



2014-15 Annual Report

# *Beyond Technology*

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*Mindteck is a global technology company that has earned a strong reputation for providing exceptional engineering value to top-tier Fortune 50 companies, start-ups, leading universities and government entities worldwide. Our depth of knowledge and niche expertise is complemented by dedicated Centers of Excellence in wireless design and smart energy, storage testing, medical devices and life sciences. We are also among a select group of global companies appraised at Maturity Level 5, DEV Version 1.3 of the CMMI Institute's Capability Maturity Model Integration (CMMI).*

**Office Locations:** India, US, UK, Germany, the Netherlands, Singapore, Malaysia, and Bahrain.

**Development Centers:** US, Singapore and India (Kolkata and Bengaluru).

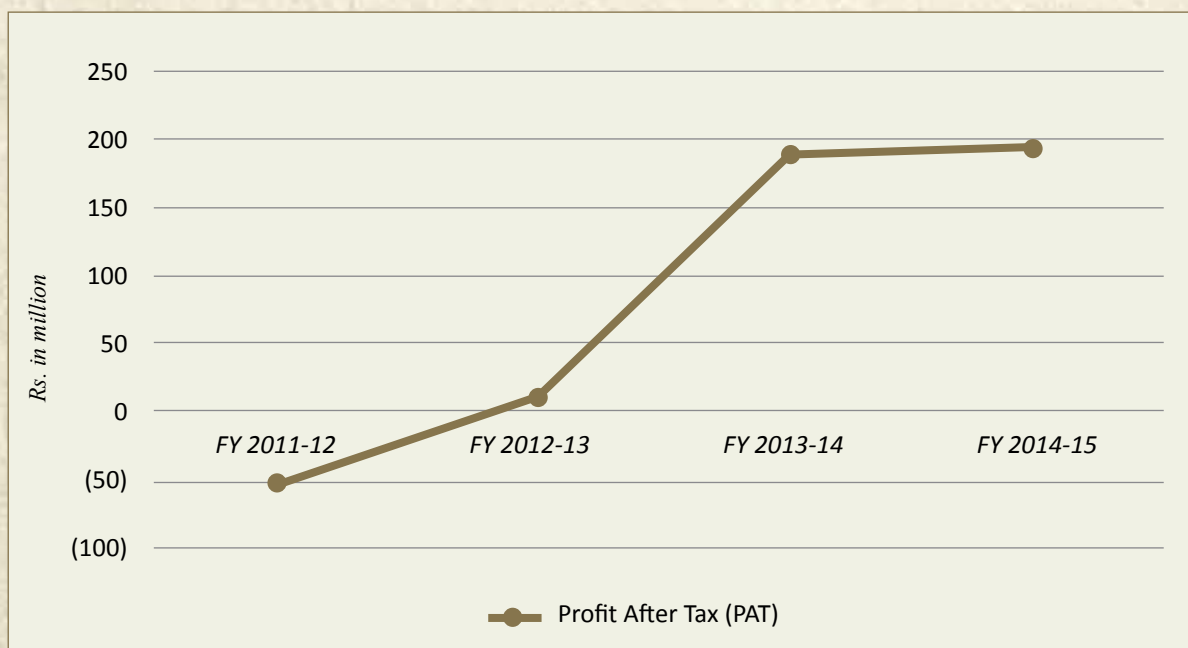
Bombay Stock Exchange Scrip Code 517344



## Financial Highlights

(Rs. in million)

	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Revenue	3,191.48	3,288.12	2,643.17	2,226.24
EBITDA	300.76	299.10	40.94	(11.40)
Profit Before Tax (PBT)	278.11	285.32	25.20	(31.29)
Profit After Tax (PAT)	191.96	186.14	10.59	(50.58)
Earnings Per Share (EPS)	7.80	7.59	0.43	(2.07)



## Board of Directors



**Yusuf Lanewala**  
Chairman and Managing Director



**Meenaz Dhanani**  
Executive Director



**Javed Gaya**  
Independent Director



**Jagdish Malkani**  
Independent Director



**Narayan A. Menon**  
Independent Director



**Prochie Mukherji**  
Independent Director

**Dayananda Shetty** ceased to be an Executive Director with effect from August 14, 2014.

## Company Secretary

**Shivarama Adiga S.**

Vice President - Legal and Company Secretary

## Registered Office

**Mindteck (India) Limited**

Prestige Atlanta, No. 10, Industrial Layout

7th Main, 80 Feet Road, 3rd Block

Koramangala, Bengaluru - 560 034, India

Tel: 91 80 4154 8000

Fax: 91 80 4112 5813

## Registrar and Share Transfer Agents

**Universal Capital Securities Private Limited**

25, Shakil Niwas, Opp. Sai Baba Temple

Mahakali Caves Road, Andheri (E)

Mumbai - 400 093, India

Tel: 022-28207203-05

Fax: 022-28207207

## Auditors

**BSR & Company**

## Bankers

**Axis Bank Ltd.**

**HDFC Bank Ltd.**



## Management Team

### **Yusuf Lanewala**

Chairman and Managing Director

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### **Meenaz Dhanani**

Executive Director

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### **Anand Balakrishnan**

Chief Financial Officer

### **Avneet Gupta**

Chief Operating Officer

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## Sales Leadership Team

### **Ranga Yeragudi**

US Northeast

### **Harish Nair**

India, Middle East and Africa

### **Yatendra Kumar Gupta**

US West

### **Jacob Pillay**

Asia Pacific

### **Abhik Sengupta**

US Southwest

### **Simon Christopher**

Europe

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## Research and Development

**Surjit Lahiri**

## Pre-Sales

**Dr. K.V. Krishnan**

## Delivery

**Satheesh Sreedharan**

## Human Resources

**Pradeep K.**

## Company Secretary

**Shivarama Adiga S.**

## Marketing and Communications

**Karen Stark**

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# Letter to Shareholders

Dear Shareholders,

It is my pleasure to present the financial statements for the year ended March 31, 2015, and to report that Mindteck maintained profitability and your Board has recommended a 10% dividend. Our net profit stood at Rs 19.20 crore as against Rs 18.61 crore for the previous year, representing growth of 3.12%. Consolidated revenue was marginally lower for the year by 2.94%. Overall, we have significantly strengthened our Balance Sheet and are now well positioned for a future of predictable, sustainable and profitable growth.

The profound level of industry disruption and intense competition continued during the year at hand. Through knowledge at the Mindteck core, however, we withstood these challenges and also demonstrated our ability and determination to innovate. This enabled us to remain relevant to our customers, and also closer to achieving 'first choice preference' with them.

During 2014-15, we built on the momentum of recent past, further developed our niche strengths, and sharpened our focus toward helping our clients shape their futures. We also established a strong management team and improved the level of efficiency and effectiveness throughout the company – both to support the organization and to enhance the 'client experience.'

Spurred by market demand, as well as the foresight that customer requirements will continually evolve, Mindteck's R&D group focused on developing products, processes and

solutions to fulfill current and future needs. We developed smart metering solutions equipped with multiple connectivity options such as Wi-Fi, GSM, 6LoWPAN and ZigBee for leaders in the electrical industry, and we continued to embrace emerging technologies in the areas of:

- Big Data, SMAC and Wearables;
- Digital Transformation;
- Health Care & Medical Devices, Scientific & Analytical Instruments and Smart Energy solutions.

From the quality and process standpoint, Mindteck is appraised at CMMI – DEV Version 1.3 Maturity Level 5 and our ISO 9001:2008 is now enterprise-wide certified. We continue to hold domain-specific quality certification ISO 13485:2003 for medical devices, and we were certified for the latest version of Information Security Management System – ISO 27001:2013.

Education is a core pillar of Mindteck's corporate social responsibility commitment under the WE CARE framework. By fostering learning, we strive to help individuals, families and communities thrive around the globe. I am pleased to share that this year Mindteck provided targeted, local funding to two Bengaluru entities in need: Samarathanam Trust for the Disabled, and the Government Girls Pre-University College at Hosakote:

## NOTABLE ACHIEVEMENTS

- Won a large, multi-year infrastructure project for a long-standing Fortune 50 client, and initiated a big data engagement for a Fortune 100 technology giant.
- Secured a large, statewide ERP-based E-Nagarpalika government project that will serve as a one-stop destination for all citizen-oriented government services.
- Transitioning into the next phases of our work with Harvard and SinBerBEST.
- Collaborated on receiving FDA approval on a patient monitoring innovation for a medical device manufacturing client.





- To enhance the state-of-the-art computer lab run by Samarathanam Trust for the Disabled, Mindteck committed funding of 'Dialer Software' which will be used to employ over 40 visually-challenged individuals.
- To assist with infrastructure development and academic improvement, Mindteck committed funding to the Government Girls Pre-University College at Hosakote through Bangalore Indiranagar Rotary Trust.

Late in the year, we garnered interest in our IoT-based solutions at the Bahrain International eGovernment Forum where I presented a paper on *Smart Cities – The role of IT in Smart Governance* to key industry influencers and government entities. Mindteck was also recently featured in the NASSCOM and Boston Consulting Group report titled "India Tomorrow Transformed by Innovation and Technology" that showcases best-in-breed transformation success stories of Indian IT Companies. Other notable achievements of the year are displayed below.

On behalf of my fellow Board Members, 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 unwavering commitment throughout the entire year.

As we embark on another year, we will continue to learn and innovate all the while remaining mindful that the knowledge we create, share and deliver matters more than ever. I look forward to reporting on our continued success and growth in the year ahead.

**Yusuf Lanewala**  
*Chairman and Managing Director*

- Commencing work on a communication board for an ECG machine in development by a medical device OEM customer in India.
- Partnering to design next generation body clocks with a market leader.
- Built a smart city parking solution aimed at developing a robust, reliable and cost-effective end-to-end solution for car parking occupancy detection and management.
- Appointed Chief Operating Officer and Chief Financial Officer.

# Board's Report

To the Members,

The Directors hereby present the Twenty-Fourth Annual Report of your Company on the business and operations for the year ended March 31, 2015.

## 1. RESULTS OF OPERATIONS

Rs. in million

	Standalone		Consolidated	
	Year ended 31-Mar-15	Year ended 31-Mar-14	Year ended 31-Mar-15	Year ended 31-Mar-14
Revenue from operations	801.70	758.40	3,191.48	3,288.12
Other income	8.41	8.07	9.09	9.44
Employee benefits expense	393.60	388.54	1,864.37	2,038.96
Cost of technical sub-contractors	21.46	25.32	695.39	675.58
Other expenses	200.04	150.66	340.05	283.92
<b>Profit before finance costs, depreciation, taxes and amortization</b>	<b>195.00</b>	<b>201.95</b>	<b>300.76</b>	<b>299.10</b>
Finance costs	0.37	1.71	3.10	4.86
Depreciation and amortization expense	16.60	6.15	19.55	8.92
<b>Profit before tax expense</b>	<b>178.03</b>	<b>194.09</b>	<b>278.11</b>	<b>285.32</b>
Tax expense	63.21	74.03	86.15	99.18
<b>Profit After Tax</b>	<b>114.81</b>	<b>120.06</b>	<b>191.96</b>	<b>186.14</b>
Paid-up Equity Share Capital	250.63	245.64	246.46	245.64
Earnings Per Share (EPS)	4.59	4.90	7.80	7.59

## 2. COMPANY AFFAIRS

### Standalone

On a standalone basis, your company recorded revenue of Rs 801.70 million as against Rs 758.40 million in the previous year.

Mindteck's net profit on a standalone basis stood at Rs 114.81 million, as against Rs 120.06 million in the corresponding previous year.

At an operating margin level, on a standalone basis, Mindteck recorded EBITDA of Rs 195.00 million (24.32%) this year as against Rs 201.95 million (26.63%) last year.

### Consolidated

During the year under review, your Company recorded consolidated revenue of Rs. 3,191.48 million as against Rs. 3,288.12 million in the previous year. Of the revenue that was recorded, 77% 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. 191.96 million, as against Rs. 186.14 million in the corresponding previous year, registering a growth of 3.12%.

At an operating margin level, Mindteck recorded EBITDA of Rs. 300.76 million (9.42%) this year as against Rs. 299.10 million (9.10%) last year.

There were no material changes and commitments, if any, 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, 2015. This translates into a total outlay of Rs. 30,165,202 including dividend distribution taxes.

## 4. BUSINESS FOCUS AND HIGHLIGHTS

Mindteck's business encompasses end-to-end product creation and product life cycle management services in the areas of Semiconductor and Storage, Electronic Design Services, Smart Energy and Wireless, Cloud Computing and Big Data, Healthcare and Medical Devices, Life Sciences, BFSI, and Government. We provide leading companies, including start-ups, top universities, and Fortune 50 clients' services in niche areas such as application management and support, cloud computing, data analytics and business intelligence, smart energy, IoT, enterprise information portals, mobility and software testing. Mindteck is among a select group of global companies appraised at Maturity Level 5, DEV Version 1.3 of the CMMI Institute's Capability Maturity Model Integration (CMMI). Mindteck has developed IPs in some key areas, enabling us to deliver solutions with reduced time-to-market. Our development and testing methodology is designed to provide clients with timely updates of all the deliverables.

### Semiconductor and Storage

For over two decades, Mindteck has been providing product development services in the area of storage to top storage clients in the industry. Our engagements in the storage vertical include storage software development, testing, hardware and firmware design, productized solutions,



consultancy and implementation services. In the areas of system development, quality assurance and automation, as well as data center administration, we have a readily available pool of resources to stay ahead of clients' talent needs. Keeping client requirements in mind, Mindteck has built exclusive offshore storage labs—a model that has been proven to be highly productive and cost-effective. Customer satisfaction ratings received from top storage clients have been continuously increasing, and Mindteck recently emerged as the most preferred partner for a storage project by winning against competitors who once dominated the area.

Mindteck has been serving the semiconductor equipment manufacturing industry for over a decade. We offer a wide spectrum of IT services, including SEMI standards implementation, DeviceNet implementation, proprietary protocol development, MES, enterprise device monitoring, EDS, simulator development, automation, change management, and end-to-end testing services. Our ready-to-deploy solution accelerators, such as device simulator, automated equipment software testing framework, and SECS/GEM-based FA test harness, helps lower project risk and cost. Some highlights in this area were:

- Mindteck has been recently awarded a large project in the mechanical and electrical engineering space with an existing semiconductor client. We will provide our technological expertise for module development of MOCVD equipment along with verification and validation processes.
- We also received a new order for support of a wireless stack from a leading chip manufacturer.

### **Electronic Design Services**

Mindteck's Electronic Design Services (EDS) group provides core embedded technology solutions and services from design development to embedded validation and verification. Our capability in doing end-to-end product development in the area of embedded systems has been successfully demonstrated in various product domains, including industrial control systems, gas control and monitors, computer modules, electric vehicle chargers, instrumentation, storage and smart energy as well as IoT (Internet of Things). Our in-house projects at the Storage Center of Excellence has supported the EDS group in providing clients with optimum resource utilization, and in creating proof of concept models for capability demonstration. Following are a few project highlights:

- Commenced a new project on KIOSK development for an existing OEM customer, entailing complete product development with hardware architecture and design.
- Engaged by an existing customer in the area of network-attached storage (NAS) for driver development and hardware validation of their new platforms.
- Collaborated with a market leader in designing their powerful 'next generation' body clocks.
- Commenced a project for a communication board on

an ECG machine for a medical device OEM customer in India. This entails hardware and firmware design and development of a small form factor board for a 12 lead ECG machine.

This year, the EDS team at Mindteck furthered their capabilities by developing smart meters equipped with multiple connectivity options, such as WiFi, GSM and ZigBee, for leaders in the electrical industry.

### **Smart Energy and Wireless**

We are amongst the earliest adopters of the ZigBee standard, and today we have our own ZigBee and 6LowPan wireless stacks. Having developed ZigBee stacks for major silicon providers, the focus of our solutions to semiconductor companies is demonstrated through our solution accelerators in this domain. We have been mainly focusing on wireless communication and wireless sensor networks—design and development of wireless monitoring and load control solutions in the automation space.

Visibility and acceptance of our Smart Energy offerings increased with the introduction of our Internet of Things (IoT) solutions—smart metering, building automation and sustainable energy efficient solutions.

- We are collaborating on a world-class research model for building efficiency and sustainability in tropical climates through an engagement with SinBerBEST (Singapore-Berkeley Building Efficiency and Sustainability in the Tropics). It is a public-private, joint research collaboration between the University of California, Berkeley, Nanyang Technological University (NTU), the National University of Singapore (NUS), and other agencies and groups in Singapore. Mindteck will develop the required hardware, firmware and applications to monitor and control various building efficiency systems to ensure safe, reliable, energy efficiency operations. The focus on smart tropical buildings is based on a study showing that 40% of the world's population lived in the tropics in 2008 and that this will grow to 60% by 2060.
- Mindteck recently partnered with another company to develop a reporting solution for monitoring and optimizing the consumption of energy in both commercial and industrial facilities.

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

Mindteck has in-depth expertise in various cloud platforms, including Amazon Web Services (AWS), Azure, Eucalyptus, OpenStack and VMware. Our Cloud Enterprise Solutions expertise includes cloud-based monitoring and analytics and big data solutions. Mindteck has built a solution hosted on Amazon EC2 that leverages cloud infrastructure to provide the best analytical solutions in terms of dashboard, custom reports, and data mining capabilities. Our holistic analytics and business intelligence service offerings help clients act automatically on their data. We provide advanced analytics, analytics on unstructured data, business intelligence, data/information management and big data services.

- For over two years, Mindteck has been providing technical advisory and development services to the Center for International Development (CID) at Harvard University, a university-wide research center housed at the Harvard Kennedy School, for The 'Atlas online'—a powerful interactive tool enabling users to visualize a country's total trade, track how these dynamics change over time and explore growth opportunities for more than a hundred countries worldwide. Currently, efforts are underway to implement more country-specific Atlas versions. One of the interesting features being implemented is Natural Language Search that enables the Atlas to answer questions in more colloquial terms.
- Mindteck also initiated a Big Data engagement with a Fortune 100 technology giant.

### **Healthcare and Medical Devices**

Mindteck's Kolkata and Bengaluru development centers were recertified for ISO 13485, the world's most recognized medical device standards and recognized by many governments worldwide. The recertification shows our commitment towards providing quality products to our clients and it has helped us gain access into newer markets. One of the most notable highlights last year was providing technology for an award-winning medical device leader specializing in the design and manufacture of medical devices for their Remote Patient Monitoring project. The innovative, easy-to-use, FDA-approved device will be used to attend medical incidents from various locations and will enable doctors to provide immediate assistance from anywhere. This is a testament of our responsiveness to the changing patient monitoring ecosystem and adoption of next generation services.

### **Life Sciences**

The Life Sciences team at Mindteck achieved high customer satisfaction ratings for timely and high quality deliverables. We offer a wide portfolio of engineering solutions and services to the life sciences industry. Our offerings extensively cover the complete product engineering needs of device manufacturers in this industry—product development, verification and validation, compliance and qualification services, system integration, along with global product and field support.

We are proud to be the preferred global services partner for leading clients from the life sciences industry with 12 of the top 20 analytical instrument and medical device companies benefiting from our integrated services portfolio. During the year, our deep domain expertise in analytical instruments and medical devices resulted in our clients expanding their project scope with us.

### **BFSI**

Mindteck provided SharePoint-based enterprise solutions for a major Indian bank. We also developed a performance management tool for the same bank.

We continued to provide Business Process Management services in underwriting for a leading insurance company and are well positioned to further grow in this domain.

### **Government**

The Government vertical of Mindteck brings a deep understanding of clients' needs, knowledge of technologies adopted by governments, and solutions that can solve IT challenges. We have a strong history of delivering projects around application development, program and project management, business analysis, testing, strategic consulting, and talent management services.

New technologies are being implemented to improve the way governments operate and serve its citizens. In this regard, Mindteck won a statewide E-Nagarpalika project to enable the delivery of government services to citizens at a click. Many of our engagements which started as short-term projects have moved to long-term opportunities. We won multiple contract renewals as well as new projects at several agencies with this strategy.

### **Research and Development**

Since inception, the R&D division has been focusing on creating, developing and maintaining IPs, products, processes and solutions essential to meet the demands of the marketplace. We have been doing significant product developments that enable our customers to innovate and excel. The division's new product development initiatives are based on the Internet of things (IoT). The market estimated for IoT is US\$500 billion by 2019 and in the enterprise business productivity improvement market, US\$58 billion worldwide by 2016.

