in-principle approval for listing of the shares on BSE Limited, entered into Stock Purchase Agreement with the shareholders of CHL and acquired the entire share capital of CHL effective 1st April, 2008 on a stock swap basis.

According to the Stock Purchase Agreement, Mindteck had issued the shares on a share swap basis to those investors who had provided their Permanent Account Number (PAN) and reserved shares for other investors pending allotment till PAN is received. As per Regulation 72(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the preferential issue of Equity Shares can be allotted only to those who have PAN in India and can be issued only in dematerialised form. Presently, Black Horse Limited (an investor in erstwhile CHL), has provided PAN and other relevant documents, hence it is recommended by the Board to issue and allot the shares which were reserved for allotment.

**Disclosures in terms of Section 62(1)(c) read with Rule 13 of The Companies (Share Capital and Debenture) Rules, 2014 and Regulation 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are given as under:**

- (i) **The objects of the preferential issue:**  
To issue and allot 64,299 Equity Shares to Black Horse Limited, erstwhile investor of CHL on its acquisition by the Company on a share swap basis.

- (ii) **Total Number of shares issued:**  
The total number of Equity shares to be issued is 64,299 Equity shares of Rs. 10/- each.
- (iii) **Price/Price Band at/within which the allotment is proposed:** Not Applicable as the issue is on share swap basis.
- (iv) **Basis on which the price has been arrived:** Not Applicable as the issue is on share swap basis.
- (v) **Relevant date with reference to which the price has been arrived at:** Not Applicable as the issue is on share swap basis.
- (vi) **Proposed time within which allotment will be completed:**  
The allotment of the equity shares shall be made within 15 (Fifteen) days of the date of this Resolution. Provided that where the allotment is pending on account of any approval or permission by any regulatory Authority or the Central Government, the allotment shall be completed within 15 (Fifteen) days from the date of such approval(s) or permission, as the case may be.
- (vii) **The proposal of the Promoters, Directors, or Key Managerial Personnel of the Company to subscribe to the offer:**  
None of the Promoters, Directors or Key Managerial Personnel intends to subscribe to the offer as the preferential issue of Equity Shares is on share swap basis to the erstwhile investor of CHL.
- (viii) **Class of persons to whom the allotment is proposed to be made:**  
Black Horse Limited, a Company incorporated in Cayman Islands with its Registered Office situated at Paget-Brown & Company Limited, Second Floor, West Wind Building, Harbour Drive, P.O. Box 1111, George Town, Grand Cayman, British West Indies, who was an erstwhile investor of CHL, which has been acquired by Mindteck (India) Limited on share swap basis.
- (ix) **Justification for the allotment proposed to be made for consideration other than cash:**  
The issue and allotment of 64,299 Equity Shares to Black Horse Limited, an erstwhile investor of CHL was pursuant to Stock Purchase Agreement with the shareholders of CHL for acquiring the entire share capital of CHL on a stock swap basis effective 1st April, 2008.
- (x) **Number of persons to whom allotment on preferential basis have already been made during the year:** NIL
- (xi) **Change in control, if any, in the Company that would occur consequent to the preferential offer:**  
There is no change in the Management or control of the Company pursuant to the preferential issue of Equity shares.
- (xii) **Re-computation of the price of the Equity shares in terms of the provision of SEBI (ICDR) Regulations, 2009:** Not Applicable as the issue is on share swap basis.
- (xiii) **Amount payable on account of the re-computation of price if not paid within the time stipulated in SEBI (ICDR) Regulations, 2009, the Equity shares shall continue to be locked-in till the time such amount is paid by the allottees:** Not Applicable as the issue is on share swap basis.

(xiv) **Shareholding pattern of the Company before and after the preferential issue:**

Sl. No.	Category	Pre-Issue		Post-Issue	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
<b>A</b>	<b>Promoters' Holding:</b>				
1	Indian:	-	-	-	-
	Individual	-	-	-	-
	Body Corporate	-	-	-	-
	Sub-Total	-	-	-	-
2	Foreign Promoters	16,431,604	64.73	16,431,604	64.57
	<b>Sub Total (A)</b>	<b>16,431,604</b>	<b>64.73</b>	<b>16,431,604</b>	<b>64.57</b>
<b>B</b>	<b>Non-Promoters Holding</b>				
1	Institutional Investors	25	0.00	25	0.00
2	Non-Institution:				
	Private Corporate	243,288	0.96	243,288	0.96
	Directors and Relatives	50,000	0.20	50,000	0.20
	Indian Public	3,426,269	13.50	3,426,269	13.46
	Others (Including NRI's)*	5,232,709	20.61	5,297,008	20.81
	<b>Sub Total (B)</b>	<b>8,952,291</b>	<b>35.27</b>	<b>9,016,590</b>	<b>35.43</b>
	<b>GRAND TOTAL</b>	<b>25,383,895</b>	<b>100.00</b>	<b>25,448,194</b>	<b>100.00</b>

\*Post issue Shareholding includes Preferential Issue of 64,299 Equity Shares to Black Horse Limited

(xv) **Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by the said allottees:**

Identity of proposed allottees	No. of Equity Shares to be allotted	Percentage of post issue Equity Capital
Black Horse Limited	64,299	0.25

The ultimate beneficial owners of the shares proposed to be allotted are as under:

Sl. No.	Name of the Ultimate Beneficial Owner	Percentage of Shareholding in Black Horse Limited
1	Mr. Abdullah Saeed Mohammed Al Maddah	25%
2	Mr. Mamdooh Saeed Mohammed Al Maddah	25%
3	Mr. Marwan Saeed Mohammed Al Maddah	25%
4	Mr. Ayman Saeed Mohammed Al Maddah	25%

**Auditor's Certificate:**

The Statutory Auditor's Certificate stating that the above preferential issue is in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 will be kept open for inspection at the Registered Office of the Company during normal working hours on any working day, except Saturday and Sunday up to the date of the Annual General Meeting. Copies of the above mentioned Certificate shall also be laid before the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the Resolution set out at Item No. 9 of the Notice.

The Board recommends the Resolution for the approval of the Members.

**Item No. 10: Approval for Related Party Transaction with Mr. Meenaz Dhanani**

The Re-appointment of Mr. Meenaz Dhanani as an Executive Director of the Company for a period of three (3) years with effect from October 04, 2016 was approved by the Members in the 25th Annual General Meeting of the Company held on August 11, 2016, subject to the approval of the Central Government. Subsequently, the application was filed with Ministry of Corporate Affairs (MCA) and approval was not accorded by MCA on a technical ground as per its letter dated June 16, 2017. Mr. Meenaz Dhanani has been the President of Mindteck, Inc., since May 08, 2014 and has been responsible for the day to day operations of Mindteck, Inc. and reports directly to the Managing Director and Chief Executive Officer

of the Company. In order to have efficient controls and processes, the Board of Directors have approved to retain Mr. Meenaz Dhanani as a Non-Executive Director of the Company on the terms and conditions as set out in the Resolution for managing the business of Mindteck, Inc. effective from June 16, 2017 on the same existing remuneration of USD 191,268 per annum, which may be revised by the Board of Directors from time to time.

Since the payment of remuneration to Mr. Meenaz Dhanani from Mindteck, Inc., a wholly owned subsidiary, requires the approval

of the shareholders under Section 188(1)(f) of the Companies Act, 2013 and Rules made thereunder by Ordinary Resolution, the approval of the shareholders is sought now. The monetary value of the payment to related party for holding the place of profit is embodied in the resolution.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

<b>Name of the Related Party</b>	Mr. Meenaz Dhanani, a Director of Mindteck (India) Limited
<b>Name of the Director or Key Managerial Personnel who is related, if any</b>	Mr. Meenaz Dhanani
<b>Nature of relationship</b>	President of Mindteck, Inc., a wholly owned subsidiary from which Mr. Meenaz Dhanani draws remuneration.
<b>Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement</b>	Mr. Meenaz Dhanani, a Director of the Company be paid a remuneration of USD 191,268 per annum along with all other benefits as per the Company Policy, by Mindteck Inc., USA with effect from June 16, 2017 as embodied in the resolution given in Item No. 10.
<b>Any other information relevant or important for the Members to take a decision on the proposed Resolution.</b>	All the relevant details/information as required under the law is provided in the Resolution set out in Item No. 10 and relevant Explanatory Statement.