The products developed by Mindteck in the year 2014-2015 are as follows:

- *Ignite Energy Management System*: Designed with the goal to transform office buildings into energy efficient smart buildings.
- *Ignite iThings IoT Hardware Platform*: This is Mindteck's IoT reference hardware platform that can be used to rapidly build city scale IoT solutions for smart cities. Our IoT-based solution readiness enabled us to win the previously noted SinBerBEST project in Singapore.
- *ZigBee IP Wireless Stack*: An IPv6-based wireless sensor network protocol used in IoT devices. A demo version of this solution has been released for customer evaluation.
- *ProdXL Workstation Analytics*: ProdXL is an analytic-based enterprise productivity solution for workstations. It measures the time spent by employees on all the active desktop applications. The portal provides employee and managers insightful feedback on specific areas where productivity improvement may be required.
- *Presentation Manager*: Helps remote teams build customized presentations from an existing repository of presentations—on the fly from any device irrespective of the location. This solution is designed to improve custom presentation efficiency by 90%.

### **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. We have the capacity and capability to offer a diverse range of storage engineering services and leading storage solution vendors have benefited from our comprehensive quality assurance.

Our 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 QA, Automation and Performance testing—especially in the SAN, NAS and unified storage space, while partnering with multiple storage product vendors.

### **Smart Energy & Wireless**

This CoE continues to focus on providing monitoring and control solutions by designing blocks required for wireless connectivity for the Internet of Things. The current focus is on control nodes, gateway with multi-technology connectivity and webserver/applications for support over the cloud for building automation and energy efficient solutions across various industry verticals.

### **Medical Devices**

Our CoE based in Kolkata ensures that the development, production and delivery of medical devices are safe to be used in the market. Having stringent medical certifications like ISO 1348 has enabled us to build the best-in-class client base. With continued investments in innovation, we are confident of furthering our medical business to unmet markets and geographies.

### **Life Sciences**

With two, state-of-the-art in-house analytical instrument laboratories, we are capable of delivering software and hardware solutions, executing R&D assignments, and conducting analytical testing on a variety of instruments for our customers. Our Life Sciences CoE, combined with analytical domain experts, provides the requisite knowledge, valuable insights, and quality to our service offerings.

### **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 everyone's responsibility”.  
- *W. Edwards Deming*

Mindteck's Quality Management System (QMS) integrates processes, people and technology maturity through various established frameworks and practices, including ISO 9001:2008, ISO 13485:2003, ISO 27001:2013 and CMMI DEV Version 1.3 Maturity Level 5.

Mindteck appraised at CMMI-DEV Version 1.3 Maturity Level 5 is a testament to our corporate commitment and attention to quality, which provides significant benefits to our clients and our employees. We have leveraged CMMI DEV Version 1.3 Maturity Level 5 to achieve improved customer satisfaction, thereby enabling growth and profitability. More than 90 per cent of our global delivery network employees

work in CMMI Level 5 centers.

These certifications demonstrate Mindteck's ongoing commitment to providing the very best service delivery to our clients. Mindteck continues to adhere to ISO certifications for improving the productivity and quality of its services and products. Mindteck is enterprise-wide certified against ISO 9001:2008 (Quality Management) and continues to hold domain-specific quality certification ISO 13485:2003 (for Medical Devices). This assures our commitment to providing value to our 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 our own success. We use a multi-layered approach to protect key information by constantly monitoring and improving our applications, systems, and processes to meet the growing demands and challenges of dynamic security threats. In recognition of our security efforts, during the year 2015, Mindteck was reassessed for ISO 27001:2013–Information Security Management System.

## **6. INFRASTRUCTURE**

Mindteck has offices in the US, UK, Singapore, Malaysia, Bahrain 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, 2015, Mindteck had six wholly-owned subsidiaries: Mindteck, Inc. (US), Mindteck Middle-East S.O.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).

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 Listing Agreement 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 Board's 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 our website **www.mindteck.com**. The Holding, as well as Subsidiary companies, regularly file the applicable data to the various regulatory 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 person except with its wholly-owned subsidiary. The particulars of 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 9001:2008-Quality Management and continues to hold domain specific quality certification ISO 13485:2003 for Medical Devices. We were also certified for the latest version of Information Security Management System-ISO 27001:2013.
- Mindteck was featured in the NASSCOM and Boston Consulting Group Report "India Tomorrow Transformed by Innovation and Technology" showcasing best-of-breed transformation success stories. We were featured for our implementation of the smart sensor management and transmission project for the smart technology division of a Fortune 100 company.

## 10. LITIGATION

No material litigation is outstanding as on March 31, 2015 except the one with the previous office Landlord for recovery of security deposit.

### ***Significant and Material Order passed by the Regulators or Courts***

There is no material litigation outstanding as on March 31, 2015. The details of Tax Matters are disclosed in Annexure to Auditor's Report in the Standalone Financial Statements.

## 11. CHANGES TO SHARE CAPITAL

The Board of Directors of the Company allotted 12,400 Equity Shares on May 29, 2014, 25,200 Equity Shares on

August 13, 2014, 28,400 Equity Shares on November 07, 2014 and 16,900 on February 06, 2015 pursuant to allotment of shares under the Employee Stock Option Scheme. Consequently, the outstanding, issued, subscribed and paid up Equity Shares increased from 24,980,071 to 25,062,971 as on March 31, 2015.

## 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.161,275,314 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 appointed as an Executive Director of the Company for a period of three years effective from October 04, 2013.

The remuneration for Mr. Meenaz Dhanani is not paid by Mindteck (India) Limited: however, the remuneration is paid by the wholly-owned subsidiary, Mindteck, Inc. as per the Special Resolution approved by the members of the Company on August 14, 2014.

Ms. Prochie Sanat Mukherji was appointed as an Additional Independent Director effective from April 28, 2015. The resolution seeking approval of members for appointment of Ms. Prochie Sanat Mukherji as Independent Director forms part of the notice for the 24th Annual General Meeting. A brief resume of Ms. Prochie Sanat Mukherji is included in the notice for the Annual General Meeting.

During the Year 2014-15, Mr. Dayananda Shetty resigned as an Executive Director of the Company effective from August 14, 2014 and the Board places on record its sincere appreciation for his fruitful association with the Company.

### ***Declarations by Independent Directors***

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.



### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee.

### **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**

Your company 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 six members, two of whom are Executive or Whole-time Directors, and four 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 appended 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 five 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 prescribed period as per the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **Vigil Mechanism/Whistle Blower Policy**

The company has established a Whistle Blower Policy for Directors and employees to report their genuine concern. The policy is annexed as per **Annexure-4**.

## **17. KEY MANAGERIAL PERSONNEL**

The Board of Directors, at their meeting held on November 07, 2014, appointed Mr. Anand Balakrishnan as Chief Financial Officer.

## **18. AUDITORS**

### **Statutory Auditors**

At the Annual General Meeting held on August 14, 2014 members of the Company appointed Statutory Auditors, M/s. B S R & Company, Chartered Accountants, Bengaluru, who have confirmed their eligibility and willingness to accept office. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of B S R & Company, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### **Secretarial Auditor**

CS S Kannan, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the company for the Financial Year 2014-15 as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2014-15 forms part of the Annual Report as **Annexure-5** to the Board's Report.

The Board noted the reports given by Statutory Auditors and Secretarial Auditor and confirmed that there are no qualification, reservations or adverse remark or disclaimers. The observation made by the Secretarial Auditor is noted and the justification for the same is provided under Note 3.1.1 (b) under Notes to Financial Statements.

## **19. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in prescribed format is appended 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.

## **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 of 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 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. 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, Statutory and Internal Auditors on a quarterly basis.

## **23. 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	<ul style="list-style-type: none"> <li>All the recommendations made by the Audit Committee during the year were accepted by the Board.</li> <li>The Company has adopted the Whistleblower mechanism for Directors and all employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Business Conduct and Ethics. The Whistleblower Policy is appended as <b>Annexure-4</b> to the Board's Report.</li> <li>In accordance with the listing requirements, the Company has formulated policies on Related Party Transactions and Material Subsidiaries. The policies, including the Whistleblower Policy, are available on our website.</li> </ul>
Nomination and Remuneration Committee	Mr. Javed Gaya - Chairman Mr. Jagdish Malkani - Member Mr. Narayan A. Menon - 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 programme for our MD 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 we operate in order to attract and retain the best talent. In the future, the Committee plans to use a combination of stock options, restricted stock units and performance-based stocks to align senior employee compensation with shareholder value.</li> <li>The Nomination and Remuneration Committee has framed the Nomination and Remuneration policy. A copy of the policy is appended as <b>Annexure-3</b> to the Board's Report.</li> </ul>
Corporate Social Responsibility	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>During the year, the Company allocated 2% of its average net profits for the three immediately preceding financial years on CSR activities to various beneficiaries.</li> <li>Financial data pertaining to the Company's CSR activities to various beneficiaries for fiscal 2015 is as appended under the prescribed format in <b>Annexure-7</b> to the Board's Report.</li> <li>The contents of the CSR policy are available on our website (<a href="http://www.mindteck.com/pdf/policies/CSR_Policy.pdf">http://www.mindteck.com/pdf/policies/CSR_Policy.pdf</a>)</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.</li> </ul>



Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
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>

## 24. 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.

## 25. 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 standards set by SEBI Corporate Governance practices and a Certificate on Corporate Governance pursuant to Clause 49 of the Listing Agreement forms part of this report in **Annexure-8**.

## 26. MANAGEMENT DISCUSSION AND ANALYSIS

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

## 27. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable

accounting standards have been followed along with proper explanation relating to material departures, if any;

- that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently. Judgement 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, 2015 and of the profit of the Company for the year ended on that date;
- 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;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 28. 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 appended as **Annexure-9** to the Board's Report.

No employee throughout the financial year was in receipt of remuneration of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month,

under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 29. WE CARE

WE CARE is Mindteck's 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.

At Mindteck, we care every day, in every way we can. Care is rooted in the ways we engage and enable, and fundamental to the way in which we build and nurture relationships, champion others, foster careers in technology, and steward community causes.

During the year at hand, we made further strides forging positive brand associations, building stronger relationships and innovating within the WE CARE framework:

**Mindteck Academy** focuses on closing the gap between the supply and demand of skilled IT workers. It provides learning and hiring opportunities for the underserved population in the US; specifically, recent college graduates, returning US veterans, and other unemployed or underemployed individuals. In 2014-15, Mindteck Academy:

- Expanded the newer online training venue to include QA testing;
- Re-engineered the original classroom-based training model for a client in another US state. The new, turnkey and flexible model offers clients even more opportunities to overcome their IT hiring and training challenges;
- Established digital and print media to enrich customer awareness, reach and access.

The disparity between the supply of skilled IT workers and the demand is expected to grow exponentially. The US Bureau of Labor Statistics projects that jobs for software developers will grow at a rate of 22% between now and 2022. In the coming year, Mindteck Academy will advance its in-demand IT training on demand endeavors through enhancement of its online offerings and a keen focus on 'pop-up' academies for Java, JavaScript, C#, Python and Security skill training.

**Consultant Care** focuses on retaining and developing our 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. In 2014-15:

- More one-on-one dialogues with consultants were cultivated;
- Seasonal tokens of appreciation were distributed;
- The Teck Talent Community portal was further developed.

This year, Consultant Care will begin to expand to other regions and implement more retention measures.

**Transition Care** is a brand new WE CARE initiative aimed at transitioning seasoned displaced professionals, who possess a technical background or expertise in our niche

industries, to new careers that will leverage their experiences and networks to grow business—while preserving economic vitality within communities.

Since Mindteck values and respects the wealth of knowledge and experience that seasoned professionals possess and bring to the workforce, in the first phase of this initiative we will match each qualified professional's expertise, experience and skill sets to our needs and the niche industries we serve to help build a stronger Mindteck. Opportunities include, but are not limited to: Technical SMEs, Sales Advisors, IT Consultants, Coaches and Mentors. Recently, Transition Care signed the 'Life Reimagined for Work Pledge' with AARP, Inc. (formerly the American Association of Retired Persons), a US-based NGO and interest group.

**Client Care** focuses on the client constituent of WE CARE. It is a new, client experience initiative designed to engage and enable clients as well as champion a caring culture and business approach.

## 30. CSR INITIATIVES

At Mindteck, 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.

Corporate Social Responsibility (CSR) is institutionalized under WE CARE. Global education and targeted local giving are core pillars of our CSR commitment. We believe in the empowerment of knowledge and how it helps to bring positive change and stability to society as a whole.

In 2014-15, Mindteck allocated more than 2% of its three-year average profit total toward CSR activities. We provided targeted funding to enhance the state-of-the-art computer lab run by Samarathanam Trust for the Disabled in Bengaluru. Mindteck's funding of 'Dialer Software', which will be used via JAWS (Job Access with Speech) software, will help blind and visually impaired users to read screens either by text-to-speech output or by a refreshable braille display. It enables the Trust to employ over 40 visually challenged individuals. As part of the Government of India's 'Swachh Bharat Abhiyan' (Clean India Mission campaign), we also provided targeted funding through Bangalore Indiranagar Rotary Trust in support of the Government High School and pre-university College for Girls in Hoskote, Bengaluru. The prescribed statutory report is appended in **Annexure-7** of the Board's Report.

## 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 Employees Stock Option Schemes viz. Mindteck Employees Stock Option Scheme 2005, Mindteck Employees Stock Option Scheme 2008 and Mindteck Employees Stock Option Scheme 2014.

### (a) Mindteck Employees Stock Option Scheme 2005

During the year ended March 31, 2015, under Employees Stock Options Scheme 2005, the Company granted

35,400 options on May 29, 2014 at an exercise price of Rs. 37.30 per share, 77,100 options on August 13, 2014 at an exercise price of Rs. 43.60 per share, 25,200 options on November 07, 2014 at an exercise price of Rs. 81.45 per share and 19,200 options on February 06, 2015 at an exercise price of Rs. 59.55 per share, and also issued and allotted 82,900 shares to eligible employees. The details as required under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 have been disclosed as an Annexure to this Report and under Notes to Standalone Financial Statements which forms part of the Annual Report. There has been no variation in the terms of ESOP program during the year.

**(b) Mindteck Employees Stock Option Scheme 2008**

During the year ended March 31, 2015, the company granted 200,000 options on April 04, 2014 at an exercise price of Rs. 30.35 per share and 411,750 options on August 13, 2014 at an exercise price of Rs. 43.60 per share under the Employees Stock Option Scheme 2008.

**(c) Mindteck Employees Stock Option Scheme 2014**

No options were granted under this Scheme 2014.

The Details of the Employees Stock Option Schemes are given in **Annexure-10** of this report.

**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, 2015, 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.

***Voting by employees in respect of shares held by trust***

No voting rights are exercised directly by employees in respect of shares held by trustees for the benefit of employees. No shares are held by the employee of the company, pursuant to a scheme providing financial assistance to purchase or to subscribe the shares of the company or its holding company during the year.

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

Particulars that are required to be disclosed under subsection (3)(m) of Section 134 of the Companies Act 2013, read with the Companies (Accounts) Rules, 2014 are set out in **Annexure-11** of 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  
Date: May 29, 2015

**Yusuf Lanewala**  
Chairman and  
Managing Director



## 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 Inc.	Mindteck Germany GmbH	Mindteck Software Malaysia SDN. BHD.	Mindteck Middle East Ltd. S.O.C.	Mindteck Netherlands B V	Mindteck Singapore Pte. Ltd.	Mindteck (UK) Limited	Chendle Holdings Ltd.
Sl. No.	1	2	3	4	5	6	7	8
Reporting Period	01-04-14 to 31-03-15	01-04-14 to 31-03-15	01-04-14 to 31-03-15	01-04-14 to 31-03-15	01-04-14 to 31-03-15	01-04-14 to 31-03-15	01-04-14 to 31-03-15	01-04-14 to 31-03-15
Reporting Currency	USD	EUR	MYR	BHD	EUR	SGD	GBP	USD
Exchange Rate	₹ 62.68	₹ 68.02	₹ 16.90	₹ 167.22	₹ 68.02	₹ 45.62	₹ 92.99	₹ 62.68
Share Capital	308,957,277	1,622,110	3,016,200	5,750,500	1,041,030	38,047,091	77,207,393	20,030,000
Reserves & Surplus	(91,153,434)	4,520,682	24,816,031	4,378,370	(1,576,293)	17,169,295	(49,145,491)	0
Total Assets	624,439,000	15,783,873	72,128,200	26,965,960	202,051	92,563,814	74,776,348	20,030,000
Total Liabilities	624,439,000	9,641,081	44,295,969	16,837,090	737,314	37,347,428	46,714,446	20,030,000
Investments	0	0	0	0	0	0	0	20,030,000
Turnover	2,460,803,071	17,164,435	161,241,130	72,974,354	0	166,255,846	219,829,763	0
Profit/Loss before taxation	32,336,327	(982,872)	13,260,910	4,497,412	0	14,506,001	13,594,609	0
Provision for taxation	22,937,504	0	0	0	0	0	0	0
Profit/Loss after taxation	9,398,823	(982,872)	13,260,910	4,497,412	0	14,506,001	13,594,609	0
Proposed Dividend	0	0	0	0	0	0	0	0
% of shareholding	100	100	100	100	100	100	100	100

## 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 during the year ended March 31, 2015, 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, 2015 are as follows :

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	01-4-2008 - ongoing	Based on TP arrangements	NA	1,441,115
Mindteck Software Malaysia SDN. BHD. Malaysia	Subsidiary	To render offshore services	01-4-2009 - ongoing	Based on TP arrangements	NA	393,203
Mindteck Middle East Limited S.O.C., Kingdom of Bahrain	Subsidiary	To render offshore services	01-4-2009 - ongoing	Based on TP arrangements	NA	447,668
Mindteck (UK) Limited, United Kingdom	Subsidiary	To render offshore services	01-4-2008 - ongoing	Based on TP arrangements	NA	1,458,854
Mindteck Singapore Pte. Limited, Singapore	Subsidiary	To render offshore services	01-4-2009 - ongoing	Based on TP arrangements	NA	413,609
Chendle Holdings Ltd, BVI	Subsidiary	Nil	Nil	Nil	NA	Nil
Mindteck Netherlands BV, Netherlands	Step-Subsidiary	To render offshore services	01-4-2008 - ongoing	Based on TP arrangements	NA	Nil
Mindteck Germany GmbH, Germany	Step-Subsidiary	To render offshore services	01-4-2008 - ongoing	Based on TP arrangements	NA	Nil

## 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 Clause 49(IV)(B)(4) of the Listing Agreement. The policy is also available on our website ([weblink:http://www.mindteck.com/pdf/policies/Nomination\\_Remuneration\\_Policy.pdf](http://www.mindteck.com/pdf/policies/Nomination_Remuneration_Policy.pdf))

#### I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 Listing Agreement, 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 Clause 49 of the Listing Agreement.

#### II. OBJECTIVES

The Key Objectives of the Committee:

- 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 Board members and submit the necessary reports for further evaluation from the Board.
- 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 and Clause 49 of the Listing Agreement.
- "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 Listing Agreement.
- "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, Listing Agreement 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 is 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.

## **VIII. 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 annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### **Term/Tenure:**

- a) **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.
- b) **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 October 01, 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 thereunder 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:**

- a) 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.

- b) 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 thereunder for the time being in force.
- c) 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.
- d) 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:**

##### **a) 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 thereunder 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.

##### **b) 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.

##### **c) 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:**

##### **a) 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.

##### **b) 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.

##### **c) 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.

##### **d) 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 subject to the approval of the Board.



## Annexure-4

### WHISTLE BLOWER 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 Article 7(iii) of Annexure XII to the Listing Agreement. The policy is also available on our website.

#### 1. 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 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.

Clause 49 of the Listing Agreement has been recently amended which, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Business Conduct and Ethics policy.

Accordingly, this Whistle Blower 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 Clause 49 of the Listing Agreement with the Indian Stock Exchanges.

(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) **"Whistle Blower"** - 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 Whistle Blower'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) Whistle Blowers 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 Whistle Blowers. Complete protection shall be given to Whistle Blowers 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 Whistle Blower's right to continue to perform his/her duties/functions including making further Protected Disclosure.
- (b) The Company will take steps to minimize difficulties, which the Whistle Blower 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 Whistle Blower.

#### Disqualifications:

- (a) While it will be ensured that genuine Whistle Blowers 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 Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- (c) Whistle Blowers, 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 Whistle Blowers, 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 Whistle Blower.
- c) The Protected Disclosure, if forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee shall detach the covering letter and discuss the Protected Disclosure with Members of the Committee.
- d) The Whistle Blower 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 Whistle Blowers.
- e) 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 the Audit Committee as mentioned below.

**Chairman of the Audit Committee**  
Mindteck (India) Limited  
Prestige Atlanta, No. 10, Industrial Layout  
7th Main, 80 Feet Road, 3rd Block  
Koramangala, Bengaluru-560034  
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, 2015

*{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,  
Bengaluru-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 31<sup>st</sup> March 2015 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 31<sup>st</sup> March 2015 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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') :-
  - 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, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - 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.

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:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extend applicable as on the date of my audit
- ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited;

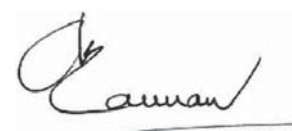
During the period under the review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Sl. No.	Observations
1	Acquisition of 100% equity in Chendle Holdings Limited BVI in 2008 through fresh issue of shares of the company remains incomplete to the extent of non-allotment of 1,02,878 equity shares despite lapse of over 7 years. Company has not made any provisions for disbursement of corporate benefits in this regard.

**I further report that:**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, except the appointment of Woman Director, which was also complied on 28<sup>th</sup> April 2015.
- (ii) 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.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (iv) 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.
- (v) 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.
- (vi) 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.

Bengaluru, India  
Date: 29<sup>th</sup> May 2015

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



## Annexure-6

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2015

{Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies}  
(Management & 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 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	95.95		
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	Embttech Holdings Ltd. 4th Floor, IBL House, Caudan Port Louis, Republic of Mauritius	OC98004605	Holding	64.52	2(46)
2	Mindteck Inc. 150 Corporate Centre Drive, Suite 200 Camp Hill, PA 17011	100683427	Subsidiary	100	2(87)
3	Mindteck Middle East Ltd S.O.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, No. 10-1 Biz Avenue, Neo Cyber Lingkaran Cyber Point Barat 63000 Cyberjava Selangor, 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 Borehanwood, 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. Schiphoweg 103, 2316 XC Leiden Netherlands	27313198	Associate	100	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-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% 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	-	16,169,857	64.73%	16,169,857	-	16,169,857	64.52%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (A) (2)	16,169,857	-	16,169,857	64.73%	16,169,857	-	16,169,857	64.52%	0.00%
TOTAL (A)	16,169,857	-	16,169,857	64.73%	16,169,857	-	16,169,857	64.52%	0.00%
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.	364170	1312	365482	1.46%	231074	1312	232386	0.93%	
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,324,173	157,789	1,481,962	5.93%	2063329	152840	2,216,169	8.84%	49.54%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	533,259		533,259	2.13%	618326		618,326	2.47%	15.95%
c) Others (specify)									
Non-Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	2,561,440	17,000	2,578,440	10.32%	627,669	17,000	644,669	2.57%	-75.00%
Foreign Nationals	189,671	16,000	205,671	0.82%	189671	16000	205,671	0.82%	0.00%
Clearing Members	32,600	-	32,600	0.13%	56333	-	56,333	0.22%	72.80%
Trusts	1,319,817	-	1,319,817	5.28%	1236008	-	1,236,008	4.93%	-6.35%
Foreign Bodies	2,031,211	261,747	2,292,958	9.18%	3421780	261747	3,683,527	14.70%	60.65%
Sub-total (B)(2)	8,356,341	453,848	8,810,189	35.27%	8,444,190	448,899	8,893,089	35.48%	0.94%
Total Public (B)	8,356,341	453,873	8,810,214	35.27%	8,444,190	448,924	8,893,114	35.48%	0.94%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	24,526,198	453,873	24,980,071	100.00%	24,614,047	448,924	25,062,971	100.00%	0.94%

**(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	16,169,857	64.52%	Nil	16,169,857	64.52%	Nil	0.00%

**(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	01-04-14		16,169,857	64.73%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		16,169,857	64.52%	-	0.00%

There has been no change in the promoters' shareholding during the year.

**(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	01-04-14		1,390,569	5.57%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		1,390,569	5.55%	1,390,569	5.55%
2	Name: BANCO EFISA S.A.						
	At the beginning of the year	01-04-14		1,229,211	4.92%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		1,229,211	4.90%	1,229,211	4.90%
3	Name: RAVI PRASAD THANTRY						
	At the beginning of the year	01-04-14		903,817	3.62%	-	0.00%
	Changes during the year	16-05-14	Transfer	38,969	0.16%	864,848	3.45%
	Changes during the year	23-05-14	Transfer	31,981	0.13%	832,867	3.32%
	Changes during the year	30-05-14	Transfer	12,859	0.05%	820,008	3.27%
	At the end of the year	31-03-15		820,008	3.27%	820,008	3.27%
4	Name: TADHAMON INTERNATIONAL ISLAMIC BANK						
	At the beginning of the year	01-04-14		802,000	3.21%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		802,000	3.20%	802,000	3.20%
5	Name: MINDTECK EMPLOYEES WELFARE TRUST						
	At the beginning of the year	01-04-14		416,000	1.67%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		416,000	1.66%	416,000	1.66%
6	Name: MAHESH THARANI						
	At the beginning of the year	01-04-14		320,149	1.28%	-	0.00%
	Changes during the year	03-06-15	Transfer	26,649	0.11%	293,500	1.17%
	Changes during the year	13-03-15	Transfer	68,325	0.27%	225,175	0.90%
	Changes during the year	20-03-15	Transfer	24,204	0.10%	200,971	0.80%
	At the end of the year	31-03-15		200,971	0.80%	200,971	0.80%
7	Name: HARJIT KAUR JOHAL						
	At the beginning of the year	01-04-14		244,831	0.98%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		244,831	0.98%	244,831	0.98%



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
8	Name: PANKAJ AGARWAL						
	At the beginning of the year	01-04-14		241,352	0.97%	-	0.00%
	Changes during the year	30-05-14	Transfer	16,050	0.06%	225,302	0.90%
	Changes during the year	06-06-14	Transfer	2,000	0.01%	223,302	0.89%
	Changes during the year	13-06-14	Transfer	23,302	0.09%	200,000	0.80%
	Changes during the year	20-06-14	Transfer	40,000	0.16%	160,000	0.64%
	Changes during the year	08-08-14	Transfer	925	0.00%	159,075	0.63%
	Changes during the year	22-08-14	Transfer	16,075	0.06%	143,000	0.57%
	Changes during the year	29-08-14	Transfer	16,000	0.06%	127,000	0.51%
	Changes during the year	05-09-14	Transfer	35,509	0.14%	91,491	0.37%
	Changes during the year	12-09-14	Transfer	15,000	0.06%	76,491	0.31%
	Changes during the year	10-10-14	Transfer	15,820	0.06%	60,671	0.24%
	Changes during the year	17-10-14	Transfer	10,000	0.04%	50,671	0.20%
	Changes during the year	24-10-14	Transfer	7,676	0.03%	42,995	0.17%
	Changes during the year	31-10-14	Transfer	10,410	0.04%	32,585	0.13%
	Changes during the year	07-11-14	Transfer	2,000	0.01%	30,585	0.12%
	Changes during the year	14-11-14	Transfer	1,275	0.01%	29,310	0.12%
	Changes during the year	05-12-14	Transfer	4,350	0.02%	24,960	0.10%
	Changes during the year	02-01-15	Transfer	24,960	0.10%	-	0.00%
	At the end of the year	31-03-15		-	0.00%	-	0.00%
9	Name:KOTAK MAHINDRA INVESTMENTS LTD						
	At the beginning of the year	01-04-14		126,085	0.50%	-	0.00%
	Changes during the year	06-06-14	Transfer	124,085	0.50%	2,000	0.01%
	Changes during the year	20-06-14	Transfer	7,000	0.03%	9,000	0.04%
	Changes during the year	30-06-14	Transfer	45,435	0.18%	54,435	0.22%
	Changes during the year	08-08-14	Transfer	2,000	0.01%	52,435	0.21%
	Changes during the year	22-08-14	Transfer	8,100	0.03%	60,535	0.24%
	Changes during the year	31-10-14	Transfer	53,535	0.21%	7,000	0.03%
	Changes during the year	13-03-15	Transfer	7,000	0.03%	-	0.00%
	At the end of the year	31-03-15		-	0.00%	-	0.00%
10	Name:ATUL AMRITLAL MEHTA						
	At the beginning of the year	01-04-14		95,133	0.38%	-	0.00%
	Changes during the year	04-04-14	Transfer	126,085	0.50%	221,218	0.88%
	Changes during the year	16-05-14	Transfer	9,000	0.04%	212,218	0.85%
	Changes during the year	30-06-14	Transfer	43,435	0.17%	168,783	0.67%
	Changes during the year	08-08-14	Transfer	500	0.00%	169,283	0.68%
	Changes during the year	12-09-14	Transfer	2,000	0.01%	167,283	0.67%
	Changes during the year	30-09-14	Transfer	16,202	0.06%	151,081	0.60%
	Changes during the year	03-10-14	Transfer	2,000	0.01%	149,081	0.59%
	Changes during the year	10-10-14	Transfer	19,000	0.08%	130,081	0.52%
	Changes during the year	17-10-14	Transfer	6,000	0.02%	124,081	0.50%
	Changes during the year	24-10-14	Transfer	4,000	0.02%	120,081	0.48%
	Changes during the year	31-10-14	Transfer	46,135	0.18%	166,216	0.66%
	Changes during the year	07-11-14	Transfer	2,000	0.01%	164,216	0.66%
	Changes during the year	28-11-14	Transfer	4,000	0.02%	160,216	0.64%
	Changes during the year	05-12-14	Transfer	2,100	0.01%	158,116	0.63%
	Changes during the year	31-12-14	Transfer	1,265	0.01%	156,851	0.63%
	Changes during the year	16-01-15	Transfer	8,494	0.03%	148,357	0.59%
	Changes during the year	23-01-15	Transfer	2,786	0.01%	145,571	0.58%
	Changes during the year	06-02-15	Transfer	2,335	0.01%	143,236	0.57%
	At the end of the year	31-03-15		143,236	0.57%	143,236	0.57%
11	Name:ABDUL HABIB ALLIMAHOMED						
	At the beginning of the year	01-04-14		106,888	0.43%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		106,888	0.43%	106,888	0.43%
12	Name: INFOTECH VENTURES LTD						
	At the beginning of the year	01-04-14		261,747	1.05%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		261,747	1.04%	261,747	1.04%

**(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	01-04-14		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		-	0.00%	-	0.00%
2	Name: MEENAZ DHANANI						
	At the beginning of the year	01-04-14		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		-	0.00%	-	0.00%
3	Name: NARAYAN AMBAT MENON						
	At the beginning of the year	01-04-14		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		-	0.00%	-	0.00%
4	Name: JAVED GAYA						
	At the beginning of the year	01-04-14		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		-	0.00%	-	0.00%
5	Name: JAGDISH MALKANI						
	At the beginning of the year	01-04-14		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		-	0.00%	-	0.00%
6	Name: ANAND BALAKRISHNAN						
	At the beginning of the year	01-04-14		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-15		-	0.00%	-	0.00%
7	Name: SHIVARAMA ADIGA S						
	At the beginning of the year	01-04-14		-	0.00%	-	0.00%
	Changes during the year	06-02-15		2,800	0.01%	2,800	0.01%
	At the end of the year	31-03-15		2,800	0.01%	2,800	0.01%

**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/WT/ Manager			Total Amount
	<b>Name</b>	Yusuf Lanewala	Dayananada Shetty	Meenaz Dhanani	(Rs)
	<b>Designation</b>	Chairman and Managing Director	Executive Director	Executive Director*	
1	Gross salary	8,176,695	1,849,136	-	10,025,831
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(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	200,000 options	-	-	200,000 options
3	Sweat Equity	-	-	-	-
4	Commission** - as % of profit - others, specify	1,000,000	450,000	-	1,450,000
5	Others, please specify	-	-	-	-
	Total (A)	9,176,695	2,299,136	-	11,475,831
	Ceiling as per the Act	9,544,484	9,544,484	-	19,088,967

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

\*\* Commission paid during the year pertaining to FY 2013-14

### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Javed Gaya	Narayan Menon	Jagdish Malkani	(Rs)
1	Independent Directors				
	Fee for attending board committee meetings	380,000	270,000	380,000	1,030,000
	Commission*	600,000	450,000	300,000	1,350,000
	Others, please specify	-	-	-	-
	Total (1)	980,000	720,000	680,000	2,380,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	980,000	720,000	680,000	2,380,000
	Total Managerial Remuneration (A+B)	-	-	-	13,855,831
	Overall Ceiling as per the Act	-	-	-	20,997,864

\*Commission paid during the year pertaining to FY 2013-14



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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	<b>Name</b>	-	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	-	1,832,372	2,582,133	4,414,505
	(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		10,200 options	22400 options	32,600 options
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify			-	-
5	Others, please specify	-	-	-	-
	Total	-	1,832,372	2,582,133	4,414,505

\* The remuneration paid to Mr. Yusuf Lanewala for the position held by him as CEO, Chairman and Managing Director. His remuneration details or furnished under table VI A

\*\* The remuneration paid to CFO is for part of the year and effective from Nov 07, 2014

**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
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS									
Penalty	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT									
Penalty	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

## Annexure-7

### 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 overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs	<p>MIL shall lay down its focus on the following CSR activities in line with statute governing the CSR and for the benefit of 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>• Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and facilities for senior citizens, measures for reducing inequalities faced by socially and economically backward groups;</li> <li>• Any other CSR activities as per Companies Act, 2013 and approved by the Board from time to time.</li> </ul> <p>(Weblink: <a href="http://www.mindteck.com/pdf/policies/CSR_Policy.pdf">http://www.mindteck.com/pdf/policies/CSR_Policy.pdf</a>)</p>
2.	Composition of CSR Committee	<p>Yusuf Lanewala – Chairman and Managing Director (Chairman)</p> <p>Javed Gaya – Independent Director (Member)</p> <p>Jagdish Malkani – Independent Director (Member)</p>
3.	Average net profit of the Company for last three financial years	Rs. 82,427,518
4.	Prescribed CSR expenditure (2% of the average net profit as computed above)	Rs. 1,648,550
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. 1,690,000</p> <p>Amount unspent: NIL</p>	<p>Bangalore Indiranagar Rotary Trust provides infrastructure improvement as well as educational and extracurricular activities for Girls High School and College in rural Bengaluru.</p> <p>Samarthanam Trust for the Disabled supports training and skill set improvement for visually-impaired, disabled and underprivileged people.</p>

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 Sub-heads: (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 and support extracurricular activities for Girls High School and College	Hoskote, Bengaluru, Karnataka	Rs. 13,90,000	Direct Expenditure on project	Rs. 13,90,000	Through Bangalore Indiranagar Rotary Trust
2	Samarthanam Trust for the Disabled	Skill set improvement for visually-impaired, disabled and underprivileged people	HSR Layout, Bengaluru, Karnataka	Rs. 3,00,000	Direct Expenditure on project	Rs. 3,00,000	Direct

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



**Yusuf Lanewala**  
Chairman and Managing Director



**Yusuf Lanewala**  
Chairman of the CSR Committee

Place: Bengaluru, India  
Date: May 29, 2015

## Annexure-8

To,

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

### **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

I have examined the relevant records of Mindteck (India) Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange for the financial year ended 31<sup>st</sup> March, 2015.

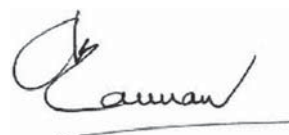
I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

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

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with the mandatory conditions of Clause 49 of the Listing Agreement.

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.

Bengaluru, India  
Date: 29<sup>th</sup> May 2015



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



## Annexure-9

### DETAILS OF RATIO OF REMUNERATION OF DIRECTORS

{Section 197(12) and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

#### Details of Remuneration of Director

(I) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<table><tr><td>Name of the Director</td><td>Ratio to the Median</td></tr><tr><td>Yusuf Lanewala</td><td>20</td></tr><tr><td>Dayananda Shetty</td><td>04</td></tr></table>	Name of the Director	Ratio to the Median	Yusuf Lanewala	20	Dayananda Shetty	04														
Name of the Director	Ratio to the Median																				
Yusuf Lanewala	20																				
Dayananda Shetty	04																				
(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><tr><td>Name of the Director &amp; KMP</td><td>% increase</td></tr><tr><td>Yusuf Lanewala,* CMD</td><td>Nil</td></tr><tr><td>Dayananda Shetty,** ED</td><td>15%</td></tr><tr><td>Anand Balakrishnan,*** CFO</td><td>Nil</td></tr><tr><td>Shivarama Adiga S, CS</td><td>10%</td></tr></table> <p>* Yusuf Lanewala was re-appointed on April 01, 2014 ** Ceased to be Executive Director w.e.f August 14, 2014 *** Anand Balakrishnan was appointed on November 07, 2014</p>	Name of the Director & KMP	% increase	Yusuf Lanewala,* CMD	Nil	Dayananda Shetty,** ED	15%	Anand Balakrishnan,*** CFO	Nil	Shivarama Adiga S, CS	10%										
Name of the Director & KMP	% increase																				
Yusuf Lanewala,* CMD	Nil																				
Dayananda Shetty,** ED	15%																				
Anand Balakrishnan,*** CFO	Nil																				
Shivarama Adiga S, CS	10%																				
(III) the percentage increase in the median remuneration of employees in the financial year;	7%																				
(IV) the number of permanent employees on the rolls of company;	The total number of Mindteck employees as on March 31, 2015 was 489.																				
(V) the explanation on the relationship between average increase in remuneration and company performance;	The increase in company revenue for the financial year 2014-15 over 2013-14 was 5% and the average increase given to employees was 7.5%. Remuneration increase is based on merit/performance of individual employees & market benchmark data.																				
(VI) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration of the KMP was 1.8% of revenue.																				
(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;	<table><tr><td>Particulars</td><td>2002*</td><td>2014**</td><td>2015**</td></tr><tr><td>Share Price</td><td>45.60</td><td>28.05</td><td>63.90</td></tr><tr><td>No. of equity shares</td><td>9,725,564</td><td>24,980,071</td><td>25,062,971</td></tr><tr><td>PE Ratio</td><td>16.34</td><td>5.72</td><td>13.92</td></tr><tr><td>Market Capitalization (In Rs.)</td><td>443,485,718</td><td>700,690,992</td><td>1,601,523,847</td></tr></table> <p>* The Company's last public offer was in February 2002. Share Price and Number of Equity shares are as on June 30, 2002. ** Share Price and Number of Equity shares are as on March 31.</p>	Particulars	2002*	2014**	2015**	Share Price	45.60	28.05	63.90	No. of equity shares	9,725,564	24,980,071	25,062,971	PE Ratio	16.34	5.72	13.92	Market Capitalization (In Rs.)	443,485,718	700,690,992	1,601,523,847
Particulars	2002*	2014**	2015**																		
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PE Ratio	16.34	5.72	13.92																		
Market Capitalization (In Rs.)	443,485,718	700,690,992	1,601,523,847																		

(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 7.5% for all the employees and for managerial personnel in the financial year 2014-15.</p> <p>Remuneration increase is based on merit performance of individual employees &amp; market benchmark data.</p>										
(IX) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	<table border="1"> <thead> <tr> <th>Key Managerial Personnel</th><th>% of Revenue</th></tr> </thead> <tbody> <tr> <td>Yusuf Lanewala</td><td>1.02%</td></tr> <tr> <td>Dayananda Shetty*</td><td>0.23%</td></tr> <tr> <td>Anand Balakrishnan**</td><td>0.23%</td></tr> <tr> <td>Shivarama Adiga S</td><td>0.32%</td></tr> </tbody> </table> <p>* Part of the year - Ceased to be ED w.e.f August 14, 2014  ** Part of the year - Appointed as CFO on November 07, 2014</p>	Key Managerial Personnel	% of Revenue	Yusuf Lanewala	1.02%	Dayananda Shetty*	0.23%	Anand Balakrishnan**	0.23%	Shivarama Adiga S	0.32%
Key Managerial Personnel	% of Revenue										
Yusuf Lanewala	1.02%										
Dayananda Shetty*	0.23%										
Anand Balakrishnan**	0.23%										
Shivarama Adiga S	0.32%										
(X) the key parameters for any variable component of remuneration availed by the Directors;	Not Applicable										
(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	Not Applicable										
(XII) affirmation that the remuneration is as per the remuneration policy of the company.	Yes—as per Nomination and Remuneration policy of the company.										