None of the Directors and Key Managerial Personnel or their relatives, except Mr. Meenaz Dhanani and his relatives, is concerned or interested financially or otherwise, in the above resolution set out at Item No. 10.

The Board recommends the Resolution for the approval of the Members.

**Registered Office:**

A. M. R. Tech Park Block -1  
3rd Floor, # 664, 23/24,  
Hosur Main Road, Bommanahalli,  
Bengaluru -560068 India.  
May 22, 2017

**BY ORDER OF THE BOARD  
for Mindteck (India) Limited**

Shivarama Adiga S.  
Vice President,  
Legal and Company Secretary

**Annexure to the Notice**

**INFORMATION PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING APPOINTMENT AND RE- APPOINTMENT OF DIRECTOR**

Name of the Director	Mr. Sanjeev Kathpalia	Mr. Meenaz Dhanani
<b>Date of Appointment/ Last Re-appointment</b>	February 10, 2017	October 04, 2016
<b>Brief Resume and nature of expertise in specific functional areas</b>	Mr. Sanjeev Kathpalia is a seasoned strategist with over 35 years of global experience spanning executive roles in investment banking, manufacturing and business development. Most recently, Mr. Kathpalia served as a Senior Advisor for the Republic of Turkey – Prime Ministry, Investment Support and Promotion Agency of Turkey. Prior to this, Mr. Kathpalia was the Chairman of PDF Corporate Finance (a subsidiary of TAIB YatirimBank), a leading Istanbul-based M&A boutique focused on mid-market opportunities. He was also the CEO at TAIB YatirimBank, the first foreign owned investment bank in Turkey. Previous industry experience includes leading the supply chain and R&D divisions of an industrial manufacturing company (part of ETEX Group of Belgium), as well as supply-side management of consumer goods giant Hindustan Unilever Ltd./Unilever Group.  Mr. Kathpalia holds an MBA from IIM Calcutta, and a Bachelor of Technology in Chemical Engineering from IIT Delhi.	Mr. Dhanani is a 30-plus year New York investment banking veteran with experience and deep knowledge spanning international credit, trade and project finance, corporate finance, real estate investment, private equity and venture capital investment.  Prior to joining the senior management team at Mindteck, Mr. Dhanani ran the investment advisory subsidiary of Bahrain-based TAIB Bank where he was directly responsible for managing the firm's US real estate portfolio and technology services companies.  Mr. Dhanani, a B.A. graduate of Bernard M. Baruch College who majored in Finance and Investment Analysis, has held NASD Series 63 and 7 licenses and has numerous certifications in various disciplines related to investment banking and asset management.
<b>List of other Listed Companies in which Directorship is held</b>	NIL	NIL
<b>Chairman/Member of the Committee(s) of Board of Directors of other Listed Companies in which he is a Director</b>	NIL	NIL
<b>Shareholding/ Stock Options in the Company</b>	500,000 Stock Options	100,000 Stock Options
<b>Relationship with other Directors/KMP of the Company</b>	NIL	NIL



# MINDTECK (INDIA) LIMITED

(CIN: L30007KA1991PLC039702)

Registered Office: A.M. R. Tech Park, Block -1, 3rd Floor, # 664, 23/24  
Hosur Main Road, Bommanahalli, Bengaluru-560068, India

## ATTENDANCE SLIP

Please complete this attendance slip in all respects and hand it over at the entrance of the meeting hall.