## Annexure-10

### DISCLOSURES UNDER SECTION 62 OF COMPANIES ACT, 2013 AND RULE 12(9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

Particulars	Mindteck ESOP2005	Mindteck ESOP2008
a) Options granted during the year	156,900	611,750
b) Options vested at the beginning of the year	91,733	-
c) Options exercised during the year	82,900	-
d) Total no. of shares arising out of exercise of options	82,900	-
e) Options lapsed/forfeited during the year	68,300	42,500
f) Variation of terms of options	-	-
g) Money realised by exercise of options	Rs. 1,501,205	-
h) The exercise price	Rs.13.55, Rs.16.35, Rs.17.20, Rs.17.95 and Rs.19.10	-
i) Total number of options in force	219,700	569,250
j) Employee-wise details of options granted to:	<p>a) Key Managerial Personnel: (i) Yusuf Lanewala, Chairman and Managing Director-NIL</p> <p>(ii) Shivarama Adiga S, Company Secretary-1,800</p> <p>(iii) Anand Balakrishnan, CFO-10,200</p> <p>b) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year-NIL</p> <p>c) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant-NIL</p>	<p>a) Key Managerial Personnel: (i) Yusuf Lanewala, Chairman and Managing Director-200,000</p> <p>(ii) Shivarama Adiga S, Company Secretary-15,000</p> <p>(iii) Anand Balakrishnan, CFO-NIL</p> <p>b) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year-NIL</p> <p>c) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant-NIL</p>

Note: No options/shares were granted under Mindteck ESOP 2014 and Mindteck Employees Welfare Trust 2000.

## Annexure-11

### 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 invested in development of Ignite Building Energy Management platform to optimize HVAC energy consumption. This system was deployed in Bengaluru premises and has been in operation since June 2014.
- (ii) Steps taken by the company for utilizing alternate source of energy: None
- (iii) The capital investment on energy conservation equipment: The deployment cost for Ignite Building Energy Management system was INR 323,041.
  - 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 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 biodegradable 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 AND DEVELOPMENT

### Technology Absorption:

(i) The efforts made towards technology absorption:

- Mindteck developed an IPV6 and wireless mesh-based ZigBee IP wireless software stack as per ZigBee Alliance specifications.
- Mindteck developed iThings-IoT reference hardware platform which can be used to rapidly build city scale IoT solutions like Intelligent Street Lighting, Smart Parking, EV charging, Automated Energy/Water Meter reading, Solar Power Generation Monitoring, Building Energy Management, Asset Tracking, and many other smart city use cases.

(ii) The benefits derived such as product improvement, cost reduction, product development or import substitution:

- ZigBeeIP and iThings benefit Mindteck's clients by reducing the solution development time and cost, lowering development risk, and also helping Indian clients reduce their reliance on imports for similar technologies for Smart City projects

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)–None

## 3. FOREIGN EXCHANGE EARNINGS AND OUTFLOW

(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, 2015	Year ended March 31, 2014
Earnings	652,361,592	685,873,656
Expenditure	11,136,395	17,770,100

for and on behalf of the Board of Directors



**Yusuf Lanewala**

Chairman and Managing Director

Bengaluru, India

Date: May 29, 2015

# 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 Exchange Board of India (SEBI) amended the Listing Agreement effective October 01, 2014, to implement comprehensive Corporate Governance norms for listed Companies. These norms provide stringent disclosures for protection of investor rights, including equitable treatment for minority and foreign shareholders. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to adopt best Corporate Governance practices.

Accordingly, Mindteck complies with Corporate Governance as per Clause 49 of the Listing Agreement. As per Clause 49 of the Listing Agreement with the Bombay Stock Exchange (BSE), a report containing the details of the governance system 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.

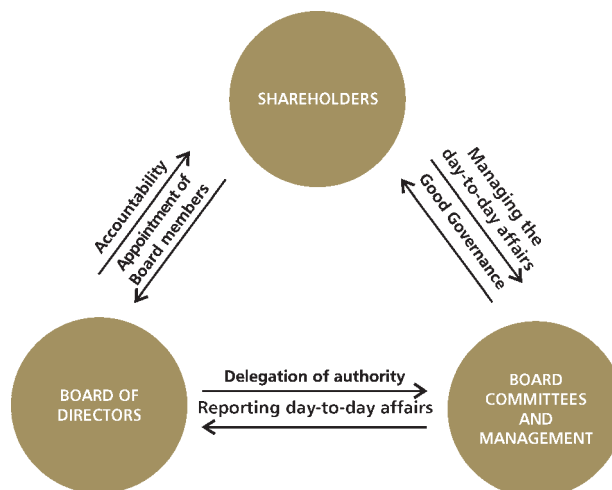
The Management aims to achieve its objective of increasing stakeholders' value while consistently observing the norms laid down in the Code of Corporate Governance. The Management has institutionalized Corporate Governance at all levels within the Company in order to ensure transparency, good practices 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, etc. The day-to-day implementation and monitoring of these policies and guidelines rest with the management of the Company. These policies are in consonance with the requirements of the Companies Act, 2013, Listing Agreement and applicable SEBI Regulations. 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 Company operates.
- (viii) Maintenance of high standards of safety and health.
- (ix) Adhere 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 maximization of returns to all stakeholders.
- (ii) The Board of Directors is responsible for the overall vision, strategy and good governance of the Company. 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 Chairman and Managing Director along with the 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 of Directors ('the Board') is at the core of 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 and the Board.

As at March 31, 2015 the Company had five Directors, of which three Directors are Independent, as defined in the Companies Act, 2013 and Clause 49 of the Listing

Agreement. The Chairman and Managing Director manage the day-to-day affairs of the Company. The Board believes that its current size is appropriate based on the present circumstances. The Board periodically evaluates the need for change in its composition and size.

None of the Directors on the Board hold directorships more than the statutory maximum limit as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. 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.

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	Chairman and Managing Director	61	Nil	-	1	-	-
Mr. Dayananda Shetty <sup>(1)</sup>	Executive Director	68	Nil	-	-	-	-
Mr. Meenaz Dhanani	Executive Director	58	Nil	-	-	-	-
Mr. Javed Gaya	Independent Director	59	Nil	1	5	1	-
Mr. Narayan A. Menon	Independent Director	66	Nil	-	-	-	-
Mr. Jagdish Malkani	Independent Director	59	Nil	-	2	-	-
Ms. Prochie Sanat Mukherji <sup>(2)</sup>	Independent Director	66	Nil	-	-	-	-

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

(1) Resigned as an Executive Director w.e.f. August 14, 2014.

(2) Appointed as an Independent Director w.e.f. April 28, 2015 subject to the approval of the shareholders at the Annual General Meeting, 2015.

All the Independent Directors furnish 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 Companies Act, 2013 along with Clause 49 of the Listing Agreement 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 Independent Directors served on the Board of our company for more than ten years.

#### Board Definition of Independent Directors:

The Company has defined the independence as stipulated under Section 149(6) of Companies Act, 2013 and Clause 49 of the Listing Agreement. 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 familiarization programme for its Independent Directors. The Executive Directors, Chief Operating Officer, Chief Financial Officer, Company Secretary and other Executives 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 the Statutory and Internal Auditors on a quarterly basis. **(Weblink: <http://www.mindteck.com/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 schedule 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 Annexure X to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary.

The Board met five times in the financial year 2014-2015 – April 04, 2014, May 29, 2014, August 13, 2014, November 07, 2014 and February 06, 2015.

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

Name of the Director	No. of Board Meetings during 2014-15		Whether attended last AGM held on August 14, 2014	Sitting fees for Board and Committee meetings (in Rs.)
	Held	Attended		
Mr. Yusuf Lanewala	5	4	Yes	Nil
Mr. Dayananda Shetty <sup>(1)</sup>	5	2	Yes	Nil
Mr. Meenaz Dhanani	5	1	Yes	Nil
Mr. Javed Gaya	5	5	Yes	380,000
Mr. Narayan A. Menon	5	3	Yes	270,000
Mr. Jagdish Malkani	5	5	Yes	380,000
Ms. Prochie Sanat Mukherji <sup>(2)</sup>	5	-	No	Nil

(1) Resigned as an Executive Director w.e.f. August 14, 2014.

(2) Appointed as an Independent Director w.e.f. April 28, 2015 subject to the approval of the shareholders at the Annual General Meeting, 2015.

#### **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 amount of the said commission will be decided each year by the Board of Directors and distributed amongst the Non-Executive Directors including Independent Directors. The remuneration paid/payable to Independent Directors of the Company for FY 2014-15 is annexed to the Directors Report. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

#### **Shares and options held by Non-Executive/Independent Directors:**

None of the Non-Executive/Independent Directors hold shares or options in the Company.

#### **Remuneration to Chairman and Managing Director, and Executive Directors:**

The Company paid remuneration to Mr. Yusuf Lanewala, Chairman and Managing Director, a sum of 9,176,700 (including Rs. 1,000,000 of Commission pertaining to FY 2013-14) and Mr. Dayananda Shetty<sup>(1)</sup>, Executive Director, a sum of Rs. 2,299,136 (including Rs. 450,000 of Commission pertaining to FY 2013-14) during the year as approved by the shareholders at the Annual General Meeting held on August 14, 2014. In addition to the above, 200,000 Stock options

#### **Sitting Fees:**

The Company paid sitting fees of Rs. 50,000 per meeting to its Independent Directors for attending meetings of the Board and Rs. 20,000 for attending Committee meetings effective from August 13, 2014. (The Company had paid Rs. 20,000 for Board meeting and Rs. 10,000 for all Committee meetings prior to August 13, 2014).

under Mindteck Employees Stock Option Scheme 2008, was granted at Rs. 30.35 to Mr. Yusuf Lanewala on April 04, 2014.

The Company did not pay any remuneration to Mr. Meenaz Dhanani, Executive Director, as he was drawing remuneration from the Company's wholly-owned subsidiary Mindteck, Inc. in the US.

(1) Resigned as an Executive Director w.e.f. August 14, 2014.

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

The agenda items for the Board meetings are decided in advance in consultations with heads of various functions and the Chairman and Managing Director. 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 to the Board Meetings. The decisions taken at the Board Meetings are promptly communicated to all concerned departments for the completion of the action items arising out of the deliberations of the meeting. Report on the action items are placed before the Board at its succeeding meeting.

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

- Annual operating plans and budgets, including capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments and monthly MIS information on the key operational parameters of the Company.
- Minutes of meetings of the Audit Committee, other Committees of the Board and subsidiaries.



- The information on recruitment and remuneration of senior officers.
- Show cause, demand, prosecution notices and penalty notices, which are materially important, if any.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company, if any.
- Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any.
- Details of any joint venture or collaboration agreement or acquisition, if any.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
- Significant labour problems and their proposed solutions. Any significant developments on the Human Resources/Industrial Relations front like signing of wage agreements, implementation of Voluntary Retirement Scheme, etc., if any.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business, if any.
- 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 with or violations of any regulatory, statutory or listing requirements and shareholders service such as non-payment of Dividend or delay in share transfers, etc., if any.

All the information to be provided to the Board as per Annexure-X of Clause 49 of the Listing Agreement 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.

#### **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/Committee Meetings for their comments. The minutes are entered in the Minutes book immediately on approval and signed.

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

The important decisions taken at the Board/Committee meetings are communicated promptly to the concerned departments/divisions and Bombay Stock Exchange wherever necessary to comply with the Listing Agreement. 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 SUB-COMMITTEES OF THE BOARD OF DIRECTORS**

Your Company has the following committees of 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 the Listing Agreement.

#### **(a) Composition:**

Narayan A. Menon, Chairman (Independent Director)

Javed Gaya, Member (Independent Director)

Yusuf Lanewala, Member (Chairman and Managing Director)

Jagdish Malkani, Member (Independent Director)

Mr. Shivarama Adiga S., Company Secretary, acted as Secretary for all the Audit Committee meetings held in 2014-15.

#### **(b) Powers:** Powers of the Audit Committee include:

- (i) To investigate any activity within its responsibilities.
- (ii) To have independent back office support and other resources from the company.
- (iii) To have access to information contained in the records of the Company or from any employee.
- (iv) To obtain legal or professional advice from external sources.
- (v) To have the facility of separate discussions with both internal and external auditors as well as the management.
- (vi) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **(c) Roles and Responsibilities:**

- (i) Recommend the appointment, re-appointment and removal of external auditor and internal auditor, approve terms of engagement, including fixation of audit fee, and also approve the payment for any other services. The Committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.
- (ii) Review the financial reporting process and the

disclosure of financial information of the Company, as well as subsidiaries, to ensure that the financial statement is correct, sufficient and credible. Also, monitor the integrity of the financial statements of the Company.

(iii) Review, with management, the quarterly and annual financial statements before submission to the Board, focusing primarily on:

- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entries based on exercise of judgment by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with Stock Exchange and legal requirements concerning financial statements.
- Management Discussion and Analysis of financial conditions and results of operations.
- Directors' Responsibility Statement.

(iv) Review, with management, the statement of uses/application of funds raised through an issue (i.e. Public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency which monitors the utilization of proceeds of the public/rights issue, as well as recommend to the Board the steps to be taken in this regard.

(v) Review the adequacy of internal control systems and review internal audit reports, management letters relating to internal control weaknesses, if any.

(vi) Review the adequacy of internal audit function, 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.

(vii) Discussion, review and follow up on 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, including management override of internal controls and financial irregularities involving management team members.

(viii) Discussions with external auditors before the audit commences about the nature and scope of the audit, and have post-audit discussions to ascertain any areas of concern.

(ix) Review the Company's financial and risk

management policies and systems. Assist executive management to identify the risk impacting the Company's business and document the process of risk identification, risk minimization and risk optimization as a part of risk management policy.

(x) Look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, and monitor utilization of funds raised through public and preferential issues.

(xi) Review the functioning of the Whistle Blower mechanism established in the Company.

(xii) Approve the appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing his/her qualifications, experience and background.

(xiii) Monitor and approve all Related Party Transactions including any modification/amendment with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large and periodically review the minutes of subsidiary companies.

(xiv) Any other matter referred to the Audit committee by the Board of Directors of the Company.

**(d) Meetings:** The Audit Committee meeting was conducted four times during the year on May 29, 2014, August 13, 2014, November 07, 2014 and February 06, 2015. The approved minutes of the meetings were placed before the Board at the succeeding Board Meeting for information. The quorum of the Committee is two members or one-third of its members, whichever is higher. Quorum was present at all the meetings.

Attendance Record in Audit Committee Meetings held during the year are as follows:

Table No. 03 Members	No of meetings	
	Held	Attended
Mr. Narayan A. Menon, Chairman	4	3
Mr. Javed Gaya	4	4
Mr. Yusuf Lanewala	4	4
Mr. Jagdish Malkani	4	4

## (ii) Nomination and Remuneration Committee

### (a) Composition:

Javed Gaya, Chairman (Independent Director)

Narayan A. Menon, Member (Independent Director)

Jagdish Malkani, Member (Independent Director)

**(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 Clause 49 of the Listing Agreement.
- (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 the Committee with or as may be required by any statutes/regulations/guidelines/listing agreements, etc.

**(c) Meetings:** The Committee held four meetings during the year – May 29, 2014, August 13, 2014, November 07, 2014 and February 06, 2015.

Attendance Record in Nomination and Remuneration Committee meetings held during the year is as follows:

Table No. 04 Members	No of meetings	
	Held	Attended
Mr. Javed Gaya, Chairman	4	4
Mr. Narayan A. Menon	4	3
Mr. Jagdish Malkani	4	4

**(d)** The Nomination and Remuneration policy is annexed to the Board's Report.

### (iii) Stakeholders Relationship Committee

#### (a) Composition:

Javed Gaya, Chairman (Independent Director)

Yusuf Lanewala, Member (Chairman and Managing Director)

Dayananda Shetty,<sup>(1)</sup> Member (Executive Director)

Jagdish Malkani, Member (Independent Director)

(1) Resigned as an Executive Director w.e.f. August 14, 2014.

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, 1992 and 2015. Further, the Committee has delegated the power of transfer of shares to the Company Secretary and to M/s. Universal Capital Securities Pvt. Ltd, the Company's Registrars and Share Transfer agents, to attend to share transfers generally once in 15 days, which are placed before the Board along with the investors complaints periodically for the purpose of noting.

**(c) Meetings:** The Committee met three times during the year – May 29, 2014, August 13, 2014 and November 07, 2014. The minutes of the meetings were placed before the Board at the following Board Meeting for information. Quorum was present at all the meetings.

Attendance Record in Stakeholders Relationship Committee Meetings held during the year is as follows:

Table No. 05 Members	No of meetings	
	Held	Attended
Mr. Javed Gaya, Chairman	3	3
Mr. Yusuf Lanewala	3	3
Mr. Dayananda Shetty <sup>(1)</sup>	3	2
Mr. Jagdish Malkani	3	3

(1) Resigned as an Executive Director w.e.f. August 14, 2014.

### Report of Investor Complaints received and disposed of during year ended March 31, 2015:

Table No. 06	No. of cases outstanding as on April 01, 2014	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2015
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. There were no cases that were not resolved to the satisfaction of the shareholders.

### (iv) Corporate Governance Committee

#### (a) Composition:

Narayan A. Menon, Chairman (Independent Director)

Yusuf Lanewala, Member (Chairman and Managing Director)

Jagdish Malkani, Member (Independent Director)

Meenaz Dhanani, Member (Executive Director)

**(b) Objective:** The objective of the Committee is to ensure excellence in governance, foster exemplary standards of business conduct, 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:**

- (i) Review Board/Corporate Codes and make suitable recommendations to the Board from time to time.
- (ii) Review the Structure/Charters of other Board Committees and make suitable recommendations to the Board from time to time.
- (iii) Recommend best practices and standards in any particular area to the Board of Directors as per its mandate.

**(d) Meetings:** During the year, the Committee did not meet.

**(v) Corporate Social Responsibility Committee (CSR)**

**(a)** The Committee was constituted on May 29, 2014 in order to comply with the Companies Act, 2013, as well as institute giving back in kind and in deed as we achieve success around the globe.

**(b) Composition:**

Yusuf Lanewala, Chairman (Chairman and Managing Director)

Javed Gaya, Member (Independent Director)

Jagdish Malkani, Member (Independent Director)

**(c) 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.

**(d) Terms of reference of the Corporate Social Responsibility Committee:**

- i. 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.
- ii. Recommend appropriate targeted CSR funding to the Board.
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv. Institute a transparent monitoring mechanism for implementation of CSR projects/programs/activities.
- v. Monitor implementation of CSR activities on a quarterly basis.
- vi. Approve projects/programs/activities as approved by the Central Government.

**(e) Meetings:** During the year, the committee did not meet.

**(vi) Risk Management Committee**

**(a)** The Committee was constituted on November 07, 2014 in order to comply with Clause 49 of the Listing Agreement.

**(b) Composition:**

Yusuf Lanewala, Chairman (Chairman and Managing Director)

Meenaz Dhanani, Member (Executive Director)

Anand Balakrishnan, Member (Chief Financial Officer)

**(c) 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.

**(d) Terms of reference of the Risk Management Committee:**

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

**(e) Meetings:** The Committee met one time during the year-March 18, 2015. The minutes were placed before the board at the following board meeting for information. Quorum was present at the meeting.

Table No. 07 Members	No of meetings	
	Held	Attended
Mr. Yusuf Lanewala, Chairman	1	1
Mr. Meenaz Dhanani	1	-
Mr. Anand Balakrishnan	1	1

**C. GOVERNANCE BY MANAGEMENT**

**OTHER DISCLOSURES:**

**Related Party Transactions:**

During the year 2014-15, 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 Boards Report and Notes to accounts 3.17 of the Financials as at March 31, 2015. The Company's Related Party Transaction Policy is available on website

(weblink:[http://www.mindteck.com/pdf/policies/RPT\\_Policy.pdf](http://www.mindteck.com/pdf/policies/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 Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

**COMPLIANCE CERTIFICATES:**

**Certificate on Corporate Governance:**

As required under Clause 49 of the Listing Agreement, the Certificate is obtained from Practicing Company Secretary and annexed to the Board's Report.



### **CEO and CFO Certificate:**

The Certificate given by the Chairman and Managing Director, and Chief Financial Officer as per Clause 49 in the prescribed format also forms part of this Annual Report.

### **Code of Business Conduct and Ethics:**

In compliance with Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 website ([www.mindteck.com](http://www.mindteck.com))

### **Compliance with Laws:**

Mindteck believes in commitment to values and compliance of laws which are the hallmarks of good Corporate Governance. Legal Compliance Management at Mindteck 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 Annexure to the Board's Report.

### **Compliance with mandatory and non-mandatory requirements of Clause 49 of the listing agreement:**

The Company has disclosed all the mandatory requirements under Clause 49 of the Listing Agreement and has set up a Corporate Governance Committee under non-mandatory requirements.

### **Policies and Best Practices:**

Mindteck has formulated various policies and procedures in accordance with the requirements of the Companies Act, 2013, Listing Agreement and applicable SEBI Regulations to maintain transparency, professionalism and accountability in the organization.

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

In pursuance to Clause 12(2) of Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 1992 and 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:**

Mindteck believes that Corporate Governance as a discipline leads to effectiveness and transparency in the functioning of any

corporate entity. Towards this end, Mindteck has adopted a Board Charter which clearly defines the mission, role, structure, responsibilities and operations of the Board of Mindteck and its delegation of authority to management.

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

Pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and 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" [as defined in the SEBI (Prohibition of Insider Trading) Regulations, 1992 and 2015] 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.

### **Whistle Blower:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism in line with Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange, 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 avail of the mechanism and also allows direct access to the Audit committee. The policy is displayed on the website of the Company.

(Weblink: [http://www.mindteck.com/pdf/policies/Whistle\\_Blower\\_Policy.pdf](http://www.mindteck.com/pdf/policies/Whistle_Blower_Policy.pdf))

### **Material Subsidiaries:**

The Company has formulated a Policy on Material Subsidiaries and has established the necessary mechanism under Clause 49 of the Listing Agreement. For the purpose of this clause, a subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year, or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

(Weblink: [http://www.mindteck.com/pdf/policies/Material\\_Subsiadiaries\\_Policy.pdf](http://www.mindteck.com/pdf/policies/Material_Subsiadiaries_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:**

- Prestige Atlanta, No.10, Industrial Layout  
7th Main, 80 Feet Road, 3rd Block  
Koramangala, Bengaluru – 560 034

**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**

Prestige Atlanta, No.10, Industrial Layout  
7th Main, 80 Feet Road, 3rd Block  
Koramangala, Bengaluru – 560 034, India  
Tel: 91 80 4154 8000; Fax: 91 80 4112 5813  
For additional information on the Company, refer to  
website: [www.mindteck.com](http://www.mindteck.com)

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

Chief Financial Officer  
Tel: 91 80 4154 8000 Extn. 8002  
E-mail: [anand.balakrishnan@mindteck.com](mailto:anand.balakrishnan@mindteck.com)

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

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

**Address of Registrar and Transfer Agents:****M/s. Universal Capital Securities Pvt. Ltd.**

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

**Contact:** Santosh Gamare

Tel: 91 22 2820 7203-05, Fax No: 91 22 2820 7207  
Email: [gamare@unisec.in](mailto:gamare@unisec.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, 2<sup>nd</sup> 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)

**Bombay Stock Exchange Limited**

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

**Depository for Equity Shares-India:****National Securities Depository Limited**

Trade World, A Wing, 4th and 5th Floors  
Kamala Mills Compound, Senapathi Bapat Marg  
Lower Parel, Mumbai – 400 013, India  
Tel: 91 22 2499 4200  
Fax: 91 22 2497 6351  
Email: [info@nsdl.co.in](mailto: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](mailto: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 2014 -15 is scheduled on Tuesday, August 11, 2015 at 12:00 Noon at Hotel Woodlands, "Mini Hall" No-5, Rajaram Mohan Roy Road, Bengaluru-560025.

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

Table No. 08		
Date of AGM	Time of AGM	Location
August 07, 2012	3:00 PM	St. Marks Hotel, 4/1, St. Marks Road, Bengaluru-560001
September 27, 2013	11:30 AM	Hotel Woodlands, "Chandani Hall" No-5, Rajaram Mohan Roy Road Bengaluru-560025
August 14, 2014	11.00 AM	Hotel Woodlands, "Chandani Hall" No-5, Rajaram Mohan Roy Road Bengaluru-560025

The following special resolutions were passed by the Company in its last three Annual General Meetings:

Table No. 09

August 7, 2012	Issue and Allot 64,299 Equity Shares to Independent Shareholder of Chendle Holdings Ltd.
September 27, 2013	Appointment and Payment of Remuneration to Mr. Yusuf Lanewala as Managing Director and Group CEO
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 to Mr. Meenaz Dhanani as an Executive Director of the Company</li> <li>3. Re-Appointment and Payment of Remuneration to 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 Company(ies) of the Company and/or Subsidiary Company(ies) of the Company</li> </ol>

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

**Financial Year:** April 01, 2014 to March 31, 2015

**Book Closure dates for the forthcoming AGM:**

August 05, 2015 to August 11, 2015 (both days inclusive).

The Company's equity shares are listed on the Bombay Stock Exchange Limited ('BSE') as at March 31, 2015 and Scrip code is "517344".

An Annual Listing fee for the year 2015-16 has been paid by the Company to the Bombay Stock Exchange. The Annual Custodial fee for the year 2015-16 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 declared at the 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, 2015.

#### Share Transfer System:

The Company's Registrars and Share Transfer Agent, M/s. Universal Capital Securities Pvt. Ltd. (formerly Mondkar Computers Private Limited), processes 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 practice, the Company has appointed Mr. Rajnikant N. Shah, Practicing Company Secretary, to undertake the reconciliation of the share capital of the Company and submit a report to the BSE. 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 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2014-15 annexed to the Board's Report.

The Board noted the reports given by Secretarial Auditor and confirmed that there are no qualification, reservations or adverse remark or disclaimers. The observation made by him is also noted and the justification for the same is provided under Note 3.1.1 (b) under Notes to Financial Statements.

#### 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 (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 98.21% of the Company's equity share capital are dematerialized as on March 31, 2015. The Company continues to facilitate requests for dematerialization of shares on a regular basis and the request can be routed through RTA M/s. Universal Capital Securities Private Limited (formerly Mondkar Computers Private Limited). Under the Depository system, the International Securities Identification Number (ISIN) allotted to Mindteck shares is INE110B01017.

#### Investors' complaints

Table No. 10

Nature of Complaint	2014-15		2013-14	
	Received	Attended	Received	Attended
No. of investor issues	Nil	Nil	1	1
No. of legal cases in the matter	Nil	Nil	Nil	Nil

There are no legal proceedings related to disputes in the matter of Shares of the Company.

## Shareholding Pattern as on March 31, 2015:

Table No. 11

Sl. No.	Particulars	No. of shares	% of holding
1.	Shareholding of Promoter and Promoter Group	16,169,857	64.52
2.	Bodies Corporate	232,386	0.93
3.	Institutions	25	0.00
4.	Individuals	2,834,495	11.31
5.	NRI/OCBs	644,669	2.57
6.	Clearing Members	56,333	0.22
7.	Foreign National	205,671	0.82
8.	Foreign Corporate Bodies	3,683,527	14.70
9.	Foreign Bank	0.00	0.00
10.	Mindteck Employees Welfare Trust	416,000	1.66
11.	Mindteck Investors Trust	820,008	3.27
	<b>Total</b>	<b>25,062,971</b>	<b>100.00</b>

## Shareholders holding more than 1% of the Company (other than promoters of the Company):

Table No. 12

Sl. No.	Name of the shareholders	No. of shares	% of holding
1.	First Asian Investments, S.A.	1,390,569	5.55
2.	Banco Efisa, S.A.	1,229,211	4.90
3.	Mindteck Investors Trust	820,008	3.27
4.	Tadhamon International Islamic Bank	802,000	3.20
5.	Mindteck Employees Welfare Trust	416,000	1.66
6.	Infotech Ventures Ltd	261,747	1.04

## Distribution of Shareholding as on March 31, 2015:

Table No. 13		As on March 31, 2015				As on March 31, 2014			
Range		Shareholders		Shares		Shareholders		Shares	
No. of Shares		Numbers	% to Total	Numbers	% to Total	Numbers	% to Total	Numbers	% to Total
1 – 500		7,911	89.36	695,256	2.77	7,244	92.27	535,371	2.14
501 – 1,000		451	5.09	383,493	1.53	270	3.43	226,679	0.91
1,001 – 2,000		220	2.48	337,768	1.35	142	1.80	219,661	0.88
2,001 – 3,000		93	1.05	239,264	0.96	52	0.66	132,117	0.53
3,001 – 4,000		39	0.44	137,442	0.58	29	0.37	100,861	0.40
4,001 – 5,000		37	0.42	173,074	0.69	21	0.27	97,834	0.39
5,001 – 10,000		58	0.66	460,072	1.83	47	0.60	343,350	1.38
10,001 & above		44	0.50	22,636,602	90.32	46	0.60	23,324,198	93.37
<b>Total</b>		<b>8,853</b>	<b>100</b>	<b>25,062,971</b>	<b>100</b>	<b>7,851</b>	<b>100</b>	<b>24,980,071</b>	<b>100.00</b>

## Unclaimed Dividend:

Section 205A (5) and 205C of the Companies Act, 1956, 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). In accordance with the following schedule, the Dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Table No. 14					
Dividend Year	Type of Dividend	Dividend Rate	Date of Declaration	Due date for transfer to IEPF	Amount Unclaimed <sup>(1)</sup> Rs.
2007-08	Final Dividend	5%	30-07-2008	03-09-2015	45,794.00
2013-14	Final Dividend	10%	14-08-2014	18-10-2021	109,304.00

(1) Amount unclaimed as at March 31, 2015

The Shareholders may write to M/s. Universal Capital Securities Pvt. Ltd before the due dates to claim their unclaimed dividend. 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 March 31, 2015, as prescribed under Form 5 INV, has been published on the website of the company.

In accordance with the above provision, during the year 2014-15 Rs. 83,070.00 was credited to the Investor Education and Protection Fund Account.

## Communication to the Shareholders:

### (i) Quarterly Results:

The Company has published its quarterly financial results in the Business Standard (English)/Financial Express(English) and Hosadigantha (Bengaluru Edition - Kannada) newspapers during the year ended March 31, 2015. The results have also been submitted to the Bombay Stock Exchange where the Company's equity shares are listed and published on the Company's website (www.mindteck.com).

### (ii) News Releases and Presentations:

Official news releases, detailed presentations made to media, analysts, etc. are displayed on the Company's web site: (www.mindteck.com).

### (iii) Website:

The Company's web site www.mindteck.com contains a separate dedicated "Investors" section where all the shareholders' information is available, along with the full Annual Report of the Company.

### (iv) Annual Report:

The Annual Report of the Company 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 the shareholders of the Company holding shares in physical format. We have also sent soft copies of the Annual Report, along with all the above listed documents, to all the investors whose email ID is registered/made available to us as per the guidelines of the "Green Initiative" instituted by Ministry of Corporate Affairs.

### (v) Soft Copies:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) by allowing paperless compliances by Companies through electronic mode. 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, viz. M/s. Universal Capital Securities Private Limited by sending an email to mindteck.investors@uniseq.in or to the Company Secretary, to 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. If not opted, it is deemed to be accepted to send a soft copy though e-mail.



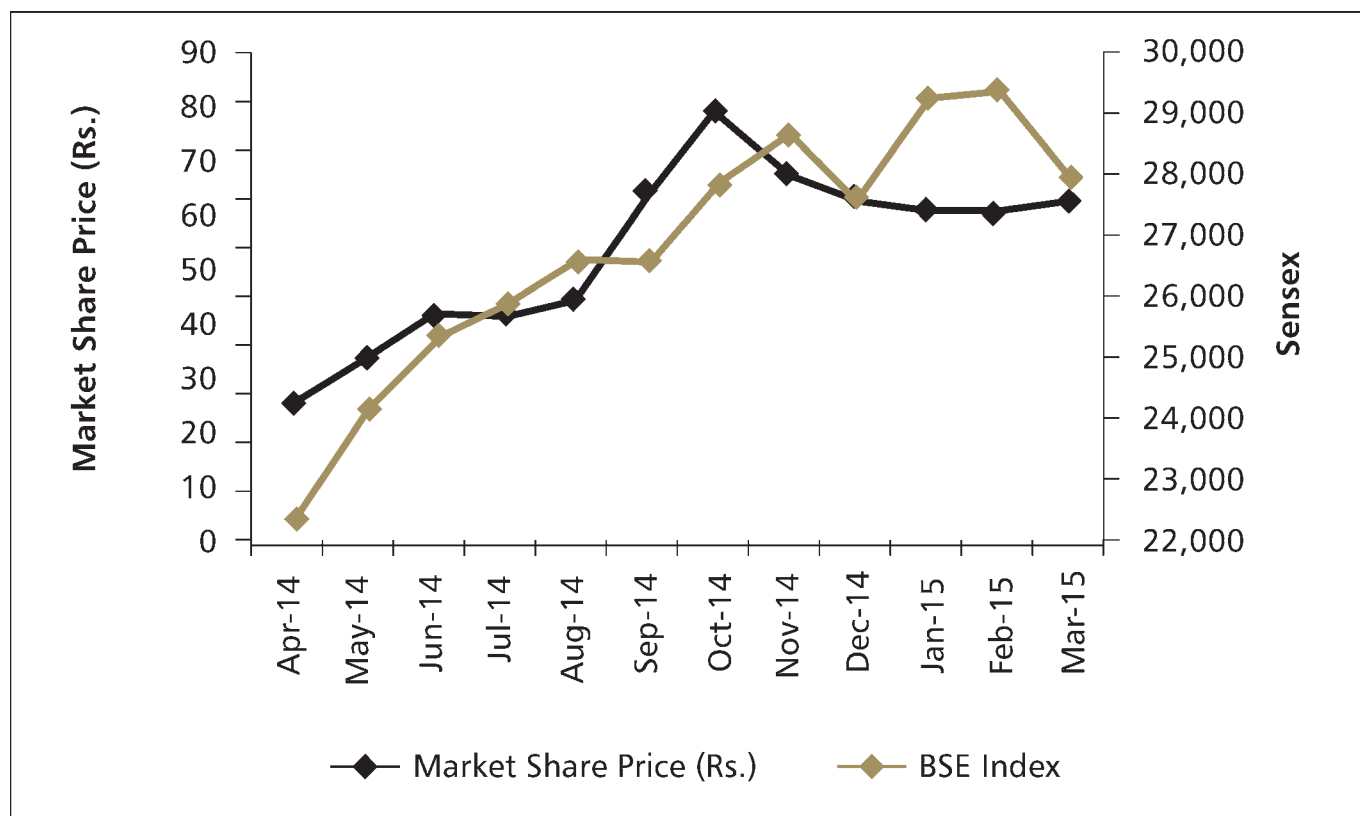
**Market Price Data: High/Low of Company's equity shares on the Bombay Stock Exchange, Mumbai during each month in the year ended March 31, 2015:**

Table No. 15	Sensex		Share Price		Trade	
Month	High	Low	High Rs.	Low Rs.	No. of shares traded	Value Rs.
April 2014	22,939.31	22,197.51	33.35	27.35	220,342	6,476,265
May 2014	25,375.63	22,277.04	39.80	26.00	640,301	21,404,042
June 2014	25,725.12	24,270.20	49.00	33.20	857,444	34,836,922
July 2014	26,300.17	24,892.00	46.25	37.00	229,303	9,544,696
August 2014	26,674.38	25,232.82	48.85	40.95	412,737	18,665,658
September 2014	27,354.99	26,220.49	69.50	44.00	1,091,341	63,321,396
October 2014	27,894.32	25,910.77	82.90	63.05	870,197	64,942,573
November 2014	28,822.37	27,739.56	85.00	58.50	835,907	57,288,023
December 2014	28,809.64	26,469.42	76.90	55.00	416,650	27,830,220
January 2015	29,844.16	26,776.12	69.80	60.00	377,129	24,052,909
February 2015	29,560.32	28,044.49	72.50	57.00	426,475	26,940,002
March 2015	30,024.74	27,248.45	74.00	58.10	732,134	48,490,634

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

Table No. 16	Month	Closing share price on month's last trading day (Rs.)	BSE Index	BSE IT Index
	April 2014	27.90	22417.80	8758.17
	May 2014	34.10	24217.34	8509.07
	June 2014	42.00	25413.78	9409.61
	July 2014	42.45	25894.97	9832.41
	August 2014	45.00	26638.11	10175.90
	September 2014	64.30	26630.51	10759.97
	October 2014	79.05	27865.83	10744.63
	November 2014	68.10	28693.99	11233.20
	December 2014	62.90	27499.42	10609.03
	January 2015	61.20	29182.95	11164.56
	February 2015	60.85	29361.50	11951.66
	March 2015	63.90	27957.49	11392.14

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



(Source data: [www.bseindia.com](http://www.bseindia.com))

for and on behalf of the Board of Directors

**Yusuf Lanewala**

Chairman and Managing Director

Bengaluru, India  
Date: May 29, 2015

## 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, in respect of the financial year ended March 31, 2015, 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.

for and on behalf of the Board of Directors

**Yusuf Lanewala**

Chairman and Managing Director

Bengaluru, India  
Date: May 29, 2015

# 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

IT industry leaders are optimistic that spending will rise overall in 2015, particularly in two of the key markets Mindteck serves: the US and Europe. As per the International Monetary Fund (IMF), the outlook for advanced economies is improving, while growth forecasts for most emerging and developing economies (with the important exception of India) are slightly worse. According to PWC Global Economy Watch, US economic growth is expected to be the fastest since 2005-projecting economic growth of 3.2% in 2015. Modest European economic growth will accelerate its tech spending to almost 5% in 2015, according to Forrester's annual European tech market outlook. For 2016, the European commission predicts that the Eurozone economy, composed of the 19 member nations that share the euro, will grow by 1.9 percent. The commission noted that the problems in Europe now are limited to Greece, and among the more normal economies like France and Italy due to lack of reforms.

NASSCOM, the trade association of the Indian Information Technology and Business Process Management industry, forecasts that in FY2015 exports will grow by 13 per cent to 15 percent. Forecasts also show that the local Indian market for IT will grow from nine to 14 percent, driven by demand for ecommerce; also, that the Indian IT-BPM industry is expected to grow to US\$150 billion in 2015. Further, India is emerging as a strong location for start-ups. The domestic IT-BPM market is rapidly approaching the US\$50 billion mark. In FY2015, the market is expected to be a little over US\$48 billion, an annual growth of 14 per cent. This is faster than the average industry growth, and is largely being driven by the booming ecommerce segment. Independent analyst firm, Gartner, indicates that user experience in this hyper connected world will have to be consumer-driven and people-centric.

Product development is the fastest growing segment at 13.2 percent driven by higher value-added solutions from existing players-as reported by NASSCOM. Key driving forces in IT services will include digital solutions around SMAC (Social and Mobile tools, Analytic systems and Cloud computing), upgrading legacy systems to be SMAC-enabled, greater demand for ERP, CRM, mobility and user experience technologies. Infrastructure outsourcing and the software testing segment are other high growth areas. The BPM sector is being driven by greater automation, expanding omni-channel presence and application of analytics across the entire value chain.

According to another study from research firm International Data Corporation (IDC), cloud services will take centre stage. This shift will involve much more intensified competition between pure-play

cloud service providers and traditional outsourcers. Governments will be taking a closer look at implementing regulations to ensure not just privacy and security of information, but also the stability and competitiveness of the service provider industry.

2015 promises to be a year of continuing transition and disruption in technology due to social and mobile tools, analytic systems and cloud computing taking centre stage. Mindteck is keeping abreast of this and continues to research and invest in new technologies in both the domestic and global markets.

This year, Mindteck's client base continued to grow, with new projects being added in the area of big data, remote patient monitoring, storage, smart energy, wearables and IoT. We are ready to derive good traction from the growth predicted for this year. According to Deloitte, the rise of enterprise IoT is landing at the centre of enterprise applications in everything from industrial equipment and supply chain management to retail shopping experiences. This will drive increased demand for network infrastructure, sensors, software applications, and all technologies needed to operate IoT applications, including data analytics.