REGD. FOLIO NO./CLIENT ID:

DP ID NO:

NAME:

ADDRESS:

NUMBER OF SHARES:

EMAIL ID

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

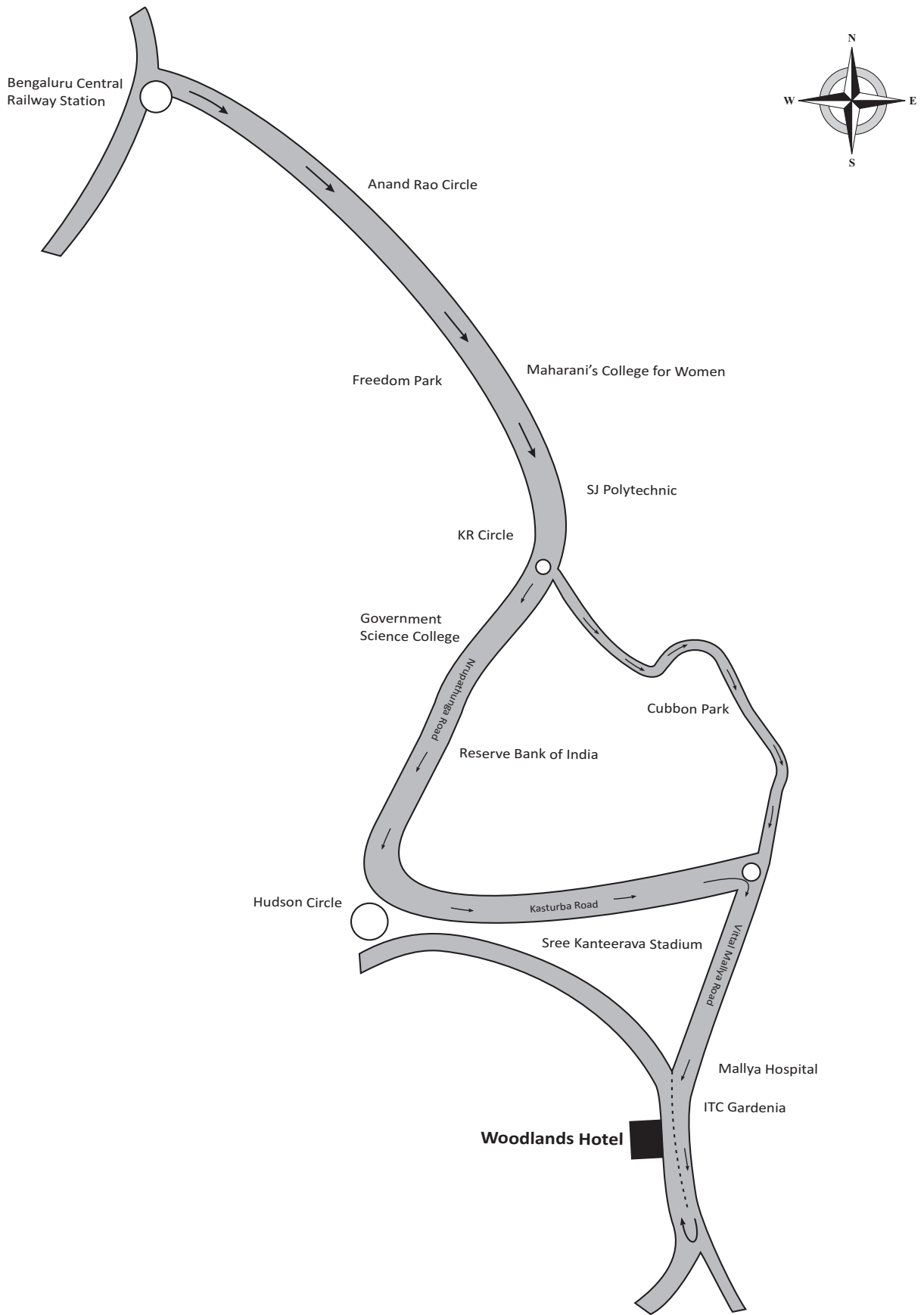
I hereby record my presence at the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of the Company at Hotel Woodlands, "Sri Krishna Hall", No. 5, Rajaram Mohan Roy Road, Bengaluru-560 025, India on Friday August 11, 2017 at 12:00 Noon.

SHAREHOLDER'S EMAIL ID

SIGNATURE OF THE SHAREHOLDER/PROXY

Note: A Proxy attending on behalf of the Member(s) shall write the name of the Member(s) from whom he holds Proxy.