## IT outsourcing trends that will drive the industry in 2015

Industry and opinion leaders have identified the following major trends in IT outsourcing for FY2015:

- *Outcome-oriented outsourcing:* Outsourcing service providers will have to deliver outcome-oriented results, accepting complete responsibility and ownership for providing improved customer experiences and conforming to pre-agreed business outcomes. This is moving away from the traditional engagement model of paying the service providers by the hour. While maintaining the cost arbitrage, customers who outsource will also expect proven capacity and will determine the quality of work in terms of skill expertise and verified delivery capability.
- *Multi-sourcing engagements:* Companies will engage multiple suppliers to meet their growing IT needs. With the growing popularity of cloud and Software-as-a-Service (SaaS), companies will increase the number of service providers with which they engage. Suppliers will now have to compete against each other to derive the most competitive pricing with high standards of service. This model will provide opportunities to small, medium and upcoming service providers as long as they offer a unique value proposition.
- *Negotiations prior to awarding the contract:* In 2015, with cost pressures and higher efficiency targets, customers will resort to negotiations, and sometimes with multiple rounds before finalizing and awarding a contract.
- *Data driven approach to sourcing:* Data and analytics will play a major role in outsourcing decisions. Corporations will monetize data and analytics to make decisions. According to IDC, the big data analytics market in 2015 is close to US\$125 billion, and the most sought after is IoT analytics. By 2016, according to worldwide security predictions from IDC, 25 per cent of large enterprises will make security-related spending decisions based on analytical determinations of risk.

## Market outlook by industry for 2015

### **Semiconductor and Storage**

Data continues to grow and constitutes the most valued asset of businesses. According to Gartner, worldwide semiconductor revenue is forecast to reach US\$358 billion in 2015, a 5.4 percent increase from 2014. The market is being driven by strong growth in application-specific standard products (ASSPs) in smartphones, along with DRAM and NAND flash in ultramobiles and solid-state drives (SSDs). Revenue for storage services was US\$31.8 billion in 2012 and is forecasted to grow to almost US\$42.7 billion by 2017 as per IDC. Apart from cloud storage and big data, the following are some of the main data storage technologies/products that are expected to drive the market in 2015 and beyond:

**Solid State Drives (SSD):** SSDs are getting increasingly popular and attractive due to falling prices. Industry analysts claim that SSDs will become the de-facto standard for online computing in 2015. They attribute this to a rapid decrease in pricing, larger capacity, and read/write endurance. SSD also assists in supporting latency and speed issues associated with far-flung and continuously moving virtual data centers. SSD capacity is now beating the hard disk drive (HDD) in the same 2.5-inch form factor, with 1Terabyte (TB) becoming increasingly popular. Intel expects 10TB into enterprise units by 2018 and SanDisk 16TB in 2016. Triple-Level-Cell (TLC) flash will become mature in 2015. There will be consolidation in this industry full of 134 SSD makers in the world, to be compared to only three for HDDs.

**Flash Arrays:** According to IDC, the storage industry continues to evolve the flash-based array market – including all-flash arrays (AFAs) and hybrid flash arrays (HFAs), and it is showing explosive growth. They will slowly replace traditional storage arrays based on HDDs alongside other mission-critical applications like SQL, MS Exchange, Oracle and SAP databases. As per Gartner, 20% of traditional high-end storage arrays will be replaced by dedicated solid-state arrays by 2019. The future is more in favour of all-flash rather than hybrid arrays integrating SSDs and HDDs. IDC is recommending technology buyers go all-flash when retiring their existing storage systems.

**Software Defined Storage (SDS):** According to IDC, in the third quarter of 2014, the software-defined storage platforms market was 39.4 percentage year-over-year and is benefiting from an increased desire to control costs by utilizing commodity hardware when building storage systems. According to Forrester, storage vendors have responded to new customer requirements for scale-out capacity or high transactional performance with additional platforms, creating even more silos within data centre environments. It is believed that this will trigger the advent of software-defined storage (SDS), where clients or applications can request specific performance and capacity requirements to have a storage resource delivered without the intervention of traditional storage administrators.

### **Electronic Design**

The electronic design industry is undergoing rapid change. The emerging technology areas are wearable devices for assets and human tracking, telemetric medicine, PC on USB Stick, mobile and tablet accessories, and compact storage devices. Mindteck is already working in wearable devices and PC on USB stick areas. The Indian Electronic System Design and Manufacturing industry

is expected to grow at a CAGR of 9.9 per cent to reach US\$94.2 billion by 2015, says a study released by the Indian Electronics and Semiconductor Association. According to the study, products like mobile phones, TV and computing devices alone account for 60 percent of the overall electronics consumption. The smart grid and smart city initiatives by governments will further boost opportunities in this area.

The Electronic Design Services team at Mindteck provides efficient and effective solutions for different industry verticals, such as industrial automation, consumer electronics high-tech, including semiconductor and smart energy, and life sciences, including medical equipment, as well as analytical and test and measurements instruments. The team is synergised to drive delivery excellence in embedded solutions with optimum resourcing and staffing strategies to meet flexibility, scalability and cost effectiveness.

### **Smart Energy and Wireless**

Energy efficiency has become the need of the hour. Forecasts from IDC Energy Insights projects include:

- Spending to grow from US\$7.3 billion in 2014 to US\$21.9 billion in 2018, representing a 28.4 percent compound annual growth rate (CAGR).
- Smart building technologies have matured to enable facility optimization through the convergence of information technology and building automation.
- Building owners and key decision makers are increasingly aware of the business value of these solutions.

According to Gartner, technology and digital business trends are pushing utilities to adopt smart grid initiatives that will improve grid resilience, integrate consumers into energy markets and enable new energy provisioning models driven by sector digitalization.

Mindteck offers a comprehensive suite of high end IOT-based solutions for smart city readiness. We have long-standing expertise in rolling out scalable wireless solutions for smart grid ecosystems. These include an intelligent lightning system, data centre adaptive cooling, solar power monitoring, EV charging Kiosks, wireless-enabled smart appliances, demand response platform integration and a cloud-based energy management system.

### **Healthcare and Medical Devices**

Research reports by leading agencies have identified continued high growth opportunities for this industry in 2015. According to Deloitte, despite increased regulation, pricing pressures and the effects of health care reform in many countries, the global life sciences sector is exhibiting resilience and reinvention as it employs new research & development and business models to cost-effectively deliver innovation, value and improved patient outcomes.

The fundamental of driving health care demand, combined with the advent of new and often more expensive treatments, will continue to push up global pharmaceutical sales by an annual average of 5.3 percent between 2012 and 2017. Deloitte predicts sales growth will continue to come from the US, UK and the BRIC countries. Among the emerging markets, strong growth is

forecasted for China and India, where pharmaceutical sales are expected to more than double in US dollar terms by 2016.

Deloitte lists four major trends that are anticipated to impact stakeholders along the global health care value chain in 2015: cost, adapting to market forces, transformation and digital innovation, and regulations and compliance. Global healthcare spend is expected to grow 5.2 percent annually to 2018. Additive manufacturing (AM), often referred to as '3D printing,' also has disruptive potential in healthcare. AM can spur additional innovation, improve patient access to life-saving devices, as well as simplify and accelerate the supply chain and production process to achieve considerable savings.

Mindteck looks at innovative ways of making healthcare user-friendly, portable and scalable. With constant technological advancements, modernization and improvement of products, we have helped many industry leaders in our footprint stay ahead of the competition.

### **Life Sciences**

According to Deloitte, the Life Sciences sector, comprising the pharmaceutical, biotechnology, and medical technology segments, remained less impacted by the recent global economic uncertainty; however, it is facing reimbursement pressure from escalating costs and overwhelmed health systems across the world. Deloitte predicts that big data and analytics will be an integral part of life sciences organizations encompassing the entire value chain. At Mindteck, we understand the need to be innovative and stay ahead of all kinds of disruptive technologies.

Mindteck provides niche product engineering and information management services and solutions to various segments of the life sciences industry. We currently work with several companies in the Life Sciences and Chemical Analysis segment and have also been engaged in the design of electrical and electronic measurement tools and instruments. We currently serve multiple clients in the analytical and scientific instruments sector as well. Our main focus areas span industrial and laboratory gas analyzers, organic carbon analyzers, chromatography, spectroscopy and petroleum analyzers.

Mindteck engineers have created a very useful analytical tool that helps field service engineers qualify third-party chromatography systems for operational and performance qualification. This tool is designed to meet all regulatory requirements, and identify required test protocols needed for Instrument configuration and provide qualification summary report.

### **BFSI**

According to recent Deloitte research, the US banking industry is entering a new phase with much sharper focus on profitability. In 2015, there will be improvements in security and user experience for contactless payments, marking the beginning of shared ownership for the payments sector between banks and technology firms. Deloitte predicts data analytics as the next frontier and the banking industry will further pursue data transformation. There will be enhanced security, vigilance and resilience of a cyber security model. Technology offerings in multi-asset trade solutions, enterprise application integration and global transaction platforms are also the recent trends that will persist.

According to Dun & Bradstreet, India has emerged as one of the fastest growing economies in the world, having recorded an annual average growth rate of 8 per cent during the last four years. D&B confirms that India, with a population of more than a billion and rising per capita income, provides an enormous opportunity for BFSI companies to expand by introducing new products, leveraging technology, deploying innovative strategies and ramping up distribution networks. Initiatives to provide access to formal financial and financial inclusion services to the unbanked population, direct cash subsidy and low value payments have a lot of potential for IT growth.

Rising competition, generally soft pricing conditions and tight profit margins, will be key challenges in 2015, according to Ernst and Young. To effectively surmount these problems, many insurers are investing technological solutions that improve front-end sales, distribution and customer service, and enhance back-end operational efficiency and expense management. Overall gross domestic product (GDP) growth nonetheless is forecasted to be 5.5 percent in 2015, according to the International Monetary Fund (IMF). This rate is well above forecasted growth in the US and European Union (EU).

Mindteck has taken steps to jointly develop go-to-market solutions with specialized financial solution providers to bid for opportunities in this space. We recently did an implementation project for a large import-export bank of India, a key player in the promotion of cross-border trade and investment.

### **Government**

A variety of trends in government will keep the industry viable as a potential target area for IT growth. Some top IT trends, according to industry analysts, include data centre consolidation, cloud computing, mobility, security and big data.

While IT spending in the government sector remains high for the US, continued tight budget constraints, ongoing shifts in project prioritization based on political policy, procurement challenges, and increased demand of technology all impact the market. To help reduce the challenges, success will depend heavily on government leadership.

Focus on IT spending to comport with the US healthcare reform regulation continued to be a main driver for the government sector. The future impact depends on each specific state strategy and overall federal legislative changes.

As per Deloitte, rising expectations regarding citizen engagement and digital government have put integration architectures in the spotlight. Despite the hurdles, integration is now taking place with various state and federal agencies.

The key for Mindteck will be to focus on specific areas where our innovative ideas and expertise, coupled with our proven ability to implement seamless solutions, meet the needs of our government customers. Leveraging our experience and solutions across government agencies, demonstrating ROI and efficiency, and focusing on niche opportunities, will continue to put Mindteck in a good position.

### **OPPORTUNITIES AND THREATS**

- *Niche Skills and Domain Expertise:* Mindteck possesses deep domain expertise in our key areas of focus, such as storage,



medical devices, analytical instruments, smart energy, wireless development and integration. This expertise allows us to provide thought leadership to our clients, transcending the client-vendor relationship and becoming an essential partner for every client's success.

- *Wide and Diverse Client Base:* Our ability to provide clients-from top-tier global enterprises to start-ups, leading universities and government entities-with custom services and offerings is key to our success. For over twenty years, Mindteck has provided solutions in niche technology areas to leading global companies. Going forward, these strengths will help Mindteck to capitalize on a variety of new opportunities. Many of our clients have been featured in the list of Top 100 Global Innovators 2014 published by Thomson Reuters, the Top 50 Process Instrumentation and Controls Suppliers in the industry published by ARC Advisory Group, and the Top 25 Instrumentation Firms 2014 published by Chemical & Engineering News (C&EN). Mindteck has been the preferred technical vendor against companies much larger in size. We also have our dedicated client care ambassadors working around the clock to resolve any client concerns that may arise.
- *Global Delivery Teams:* Mindteck's global delivery capabilities provide clients with the right expertise to deliver quality solutions at the client's site virtually anywhere in the world. We have offshore delivery centres in Bengaluru and Kolkata, and onshore delivery in Camp Hill, PA and Singapore.
- *R&D and Centers of Excellence:* Mindteck's team of researchers provide unprecedented insight into each industry and understanding of market dynamics. 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 with reduced 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. In addition, our global geographic footprint allows us to service our global clients in multiple geographies.
- *New Competition:* Mindteck continues to face new competition in the marketplace from offshore providers with centers in Eastern Europe and/or Latin America. The strength of our long-standing client relationships, depth of our expertise, and strong track record has allowed us to minimize the impact of this competition.

## RISKS AND CONCERNS

- *Economic Uncertainties:* As per recent economic forecasts, the US economy will gain momentum in 2015, even as some part of Europe struggles to stay out of recession. Despite all of these uncertainties, Mindteck has retained its footing across all geographies owing to its mindful approach, and delivering knowledge that matters -- with increasingly better client experiences overall.
- *Bill Rate Pressure:* With the new trends in outsourcing, customers often tend to conduct multiple rounds of

negotiation to reduce their costs. This is likely to reduce the bill rates and reduce the profit margins Mindteck earns. Increased competition, coupled with different business models, are being offered and devised to suit a variety of client needs.

*Skill Shortage:* 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 new Transition Care service, 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 called Consultant Care, which helps retain valuable IT talent and avoid disruption.
- *Selling, General and Administrative Cost Containment (SG&A):* Taking a holistic approach and observing certain caveats can help bring SG&A expenses in line. As revenue grows, 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 3,191.47 million as against Rs 3,288.12 million in the previous year. Of the revenue that was recorded, 77% is attributed to the US and the rest to Europe and Asia.

Mindteck's net profit for the year stood at Rs 191.95 million, as against Rs 186.14 million in the corresponding previous year, representing an increase of 3.12%

At an operating margin level, Mindteck recorded EBIDTA (Including other income) of Rs 300.76 million this fiscal year as against the previous year's Rs 299.10 million.

### Share Capital

Mindteck has an issued share capital base of 25,062,971 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, 2015, 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) Limited 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, 156,900 options were granted to employees under the Mindteck Employees Stock Option Scheme 2005 and 611,750 options were granted to employees under the Mindteck Employees Stock Option Scheme 2008. No options were granted to employees under the Mindteck Employees Stock Option Scheme 2014.

### **Reserves and Surplus**

Mindteck has retained a balance of Rs 393.80 million in the Statement of Profit and Loss as at March 31, 2015, after appropriation of Dividend-Rs 29.76 million which is subject to the shareholders' approval. Shareholders' funds, excluding capital reserves, increased from Rs 1,384.12 million in FY 2014 to Rs 1,548.52 million in FY 2015.

### **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 41.19 million in FY 2014 to Rs 48.64 million in FY 2015. The increase is due to the provision made for employee benefits.

### **Current Liabilities**

Current liabilities include the 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 437.16 million in FY 2014 to Rs 508.25 million in FY 2015.

Trade payables increased from Rs 148.05 million in FY 2014 to Rs 206.52 million in FY 2015.

Other current liabilities comprise unearned income, unpaid dividend, statutory liabilities such as PF, TDS etc, and payroll payables amounting to Rs. 110.90 million as at March 31, 2015 compared to Rs. 109.74 as at March 31, 2014.

Short-term provision for employee benefits, taxation and proposed dividend and tax thereon stood at Rs 190.82 million as at March 31, 2015 compared to Rs 179.36 million as at March 31, 2014. The increase is due to a provision for proposed dividend and tax thereon, along with increased provision for taxation due to profitability.

### **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 24.67 million in fixed assets during the fiscal year. This included investment in computer equipment and software in both India and the US, as well as the setting up of a new office in New Jersey, US to further business opportunities.

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 Rs 142.15 million as at March 31, 2015 compared to Rs 147.42 million as at March 31, 2014. The decrease is due to the service tax liability which is set off against the input credit 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 0.36 million as at March 31, 2015.

### **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, 2015 amounts to Rs 616.94 million, representing about 70 days of sales. All debts doubtful of recovery have been provided for in the financial statements.

Cash and Bank balances including both rupee and foreign currency accounts amounted to Rs 343.93 million compared to Rs 153.95 million in the previous year.

Short-term loans and advances include security deposits, prepaid expenses, service tax input credit, VAT credit, as well as employee and supplier advances. The balance as at March 31, 2015 stood at Rs 39.19 million compared to Rs. 22.64 million as at March 31, 2014.

Other current assets include unbilled revenue, claimable expenses and accrued interest. The balance as at March 31, 2015 stood at Rs 123.45 million.

### **Investments**

Mindteck (India) Limited has six wholly-owned subsidiaries and two step-down subsidiaries as at March 31, 2015. 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 Ltd., S.O.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)
- Chendle Holdings Ltd-Investment arm, holding stock in Mindteck, Inc., US

## RESULTS OF OPERATION

### Income

Revenue from software services registered a negative growth of 2.94% in FY15. The Company recorded Rs 3,191.47 million in FY15 as against Rs 3,288.12 million in FY14. 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 FY15 stood at Rs 2,559.75 million as against Rs 2,714.53 million in FY14. Manpower expense reduced to 80% of revenue compared to 83% last year.

Finance cost in FY15 was Rs 3.09 million as compared to Rs 4.86 million in FY14. This reduction was mainly due to better liquidity management within the Group.

Other expenses of FY15 amounted to Rs 340.05 million compared to 283.92 million last year. The Company contributed Rs 16.9 Lakhs towards Corporate Social Responsibility during the FY15. It also implemented several cost rationalization measures to further reduce the expense base. Mindteck will continue to focus on cost effective measures to improve productivity and increase efficiency in overall operations.

Tax provision for the year amounting to Rs 86.15 million 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.

Tax provision in the US has been made after considering statutory regulation governing the set of brought forward losses arising from the M&A completed by the Company in FY 2008. In making this provision, due consideration has been given to the uncertainties regarding change in the ownership of the merging entities. The provision also includes current tax liability for the Double Taxation Avoidance and Agreement (DTAA) in the US to the extent the same is not recoverable from Indian Tax Authorities under the DTAA.

### Operating Profit and Net Profit

EBIDTA for the year amounted to Rs 300.76 million as against Rs 299.10 million the previous year. Net Profit is Rs 191.95 million in FY15, at about 6.01% of software revenue, as against Rs 186.14 million in FY14, at about 5.66% of software revenue.

## HUMAN RESOURCE MANAGEMENT

Human Resource Management at Mindteck has initiated various programs with a focus on innovation, team work and productivity to transform the company beyond the realms of technology into a knowledge organization.

- We have enabled continuous focus on employee communication through an in-house Knowledge Management portal, thus empowering employees to take ownership.
- Monthly team-building activities and tech-talks by domain experts have been initiated.
- Monthly updates on business and company-wide initiatives are being shared with employees through a monthly newsletter.
- An Application Tracking System (JobDiva) was implemented to track global talent requirements.
- We launched a global web-based online performance management system.
- We deployed trained resources from Mindteck Academy, a unique IT workforce development solution designed to provide training for veterans, college freshers and physically challenged persons to client projects.
- Fitness and Wellbeing (Health and Wellness): Comprehensive employee group insurance benefit provided to all employees which includes hospitalization, group personal accident insurance, group term life insurance.
- Awareness programs, such as health talks and camps by experts, workshop, In-house doctor visits, talks on ergonomics etc.

**Attrition Rate:** Mindteck annualized attrition rate for 2014-15 was 15% as against Industry average of 18-20%.

### Workforce Withstand

Year	Permanent	Contractual	Total
2014-15	463	26	489
2013-14	438	27	465

Head Count has grown by 5% compared to 2013-14.

# CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors  
Mindteck (India) Limited

We, Yusuf Lanewala, Chairman and Managing Director, and Anand Balakrishnan, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- 1) We have reviewed financial statements and cash flow statements for the year ended March 31, 2015 and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls for financial reporting and we have:
  - a) Evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
  - b) Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware; and
  - c) The steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors:
  - a) Significant changes that have occurred in the internal control over financial reporting during the year;
  - b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; 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.



**Yusuf Lanewala**  
Chairman and Managing Director

Place: Bengaluru, India  
Date: May 29, 2015



**Anand Balakrishnan**  
Chief Financial Officer

# Independent Auditor's Report

## To Members of Mindteck (India) Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Mindteck (India) Limited ("the Company"), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2015, and its profit and its 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, 2015 ("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 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) 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 financial statements – Refer Note 3.10 to the financial statements;
    - b. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses; and
    - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **B S R & Company**

Chartered Accountants

Firm Registration No. 128032W



**Vineet Dhawan**

Partner

Membership No. 092084

Place: Bengaluru

Date: May 29, 2015



## Annexure to the Independent Auditor's Report

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 financial statements for the year ended 31 March 2015, 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.
- 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.
- iii. 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. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- 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, Wealth 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 Wealth Tax, Customs Duty, Excise Duty and Investor Education and Protection Fund.  
  
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 any other material statutory dues were in arrears, as at 31 March 2015, for a period of more than six months from the date they became payable.
- (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	4,883,185	Assessment year 2003-04	Assistant Commissioner of Income Tax, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	12,304,606 (5,000,000)*	Assessment year 2006-07	Income Tax Officer, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	12,623,480 (2,900,000)*	Assessment year 2007-08	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	54,907,377 (15,000,000)*	Assessment year 2009-10	Assessing Officer, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	22,559,080	Assessment year 2010-11	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	36,831,430	Assessment year 2011-12	Dispute Resolution Panel, Bangalore

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

- vii. (c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us, the Company has not taken any term loans during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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



**Vineet Dhawan**  
Partner  
Membership No. 092084

Place: Bengaluru  
Date: May 29, 2015

## Balance Sheet as at March 31, 2015

Amount in Rs.

	Note	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	3.1.1	250,629,710	245,640,710
Reserves and surplus	3.1.2	1,413,817,795	1,294,764,123
		<b>1,664,447,505</b>	<b>1,540,404,833</b>
<b>Share application money pending allotment</b>	3.1.1 (b)	<b>7,565,656</b>	<b>7,565,656</b>
<b>Non-current liabilities</b>			
Other long-term liabilities	3.2.1	3,739,925	4,448,643
Long-term provisions	3.2.2	18,210,794	10,167,346
		<b>21,950,719</b>	<b>14,615,989</b>
<b>Current liabilities</b>			
Trade payables	3.3.1	89,241,757	28,813,735
Other current liabilities	3.3.2	14,912,390	9,922,728
Short-term provisions	3.3.3	74,300,286	76,770,555
		<b>178,454,433</b>	<b>115,507,018</b>
		<b>1,872,418,313</b>	<b>1,678,093,496</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets	3.4.1	32,357,861	34,579,151
Intangible fixed assets	3.4.1	5,347,647	6,210,700
Non-current investments	3.4.2	1,231,291,030	1,231,291,030
Deferred tax assets (net)	3.4.3	6,862,325	5,053,478
Long-term loans and advances	3.4.4	190,018,401	141,450,561
Other non-current assets	3.4.5	369,647	3,070,916
		<b>1,466,246,911</b>	<b>1,421,655,836</b>
<b>Current assets</b>			
Trade receivables	3.5.1	186,428,219	105,453,663
Cash and bank balances	3.5.2	176,443,619	100,393,462
Short-term loans and advances	3.5.3	29,865,042	15,383,405
Other current assets	3.5.4	13,434,522	35,207,130
		<b>406,171,402</b>	<b>256,437,660</b>
		<b>1,872,418,313</b>	<b>1,678,093,496</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 and Managing Director

**Javed Gaya**  
Director

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S.**  
Company Secretary

Place: Bengaluru  
Date: May 29, 2015

Place: Bengaluru  
Date: May 29, 2015

# Statement of Profit and Loss for the Year Ended March 31, 2015

Amount in Rs.

	Note	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from operations		801,699,232	758,400,487
Other income	3.6	8,413,671	8,075,103
<b>Total revenues</b>		<b>810,112,903</b>	<b>766,475,590</b>
<b>Expenses</b>			
Employee benefits expense	3.7	393,604,509	388,544,991
Cost of technical sub-contractors		21,458,920	25,322,171
Finance costs	3.8	373,583	1,705,661
Depreciation and amortization expense	3.4.1	16,604,116	6,152,052
Other expenses	3.9	200,044,431	150,658,846
<b>Total expenses</b>		<b>632,085,559</b>	<b>572,383,721</b>
<b>Profit before tax</b>		<b>178,027,344</b>	<b>194,091,869</b>
Tax expense			
Current tax		(65,023,366)	(66,937,851)
Deferred tax credit		1,808,847	1,630,748
Tax relating to earlier years		-	(8,720,762)
<b>Profit after tax</b>		<b>114,812,825</b>	<b>120,064,004</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic		4.59	4.90
Diluted		4.52	4.86
Weighted average number of equity shares used in computing earnings per share			
Basic	3.18	25,020,232	24,524,546
Diluted	3.18	25,385,770	24,685,429
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 and Managing Director

**Javed Gaya**  
Director

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S.**  
Company Secretary

Place: Bengaluru  
Date: May 29, 2015

Place: Bengaluru  
Date: May 29, 2015

# Cash Flow Statement for the Year Ended March 31, 2015

Amount in Rs.

	Year ended March 31, 2015	Year ended March 31, 2014
<b>Cash flow from operating activities</b>		
Profit before taxation	178,027,344	194,091,869
Adjustments:		
Depreciation and amortization	16,604,116	6,152,052
Interest expense	273,878	532,567
Interest income	(5,883,143)	(1,470,054)
Unrealised exchange differences	1,037,988	2,432,930
Profit on sale of fixed assets	-	(422,432)
Operating profit before working capital changes	190,060,183	201,316,932
Changes in trade receivables	(81,570,044)	(6,334,844)
Changes in loans and advances and other assets	1,553,092	(15,633,684)
Changes in current liabilities and provisions	66,434,804	18,233,883
Cash generated from operations before taxes	176,478,035	197,582,287
Income taxes paid, net	(62,502,774)	(70,254,833)
<b>Net cash provided by operating activities</b>	<b>113,975,261</b>	<b>127,327,454</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(14,440,325)	(25,578,360)
Proceeds from sale of fixed assets	-	1,962,262
Interest received	5,883,143	1,470,054
<b>Net cash used in investing activities</b>	<b>(8,557,182)</b>	<b>(22,146,044)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	1,501,205	865,300
Interest paid on loans	(273,878)	(532,567)
Repayment of term loans	-	(31,325,178)
Dividends paid (including distribution tax)	(29,212,212)	(193,250)
<b>Net cash used in financing activities</b>	<b>(27,984,885)</b>	<b>(31,185,695)</b>
Net increase in cash and cash equivalents	77,433,194	73,995,715
Cash and cash equivalents at the beginning of the year	100,393,462	26,765,597
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(78,001)	(367,850)
Less: Bank balances of Mindteck Employees Welfare Trust on account of deconsolidation (Refer note 3.1.1.a)	(1,305,036)	-
<b>Cash and cash equivalents at the end of the year*</b>	<b>176,443,619</b>	<b>100,393,462</b>

Cash and cash equivalents at the end of the year include unpaid dividend account aggregating to Rs 155,398 (previous year Rs 129,226).

\* Refer note 3.5.2

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 and Managing Director

**Javed Gaya**  
Director

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S.**  
Company Secretary

Place: Bengaluru  
Date: May 29, 2015

Place: Bengaluru  
Date: May 29, 2015

# Notes to the Financial Statements for the Year Ended March 31, 2015

## 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 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. 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.

## 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.

Fixed assets individually costing Rs 5,000 or less are fully depreciated in the year of purchase/installation.

Pro-rata depreciation is provided on all fixed assets purchased and sold during the year.

### 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 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 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 the 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 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 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 and diluted 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 Statements

#### 3.1.1 Share Capital

		Amount in Rs.
Particulars	As at March 31, 2015	As at March 31, 2014
<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>330,000,000</b>	330,000,000
<b>Issued, subscribed and paid-up capital</b>		
<b>Equity shares</b>		
25,062,971 (previous year 24,980,071) equity shares of Rs 10 each fully paid-up	<b>250,629,710</b>	249,800,710
Less: 416,000 Equity shares of Rs 10 each fully paid-up held by the Mindteck Employees Welfare Trust (refer to note 'a' below)	<b>-</b>	(4,160,000)
	<b>250,629,710</b>	245,640,710

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

Effective January 01, 2015, Mindteck Employees Welfare 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, 2015		As at March 31, 2014	
	Numbers	Amount	Numbers	Amount
<b>Equity Shares</b>				
Number of shares outstanding at the beginning of the year (after reduction of equity shares held by Mindteck Employees Welfare Trust)	<b>24,564,071</b>	<b>245,640,710</b>	24,516,771	245,167,710
Add: Deconsolidation of Mindteck Employees Welfare Trust [refer note 3.1.1(a)]	<b>416,000</b>	<b>4,160,000</b>	-	-
Add: Additions during the year on exercise of employee stock options/restricted shares	<b>82,900</b>	<b>829,000</b>	47,300	473,000
Number of shares outstanding at the end of the year	<b>25,062,971</b>	<b>250,629,710</b>	24,564,071	245,640,710

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 29, 2015 have recommended dividend of 10% (Re 1 per equity share of par value Rs 10 each) for the year ended March 31, 2015 (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, 2015	As at March 31, 2014
Embatech Holdings Limited, Holding Company	<b>16,169,857</b>	16,169,857

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, 2015		As at March 31, 2014	
		No. of shares	%	No. of shares	%
1	Embatech Holdings Limited	<b>16,169,857</b>	<b>64.52%</b>	16,169,857	64.73%
2	First Asian Investments S.A	<b>1,390,569</b>	<b>5.55%</b>	1,390,569	5.57%

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) Details of equity shares allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the balance sheet date is given below:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Class of shares	Equity	Equity	Equity	Equity	Equity
No of shares	-	-	-	-	100,000

The Company had issued 7,800,000 equity shares in the year ended March 31, 2008, 3,069,944 equity shares in the year ended March 31, 2009 and 100,000 equity shares in the year ended March 31, 2010 totaling to 10,969,944 equity shares of Rs 10 each and are allotted as fully paid-up for consideration other than cash to the shareholders of erstwhile ICI Tech Holdings Inc., Mindteck Singapore Pte Ltd., Mindteck UK Limited and Chendle Holdings Limited pursuant to the acquisitions.

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 5 years from the date of vesting.

During the year ended March 31, 2015, the Company has granted 35,400 options on May 29, 2014 at an exercise price of Rs 37.30 per share, 77,100 options on August 13, 2014 at an exercise price of Rs 43.60 per share, 25,200 options on November 07, 2014 at an exercise price of Rs 81.45 per share, 19,200 options on February 06, 2015 at an exercise price of Rs. 59.55 per share.

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

Amount in Rs.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	214,000	17.20	349,200	19.02
Granted during the year	156,900	50.19	69,300	13.55
Exercised during the year on exercise of employee stock options/ restricted shares	82,900	18.11	47,300	18.29
Forfeited during the year	-	-	147,000	18.50
Lapsed during the year	68,300	28.88	10,200	31.00
Options outstanding at the end of the year	219,700	36.79	214,000	17.20
Options exercisable at the end of the year	66,300	17.71	91,733	18.85

The weighted average remaining contractual life of the options outstanding as at March 31, 2015 is 6.61 years (previous year 5.13 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, 2015 would have been Rs 112,665,060 (previous year Rs 119,888,833 ) i.e. lower by Rs 2,147,765 (previous year lower by Rs 175,171) and the basic and diluted EPS for the year would have been Rs 4.50 and Rs 4.44 (previous year Rs 4.89 and Rs 4.86) 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.

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, 2015, the Company has granted 200,000 options on April 04, 2014 at an exercise price of Rs 30.35 per share and 411,750 options on August 13, 2014 at an exercise price of Rs 43.60 per share.

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

Amount in Rs.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	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	611,750	39.27	-	-
Exercised during the year on exercise of employee stock options/ restricted	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	42,500	43.60	-	-
Options outstanding at the end of the year	569,250	38.94	-	-
Options exercisable at the end of the year	-	-	-	-

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. No options have been granted under the Option Scheme 2014.

### 3.1.2 Reserves and Surplus

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital reserve</b>	<b>35,689,935</b>	35,689,935
<b>Securities premium reserve</b>		
Opening balance	992,822,642	1,028,670,342
Less: Premium on equity shares held by the Mindteck Employees Welfare Trust	-	(36,240,000)
Add: Deconsolidation of Mindteck Employees Welfare Trust [refer note 3.1.1(a)]	36,240,000	-
	<b>1,029,062,642</b>	992,430,342
Add: Additions during the year on exercise of employee stock options/ restricted shares	672,205	392,300
	<b>1,029,734,847</b>	992,822,642
<b>Surplus (Balance in the statement of profit and loss)</b>		
Opening balance	266,251,547	175,412,976
Less: Deconsolidation of Mindteck Employees Welfare Trust [refer note 3.1.1(a)]	(1,571,054)	-
Add: Amount transferred from statement of profit and loss	114,812,825	120,064,004
Appropriations/Reduction:		
Proposed dividend	(25,075,371)	(24,980,071)
Tax on proposed dividend	(5,104,382)	(4,245,363)
Depreciation adjusted against opening retained earnings (refer note 3.4.1)	(920,552)	-
	<b>348,393,013</b>	266,251,547
<b>Total</b>	<b>1,413,817,795</b>	1,294,764,123

### 3.2.1 Other Long-term Liabilities

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Others</b>		
Rent equalisation reserve	1,718,746	2,427,464
Rental deposit	2,021,179	2,021,179
<b>Total</b>	<b>3,739,925</b>	<b>4,448,643</b>

### 3.2.2 Long-term Provisions

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Provision for employee benefits</b>		
- Gratuity (refer note 3.3.4)	11,877,397	6,172,772
- Compensated absences	6,333,397	3,994,574
<b>Total</b>	<b>18,210,794</b>	<b>10,167,346</b>

### 3.3.1 Trade Payables

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
Due to Micro and Small enterprises (refer note 3.20)	-	-
Inter-company payables	17,898,001	14,794,844
Accrued expenses	9,259,361	10,772,303
Others	62,084,395	3,246,588
<b>Total</b>	<b>89,241,757</b>	<b>28,813,735</b>

### 3.3.2 Other Current Liabilities

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
Unearned income	3,446,234	1,222,610
Unpaid dividends	156,997	129,226
Other liabilities		
- Statutory liabilities	10,047,184	6,746,225
- Salary payable	1,261,975	1,824,667
<b>Total</b>	<b>14,912,390</b>	<b>9,922,728</b>

### 3.3.3 Short-term Provisions

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits		
- Compensated absences	842,335	699,759
- Bonus and incentives	15,678,543	21,751,748
Other provisions		
- Taxation	27,614,206	25,093,614
Proposed equity dividend	25,062,971	24,980,071
Tax on proposed equity dividend payable	5,102,231	4,245,363
<b>Total</b>	<b>74,300,286</b>	<b>76,770,555</b>

### 3.3.4 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 16,364,981 (previous year: Rs 14,526,034).

#### 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 table set out the status of the gratuity plan as required under AS-15 Employee Benefits

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Obligations at beginning of the year	15,622,218	14,659,660	10,642,518	8,031,700	7,401,745
Service cost	5,403,165	2,630,457	4,720,513	4,506,137	2,067,453
Interest cost	1,152,619	1,210,496	792,985	643,842	509,623
Benefits paid	(1,915,706)	(2,773,358)	(1,335,731)	(1,037,925)	(2,034,183)
Actuarial (gain)/loss	(129,374)	(105,037)	(160,628)	(1,501,236)	87,062
<b>Obligations at end of the year</b>	<b>20,132,922</b>	<b>15,622,218</b>	<b>14,659,660</b>	<b>10,642,518</b>	<b>8,031,700</b>
<b>Change in plan assets</b>					
Plan assets at beginning of the year, at fair value	9,449,446	7,073,778	8,073,140	4,392,359	5,582,750
Expected return on plan assets	700,556	641,304	264,986	461,072	381,264
Actuarial gain/(loss)	21,229	(150,671)	71,383	57,634	62,249
Contributions	-	4,658,393	-	4,200,000	400,279
Benefits paid	(1,915,706)	(2,773,358)	(1,335,731)	(1,037,925)	(2,034,183)
<b>Plan assets at end of the year, at fair value</b>	<b>8,255,525</b>	<b>9,449,446</b>	<b>7,073,778</b>	<b>8,073,140</b>	<b>4,392,359</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	20,132,922	15,622,218	14,659,660	10,642,518	8,031,700
Fair value of plan assets at the end of the year	(8,255,525)	(9,449,446)	(7,073,778)	(8,073,140)	(4,392,359)
<b>Liability recognized in the balance sheet</b>	<b>11,877,397</b>	<b>6,172,772</b>	<b>7,585,882</b>	<b>2,569,378</b>	<b>3,639,341</b>
Current liability (within 12 months)	-	-	-	-	-
Non current liability	11,877,397	6,172,772	7,585,882	2,569,378	3,639,341
<b>Liability recognized in the balance sheet</b>	<b>11,877,397</b>	<b>6,172,772</b>	<b>7,585,882</b>	<b>2,569,378</b>	<b>3,639,341</b>

### 3.3.4 Employee Benefits: Post-employment Benefit Plans (Continued)

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
<b>Gratuity cost</b>					
Service cost	5,403,165	2,630,457	4,720,513	4,506,137	2,067,453
Interest cost	1,152,619	1,210,496	792,985	643,842	509,623
Expected return on plan assets	(700,556)	(641,304)	(264,986)	(461,072)	(381,264)
Actuarial (gain)/loss	(150,603)	45,634	(232,011)	(1,558,870)	24,813
<b>Net gratuity cost</b>	<b>5,704,625</b>	<b>3,245,283</b>	<b>5,016,501</b>	<b>3,130,037</b>	<b>2,220,625</b>
<b>Assumptions</b>					
Interest rate	7.86% p.a.	9.12% p.a.	7.95% p.a.	8.57% p.a.	7.98% p.a.
Expected rate of return on plan assets	8.25% p.a.	8.00% p.a.	8.00% 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.	11.00% p.a.	10.00% p.a.
Attrition rate	20.00% p.a.	19.00% p.a.	19.00% p.a.	20.00% p.a.	28.00% p.a.
Retirement age	58 years	58 years	58 years	58 years	58 years

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

Amount in Rs.

Assets	Gross Block			Accumulated Depreciation				Net block	
	As at April 1, 2014	Additions during the year	Deletions	As at March 31, 2015	As at April 1, 2014	Charge for the year	Adjusted to retained earnings (note below)	As at March 31, 2015	As at March 31, 2014
<b>Tangible assets</b>									
Computer equipment	38,243,609	8,429,012	-	46,672,621	18,178,307	8,901,159	920,552	18,672,603	20,065,302
Office equipment	12,901,786	1,615,819	-	14,517,605	8,354,628	1,639,895	-	4,523,082	4,547,158
Furniture and fixtures	12,574,316	-	-	12,574,316	10,272,003	639,416	-	1,662,897	2,302,313
Building-given under operating lease	10,156,520	-	-	10,156,520	2,492,142	165,099	-	7,499,279	7,664,378
<b>Total (A)</b>	<b>73,876,231</b>	<b>10,044,831</b>	<b>-</b>	<b>83,921,062</b>	<b>39,297,080</b>	<b>11,345,569</b>	<b>920,552</b>	<b>32,357,861</b>	<b>34,579,151</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	33,472,977	4,395,494	-	37,868,471	27,262,277	5,258,547	-	5,347,647	6,210,700
<b>Total (B)</b>	<b>40,472,977</b>	<b>4,395,494</b>	<b>-</b>	<b>44,868,471</b>	<b>34,262,277</b>	<b>5,258,547</b>	<b>-</b>	<b>39,520,824</b>	<b>6,210,700</b>
<b>Total (A+B)</b>	<b>114,349,208</b>	<b>14,440,325</b>	<b>-</b>	<b>128,789,533</b>	<b>73,559,357</b>	<b>16,604,116</b>	<b>920,552</b>	<b>37,705,508</b>	<b>40,789,851</b>
Previous year	106,832,036	25,472,818	17,955,646	114,349,208	83,823,121	6,152,052	-	40,789,851	23,008,915

Note: In April 2014, the Company has reassessed the estimated useful life of Fixed Assets considering the guidelines under schedule II of the Companies Act, 2013. During the year ended March 31, 2015, the realignment of the useful lives has resulted in adjustment of Rs 920,552 against the opening balance of retained earnings.