# Route Map to AGM Venue



# MINDTECK (INDIA) LIMITED

(CIN: L30007KA1991PLC039702)

Registered Office: A.M. R. Tech Park, Block -1, 3rd Floor, # 664, 23/24  
Hosur Main Road, Bommanahalli, Bengaluru-560068, India

## PROXY FORM (MGT-11)

Name of the Member(s):

Registered Address:

E-mail ID:

Registered Folio No./Client ID No.:

DP ID No.:

Number of Shares:

I/We.....of ..... in the district of ..... being a Member/Members of MINDTECK (INDIA) LIMITED, hereby appoint Mr./Mrs..... of ..... in the district of ..... or failing him/her, Mr./Mrs. .... of ..... in the district of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held on Friday, August 11, 2017 at 12:00 Noon in Hotel Woodlands, "Sri Krishna Hall" No. 5, Rajaram Mohan Roy Road, Bengaluru-560 025, India and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Resolution	(Please mention no. of shares)	For	Against
<b>Ordinary business</b>				
1	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Directors and Auditor's thereon			
2	To declare dividend of Re. 1/- Per Equity Share for the financial year ended March 31, 2017			
3	To appoint Mr. Meenaz Dhanani, who retires by rotation and being eligible, offers himself for re-appointment			
4	To appoint S. R. Batliboi & Associates LLP as the Auditor of the Company and fix their remuneration			
<b>Special business</b>				
5	To approve the appointment of Mr. Sanjeev Kathpalia as a Director.			
6	To approve the appointment and Payment of Remuneration to Mr. Sanjeev Kathpalia as Managing Director and Chief Executive Officer			
7	To approve the Alteration of Articles of Association of the Company			
8	Service of Documents to the Members by the Company			
9	Preferential Issue of 64,299 Equity Shares to Black Horse Limited (Erstwhile Investor of Chendle Holdings Limited)			
10	Approval for Related Party Transaction with Mr. Meenaz Dhanani			

Signed this ..... day of.....

Affix Rs.  
One  
Revenue  
Stamp

Signature of the Shareholder: .....

Signature of the Proxy: .....

Note: The proxy form duly signed across the revenue stamp of One Rupee must reach the Company's Registered Office not less than 48 hours before the time of the meeting

Dear Shareholder,

### **Green Initiative**

The Ministry of Corporate Affairs ("MCA") has taken a "Green initiative" by allowing paperless compliances by the companies through electronic mode.

We, at Mindteck, believe in Going Green and would like to avail this opportunity for sending all future correspondence such as notices, Annual Reports, financial statements and all other statutory documents in electronic mode. The documents sent to you in electronic mode shall also be available on the Company's website: **www.mindteck.com**.

You are requested to register/update changes of your email address with your Depository Participant or with Universal Capital Securities Pvt. Ltd., our RTA (**mindteck.investors@unisec.in**) or to the Company (**shivarama.adiga@mindteck.com**) to ensure receipt of future communications and avoid loss and delays in postal transit.

Please note, as a valued shareholder, you are always entitled to request and receive, free of cost, a printed copy of the Annual Report of the Company and all other documents. If you wish to receive future communications in physical form, please inform by writing to us at **shivarama.adiga@mindteck.com** or to the Registered Office of the Company. In case you do not communicate your preference of receiving the documents in physical form, it shall be deemed that you have consented to receive the same in electronic mode by e-mail.

We solicit your patronage and support in helping the Company to implement the Green initiatives of the Government.

Thanking you,

Yours faithfully,

**for Mindteck (India) Limited**

sd/-

**Shivarama Adiga S.**

Vice President, Legal and Company Secretary

# MINDTECK (INDIA) LIMITED

(CIN: L30007KA1991PLC039702)

Registered Office: A.M. R. Tech Park, Block -1, 3rd Floor, # 664, 23/24  
Hosur Main Road, Bommanahalli, Bengaluru-560068, India

## BALLOT FORM (MGT-12)

{Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies  
(Management & Administration) Rules, 2014}

Name of the Member(s):

Registered Address:

E-mail ID:

Registered Folio No./Client ID No.:

DP ID No.:

Number of Shares:

I/We hereby exercise my/our vote in respect of Ordinary/Special Resolution enumerated below by recording any assent/dissent to the said resolution given below:

Resolution Number	Resolution	(Please mention no. of shares)	For	Against
<b>Ordinary business</b>				
1	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Directors and Auditor's thereon.			
2	To declare dividend of Re. 1/- Per Equity Share for the financial year ended March 31, 2017.			
3	To appoint Mr. Meenaz Dhanani, who retires by rotation and being eligible, offers himself for re-appointment.			
4	To appoint S. R. Batliboi & Associates LLP as the Auditor of the Company and fix their remuneration.			
<b>Special business</b>				
5	To approve the appointment of Mr. Sanjeev Kathpalia as a Director			
6	To approve the appointment and Payment of Remuneration to Mr. Sanjeev Kathpalia as Managing Director and Chief Executive Officer			
7	To approve the Alteration of Articles of Association of the Company			
8	Service of Documents to the Members by the Company			
9	Preferential Issue of 64,299 Equity Shares to Black Horse Limited (Erstwhile Investor of Chendle Holdings Limited)			
10	Approval for Related Party Transaction with Mr. Meenaz Dhanani			

Signed this ..... day of.....

Signature of the Shareholder: .....





### ECS MANDATE FORM

To

#### FOR SHARES HELD IN PHYSICAL MODE

Please complete this form and send it to:

#### SHAREHOLDERS HOLDING SHARES IN DEMAT MODE

Please inform your respective Depository Participant

#### **Shivarama Adiga S.**

VP-Legal & Company Secretary

#### **Mindteck (India) Limited**

A. M. R. Tech Park, Block-1, 3rd Floor

#664, 23/24, Hosur Main Road,

Bommanahalli Bengaluru - 560068

E-mail: [shivarama.adiga@mindteck.com](mailto:shivarama.adiga@mindteck.com)

Dear Sir,

I hereby declare to have the amount of dividend on my equity shares credited through the Electronic Clearing Service (ECS). The particulars are as under:

- 1) Folio No. : \_\_\_\_\_  
2) Name of the 1st Registered Holder : \_\_\_\_\_  
3) E-mail ID of the 1st Registered Holder : \_\_\_\_\_  
4) Bank Details

- Name of the Bank : \_\_\_\_\_
- Full Address of the Branch : \_\_\_\_\_

- Complete Account number : \_\_\_\_\_
- Account type: (Please tick the relevant box for Savings Bank A/c or Current A/c )

<input type="checkbox"/>	Savings Account	<input type="checkbox"/>	Current Account
--------------------------	-----------------	--------------------------	-----------------

- 9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank  
**(Please attach a cancelled or photocopy of cheque )**

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I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

\_\_\_\_\_  
Signature of the 1st registered holder as per the specimen signature with the Company

Date: \_\_\_/\_\_\_/2017

Name : \_\_\_\_\_

Address: \_\_\_\_\_

Note:

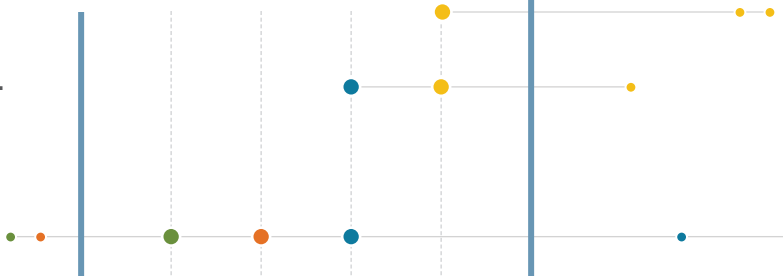
1. This form should be submitted to Mindteck (India) Limited at the address given above to reach them **on or before** August 11, 2017 for the receipt of dividend declared, if any, for the financial year 2016-17.
2. This form is meant for shareholders holding shares in physical mode.
3. Shareholders holding shares in Demat mode should register their ECS particulars with their Depository Participants (DPs).







**Mindteck's Bengaluru office**  
moved to AMR Tech Park.



## Global Locations

### INDIA, MIDDLE EAST

#### Bengaluru

(Global Headquarters)  
A. M. R. Tech Park  
Block-1, 3rd Floor  
#664, 23/24  
Hosur Main Road  
Bommanahalli, Bengaluru  
- 560068

Tel: 91 80 4154 8000  
Fax: 91 80 4112 5813

#### Kolkata

Millennium Towers  
Unit: T-2 9C, Tower II, Level IX  
Plot No: 62, Block DN  
Sector V, Salt Lake  
Kolkata 700091

Tel: 91 33 2367 4337/8  
Fax: 91 33 2367 4336

#### Mumbai

Office #1228  
Levels Ground & 1 Trade Centre  
Bandra Kurla Complex Bandra (E)  
Mumbai, Maharashtra 400 051  
Tel: +91 22 6162 3101

#### Bahrain

Office #44, 3rd Floor  
Suhail Center, Building 81  
Road 1702, Block 317  
Diplomatic Area, PO Box 10795  
Manama - Kingdom of Bahrain  
Tel: 973 1753 4469  
Fax: 973 1753 6332

### UNITED STATES

#### Pennsylvania

(US Headquarters)  
150 Corporate Center Drive  
Suite 200  
Camp Hill, PA 17011

Tel: 1 717 732 2211  
Fax: 1 717 732 2927

#### New Jersey

379 Thornall Street  
6th Floor  
Edison, NJ 08837

Tel: 1 732 828 1792  
Fax: 1 732 296 7173

#### California

39899 Balentine Drive  
Suite 175  
Newark, CA 94560

Tel: 1 510 490 1905  
Fax: 1 510 490 1915

#### Texas

5600 Tennyson Parkway  
Suite 185  
Plano, Texas 75024

Tel: 1 888 459 2632  
Fax: 1 888 467 0768

#### Ohio

8044 Montgomery Road  
Suite 700  
Cincinnati, OH 45236

Tel: 1 513-427-7001

#### Missouri

CityPlace Drive  
Suite 200  
St. Louis, MO 63141

### EUROPE

#### United Kingdom

4 Imperial Place  
Maxwell Road, Borehamwood  
Hertfordshire WD6 1JN  
United Kingdom

Tel: 44 (0) 208 213 3121  
Fax: 44 (0) 208 213 3001

#### Germany

Herriotstrasse 1  
60528 Frankfurt am Main  
Germany

Tel: 49 (0) 696 7733 488  
Fax: 49 (0) 696 7733 200

#### Netherlands

Schipholweg 103  
2316 XC Leiden  
Netherlands

Tel: 31 (0) 71 524 9370  
Fax: 31 (0) 71 524 9250

### APAC

#### Singapore

7B Keppel Road  
#05-09 PSA Tanjong  
Pagar Complex  
Singapore 089055

Tel: 65 6225 4516, 6372 0067  
Fax: 65 6225 4517

#### Malaysia

Galleria@Cyberjaya Unit 16-5  
Jalan Tecknokrat 6, Cyber 5  
63000 Cyberjaya  
Selangor Darul Ehsan, Malaysia

Tel: 603 8800 9761  
Fax: 603 8800 9772

#### Philippines

U802, BSA Twin Towers  
Bank Drive, Ortigas Center  
Mandaluyong City  
1550 Metro Manila  
Philippines

Tel: 63 91 7563 4298

*Mindteck, a global technology company, provides Product Engineering solutions and Information Technology services to top-tier Fortune 1000 companies, start-ups, leading universities and government entities worldwide. Its depth of knowledge and niche expertise in embedded systems and enterprise applications is complemented by dedicated Centers of Excellence in wireless design and storage testing. The company is among a select group of global companies appraised at Maturity Level 5, Version 1.3 of the CMMI Institute's Capability Maturity Model Integration (CMMI). It is also a Founding Member of 'The Atlas online' (www.atlas.cid.harvard.edu) for the Center for International Development (CID) at Harvard University.*

**Office Locations:** India, US, UK, Germany, the Netherlands, Singapore, Malaysia, Philippines and Bahrain.

**Development Centers:** US, Singapore and India (Kolkata and Bengaluru).

BSE: Scrip Code 517344

NSE: MINDTECK



www.mindteck.com  
info@mindteck.com