### 3.4.2 Non-current Investments

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Trade investment</b>		
Un-quoted equity shares, fully paid up (valued at cost)		
- Investment in subsidiaries	<b>1,231,291,030</b>	1,231,291,030
Total	<b>1,231,291,030</b>	1,231,291,030

Detail of investment in equity instruments of subsidiaries (100% wholly owned) is as given below:

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
500 (previous year 500) common stock of BHD 100 par value of Mindteck Middle East SOC, Bahrain, fully paid	<b>1,830,360</b>	1,830,360
250,000 (previous year 250,000) common stock of MYR 1 par value of Mindteck Software Malaysia SDN. BHD, fully paid	<b>3,016,212</b>	3,016,212
1,310,500 (previous year 1,310,500) shares of SGD 1 par value of Mindteck Singapore Pte Ltd., fully paid	<b>84,664,219</b>	84,664,219
968,408 (previous year 968,408) ordinary shares of GBP 1 par value of Mindteck UK Limited, fully paid	<b>14,804,544</b>	14,804,544
2 (previous year 2) shares of USD 1 par value of Chendle Holdings Limited, fully paid	<b>195,419,991</b>	195,419,991
13,000 (previous year 13,000) common stock of USD 1 par value of Mindteck Inc, USA, fully paid	<b>931,555,704</b>	931,555,704
Total	<b>1,231,291,030</b>	1,231,291,030

### 3.4.3 Deferred Tax Assets (Net)

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

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax liability</b>		
Fixed assets	<b>281,451</b>	-
	<b>281,451</b>	-
<b>Deferred tax asset</b>		
Fixed assets	-	451,238
Provision for doubtful debts	<b>83,416</b>	83,416
Compensated absences	<b>2,193,696</b>	1,595,604
Gratuity	<b>4,282,462</b>	2,098,125
Others	<b>584,202</b>	825,095
	<b>7,143,776</b>	5,053,478
Deferred tax assets (net)	<b>6,862,325</b>	5,053,478

### 3.4.4 Long-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured considered good)</i>		
Advance tax and tax deducted at source	<b>27,328,465</b>	27,328,465
Taxes paid under protest	<b>22,900,000</b>	22,900,000
Service tax input credit	<b>37,255,754</b>	46,301,543
Security deposits	<b>44,911,089</b>	44,920,553
Loans and advances to related parties	<b>57,623,093</b>	-
<i>(Unsecured considered doubtful)</i>		
Security deposits	<b>5,000,000</b>	5,000,000
	<b>195,018,401</b>	146,450,561
Less: Provision for doubtful deposits	<b>(5,000,000)</b>	(5,000,000)
Total	<b>190,018,401</b>	141,450,561

### 3.4.5 Other Non-current Assets

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured considered good)</i>		
Deposit Accounts with Bank		
Non current portion of bank deposit*	369,647	3,070,916
Total	369,647	3,070,916

\*Represents restricted bank balances of Rs. 369,647 (previous year: Rs.3,070,916). 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, 2015	As at March 31, 2014
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- Considered good	134,725	1,164,195
- Considered doubtful	245,413	245,413
Less: Provision for doubtful debts	(245,413)	(245,413)
	134,725	1,164,195
Other debts		
- Considered good	186,293,494	104,289,468
Total	186,428,219	105,453,663

### 3.5.2 Cash and Bank Balances

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalent</b>		
Balances with banks		
- Current accounts	26,753,648	39,416,424
- Deposit accounts	149,512,222	60,821,032
Cash on hand	22,351	26,780
Other bank balances		
- Unpaid dividend account	155,398	129,226
Total	176,443,619	100,393,462

### 3.5.3 Short-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured considered good)</i>		
Security deposits	-	309,536
Prepaid expenses	6,063,251	5,171,164
Service Tax input credit	17,768,644	6,364,358
VAT input credit	1,069,173	-
Employee advances	2,630,490	671,312
Supplier advances	2,333,484	2,867,035
Total	29,865,042	15,383,405

### 3.5.4 Other Current Assets

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
Unbilled revenue (unsecured, considered good)	7,823,797	22,032,794
Claimable expenses	885,539	4,007,158
Recoverable from Mindteck Employees Gratuity Fund	-	2,631,222
Due from related parties [refer note 3.17(e)]	4,154,449	6,535,956
Accrued Interest	570,737	-
Total	13,434,522	35,207,130

### 3.6 Other Income

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest income	5,883,143	1,470,054
Foreign exchange gain, net	-	4,094,161
Rental income	2,418,528	2,088,456
Profit on sales of fixed assets, net	-	422,432
Other non-operating income	112,000	-
Total	8,413,671	8,075,103

### 3.7 Employee Benefits Expense

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries and wages	360,455,944	360,618,336
Contribution to provident and other funds	22,731,402	17,857,596
Staff welfare expenses	10,417,163	10,069,059
Total	393,604,509	388,544,991

### 3.8 Finance Costs

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest expense	273,878	532,567
Bank charges	99,705	1,173,094
Total	373,583	1,705,661

### 3.9 Other Expenses

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Rent	57,762,591	57,539,242
Hiring charges	2,890,435	7,026,430
Travel expenses	10,703,799	13,651,102
Foreign exchange loss, net	7,721,624	-
Power and fuel	14,111,625	13,713,573
Communication expenses	7,760,045	8,336,570
Professional charges	12,119,421	13,300,249
Repairs and maintenance-building	525,474	105,877
Repairs and maintenance-others	10,819,738	15,216,772
Project supply and services	53,780,358	2,934,362
Rates and taxes	1,114,025	2,155,801
Insurance	1,627,929	1,092,150
Remuneration to auditors	2,643,278	2,607,191
Membership and subscription	3,138,792	2,702,641
Printing and stationery	1,081,665	1,106,444
Recruitment expenses	4,688,567	4,165,430
Contribution towards Corporate Social Responsibility	1,690,000	-
Miscellaneous expenses	5,865,065	5,005,012
<b>Total</b>	<b>200,044,431</b>	<b>150,658,846</b>

### 3.10 Contingent Liabilities and Commitments

- Corporate Guarantee of Rs 125,396,000 i.e. USD 2 million (previous year: Rs 119,726,000 i.e. USD 2 million) 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 aggregating to Rs 135,694,569 (previous year: Rs 118,682,320) 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. 3,554,053 (previous year Rs 4,715,401) from Axis Bank against the bank guarantees provided to 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, 2015	Year ended March 31, 2014
Capital goods	-	33,168,840
Total	-	33,168,840

### 3.13 Expenditure in Foreign Currency

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Travel expenses	2,450,551	9,010,220
Communication expenses	2,934,329	3,242,353
Cost of technical sub-contractors	-	3,269,528
Other Expenses (professional and other charges)	4,975,954	1,583,994
Membership and subscription	608,668	658,062
Project supply and services	166,893	5,943
Total	11,136,395	17,770,100

### 3.14 Earnings in Foreign Currency

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Export of software services	619,900,799	653,657,902
IT-enabled services	32,460,793	32,215,754
Total	652,361,592	685,873,656

### 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, segment liabilities and fixed assets used in the Company's business 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, 2015	Software services	IT-enabled services	TOTAL
Revenues	769,238,439	32,460,793	801,699,232
Operating expenses, net	378,914,927	17,985,937	396,900,864
<b>Segmental operating income</b>	<b>390,323,512</b>	<b>14,474,856</b>	<b>404,798,368</b>
Unallocable expenses			234,811,112
Interest expense			373,583
Other income			8,413,671
<b>Net profit before taxes</b>			<b>178,027,344</b>
Income taxes			(63,214,519)
<b>Net profit after taxes</b>			<b>114,812,825</b>

Amount in Rs.

Statement of profit and loss for the year ended March 31, 2014	Software services	IT-enabled services	TOTAL
Revenues	716,114,858	42,285,629	758,400,487
Operating expenses, net	338,790,975	24,400,738	363,191,713
<b>Segmental operating income</b>	<b>377,323,883</b>	<b>17,884,891</b>	<b>395,208,774</b>
Unallocable expenses			207,486,347
Interest expense			1,705,661
Other income			8,075,103
<b>Net profit before taxes</b>			<b>194,091,869</b>
Income taxes			(74,027,865)
<b>Net profit after taxes</b>			<b>120,064,004</b>

## Segment assets

Amount in Rs.

Segment assets for the year ended March 31, 2015	Software services	IT-enabled services	TOTAL
Trade receivables	183,977,094	2,451,125	186,428,219
Unallocable	-	-	1,685,990,093
<b>Total</b>	<b>183,977,094</b>	<b>2,451,125</b>	<b>1,872,418,312</b>

Amount in Rs.

Segment assets for the year ended March 31, 2014	Software services	IT-enabled services	TOTAL
Trade receivables	102,439,011	3,014,652	105,453,663
Unallocable	-	-	1,572,639,833
<b>Total</b>	<b>102,439,011</b>	<b>3,014,652</b>	<b>1,678,093,496</b>

## Geographical segments

Amount in Rs.

Revenue	Year ended March 31, 2015	Year ended March 31, 2014
USA	522,670,383	595,785,634
Europe	101,737,818	84,315,808
India	149,337,640	72,526,831
Rest of the world	27,953,391	5,772,214
Total	801,699,232	758,400,487

### 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, 2015 amounted to Rs 50,358,399 (previous year Rs 49,856,801).

Future minimum lease payments under non-cancellable operating lease are set out below:

Amount in Rs.

Minimum lease payments	As at March 31, 2015	As at March 31, 2014
Payable - not later than one year	39,078,644	50,358,399
Payable - later than one year and not later than five years	111,667,097	150,745,741

Additionally, 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, 2015 amounted to Rs 7,404,192 (previous year Rs 7,682,441).

### 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 Netherlands BV, Netherlands  
Mindteck Germany GmbH, Germany  
Chendle Holdings Ltd, BVI

##### (iii) Mindteck Employees Welfare Trust ('MEWT')

**b) Key Managerial Personnel**

Yusuf Lanewala	Managing Director
Dayananda Shetty	Executive Director (Resigned w.e.f August 14 , 2014)
Meenaz Dhanani	Executive Director
Anand Balakrishnan	Chief Financial Officer (Appointed w.e.f November 7, 2014)
Avneet Gupta	Chief Operating Officer (Appointed w.e.f January 2, 2015)
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-subsiidiaries)	
		For the year ended March 31, 2015	For the year ended March 31, 2014
(i)	<b>Income from software and IT-enabled services:</b>		
	Mindteck Inc., USA	522,670,383	595,785,634
	Mindteck UK Limited	101,737,818	84,315,808
	Mindteck Singapore Pte. Limited	23,285,042	3,169,032
	Mindteck Middle East Limited SOC	1,711,335	538,246
	Mindteck Software Malaysia SDN. BHD	2,957,014	2,064,936
	TOTAL	652,361,592	685,873,656
(ii)	<b>Reimbursement of expenses incurred on behalf of:</b>		
	Mindteck Inc., USA	22,742,214	16,948,117
	Mindteck UK Limited	5,890,468	3,520,716
	Mindteck Singapore Pte. Limited	1,340,521	1,083,303
	Mindteck Middle East Limited SOC	1,637,402	2,218,456
	Mindteck Software Malaysia SDN. BHD	1,189,034	1,425,249
	TOTAL	32,799,639	25,195,841
(iii)	<b>Reimbursement of expenses incurred by:</b>		
	Mindteck Inc., USA	13,262,142	9,864,503
	Mindteck UK Limited	135,116	274,782
	Mindteck Singapore Pte. Limited	31,897	-
	Mindteck Middle East Limited SOC	-	37,700
	Mindteck Software Malaysia SDN. BHD	67,370	-
	TOTAL	13,496,525	10,176,985

**(d) Transactions with the key managerial personnel for the year ended are as follows:**

Amount in Rs.

Sl. No.	Nature of transaction	For the year ended March 31, 2015	For the year ended March 31, 2014
(i)	Remuneration to key managerial personnel	28,303,811	15,556,817
(ii)	Directors' sitting fees	1,020,000	440,000

(e) The balances receivable from and payable to related parties as at March 31, 2015 are as follows:

Amount in Rs.

Sl. No.	Transaction/nature of relationship	Subsidiaries (including step-subsiidiaries)	
		As at March 31, 2015	As at March 31, 2014
(i)	<b>Balance (due to)/due from:</b>		
	<b>A) Amounts receivable:</b>		
	Mindteck Inc., USA	58,003,676	56,514,463
	Mindteck UK Limited	19,449,544	30,545,076
	Mindteck Singapore Pte. Limited	12,886,326	3,430,947
	Mindteck Software Malaysia SDN. BHD	355,866	2,283,239
	TOTAL	90,695,412	92,773,725
	<b>B) Advances:</b>		
	Mindteck Inc., USA	1,441,115	588,274
	Mindteck UK Limited	1,458,854	130,806
	Mindteck Singapore Pte. Limited	413,609	1,120,862
	Mindteck Middle East Limited SOC	447,668	1,826,336
	Mindteck Software Malaysia SDN. BHD	393,203	2,869,678
	TOTAL	4,154,449	6,535,956
	<b>C) Amounts payable:</b>		
	Mindteck Inc., USA	17,169,068	14,022,965
	Mindteck UK Limited	418,584	262,248
	Mindteck Singapore Pte. Limited	(140,982)	142,315
	Mindteck Middle East Limited SOC	314,092	299,982
	Mindteck Software Malaysia SDN. BHD	137,239	67,334
	TOTAL	17,898,001	14,794,844

### 3.18 Earnings Per Share ('EPS')

The computation of earnings per share is set out below:

Amount in Rs.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after taxation (Rs)	114,812,825	114,812,825	120,064,004	120,064,004
<b>Shares</b>				
Weighted average number of equity shares outstanding during the year	24,980,071	25,020,232	24,516,771	24,524,546
Weighted average number of equity shares resulting from assumed exercise of employee stock options	40,161	262,660	7,775	58,005
Weighted average number of equity shares resulting from equity shares reserved for issuance	-	102,878	-	102,878
Weighted average number of equity shares for calculation of earnings per share	25,020,232	25,385,770	24,524,546	24,685,429

As per the Guidance Note on 'Accounting for Employee Share-Based Payments' issued by the ICAI, 416,000 (previous year 416,000) weighted average number of equity shares held by the Mindteck Employees Welfare Trust have been reduced from the equity shares outstanding in computing basic and diluted earnings per share.

### 3.19 Auditor's Remuneration

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Audit fees	1,750,000	1,750,000
Tax audit fee	75,000	100,000
Other services	700,000	650,000
Reimbursement of expenses	118,278	107,191
Total	2,643,278	2,607,191

**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, 2015 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, 2015	As at March 31, 2014
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year:		
- Principal amount payable to suppliers	-	-
- 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 year 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 as above are actually paid to the small enterprises	-	-



### 3.21 Derivative Instruments

Foreign currency exposures that have not been hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Amount (Rs.)	Amount (Foreign currency)	Amount (Rs.)	Amount (Foreign currency)
Trade receivables for services rendered	58,410,464	USD 931,920	59,031,531	USD 986,110
	19,423,525	GBP 208,873	30,463,110	GBP 305,781
	-	-	303,969	MYR 16,560
	12,886,326	SGD 282,440	2,975,115	SGD 62,504
Advances recoverable	4,154,449	USD 66,282	6,535,956	USD 109,182
Trade payables for services availed	17,983,546	USD 286,916	14,652,529	USD 244,768
	171,375	SGD 3,756	142,315	SGD 2,990
	144,000	GBP 1,549	-	-
	66,739	MYR 3,949	-	-
		-		-

**3.22** Comparatives presented have been regrouped, where necessary, to conform to the current year's classification.

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 and Managing Director

**Javed Gaya**  
Director

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S.**  
Company Secretary

Place: Bengaluru  
Date: May 29, 2015

Place: Bengaluru  
Date: May 29, 2015

# Independent Auditor's Report

## To 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 (collectively referred to as "the Group"), comprising the consolidated balance sheet as at 31 March 2015, 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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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.

### 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 31 March 2015, 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 certain subsidiaries which have been incorporated in the consolidated financial statements. These subsidiaries account for 2% of total assets as at 31 March 2015, 3% of the aggregate of total income from operations and other income and Rs 347,006 net increase in cash and cash equivalents for the year ended 31 March 2015, as shown in these consolidated financial statements. The financial statements and other financial information of these subsidiaries incorporated outside India as drawn up in accordance with the local GAAP 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 local GAAP financial statements have been restated by the Management so that they conform to the generally accepted accounting principles in India.

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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in

terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding Company only, we give in the Annexure, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable. The Group does not have any Indian subsidiaries or associates or jointly controlled companies.

2. 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 Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the

Holding Company, none of the directors of the Holding Company are disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) 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 does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses; and
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

for **B S R & Company**

Chartered Accountants

Firm Registration No. 128032W



**Vineet Dhawan**

Partner

Membership No. 092084

Place: Bengaluru

Date: May 29, 2015

## Annexure to the Independent Auditor's Report

As stated in Para 1 'Report on Other Legal and Regulatory Requirements' in our Auditor's report of even date, the following statement is based on the comments in the Auditor's report on the standalone financial statements of the Holding Company. The Group does not have any Indian subsidiaries or associates or jointly controlled companies.

- i. (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding 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 Holding 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.
- ii. The Holding 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.
- iii. The Holding 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. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. The activities of the Holding Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v. The Holding 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 Holding Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company, amounts deducted / accrued in the books of account in respect of undisputed statutory

dues including Provident fund, Employees' State Insurance, Income tax, Wealth 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 Holding Company with the appropriate authorities, though there has been a delay in few cases. As explained to us, the Holding Company did not have any dues on account of Wealth Tax, Customs Duty, Excise Duty and Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable by the Holding Company 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 31 March 2015, for a period of more than six months from the date they became payable.

- (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 by the Holding Company. The Holding 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	4,883,185	Assessment year 2003-04	Assistant Commissioner of Income Tax, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	12,304,606 (5,000,000)*	Assessment year 2006-07	Income Tax Officer, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	12,623,480 (2,900,000)*	Assessment year 2007-08	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	54,907,377 (15,000,000)*	Assessment year 2009-10	Assessing Officer, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	22,559,080	Assessment year 2010-11	Income Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	36,831,430	Assessment year 2011-12	Dispute Resolution Panel, Bangalore

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

- vii. (c) According to the information and explanations given to us the amounts which were required to be transferred by the Holding Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii. The Holding Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The Holding Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- x. According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us, the Holding Company has not taken any term loans during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Holding Company has been noticed or reported during the course of our audit.

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



**Vineet Dhawan**  
Partner  
Membership No. 092084

Place: Bengaluru  
Date: May 29, 2015

# Consolidated Balance Sheet as at March 31, 2015

Amount in Rs.

	Note	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	3.1.1	246,469,710	245,640,710
Reserves and surplus	3.1.2	1,381,216,007	1,217,647,147
		<b>1,627,685,717</b>	1,463,287,857
<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	3,739,925	4,448,643
Long-term provisions	3.2.2	44,907,358	36,742,906
		<b>48,647,283</b>	41,191,549
<b>Current liabilities</b>			
Trade payables	3.3.1	206,522,833	148,055,002
Other current liabilities	3.3.2	110,908,993	109,747,910
Short-term provisions	3.3.3	190,820,687	179,364,453
		<b>508,252,513</b>	437,167,365
		<b>2,192,151,169</b>	1,949,212,427
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets	3.4.1	37,903,017	33,208,433
Intangible fixed assets	3.4.1	881,325,178	882,887,437
Deferred tax assets (net)	3.4.2	6,862,325	5,053,478
Long-term loans and advances	3.4.3	142,158,222	147,429,026
Other non-current assets	3.4.4	369,647	3,070,916
		<b>1,068,618,389</b>	1,071,649,290
<b>Current assets</b>			
Trade receivables	3.5.1	616,944,696	568,485,039
Cash and bank balances	3.5.2	343,935,725	153,950,371
Short-term loans and advances	3.5.3	39,196,123	22,646,843
Other current assets	3.5.4	123,456,236	132,480,884
		<b>1,123,532,780</b>	877,563,137
		<b>2,192,151,169</b>	1,949,212,427

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 and Managing Director

**Javed Gaya**  
Director

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S.**  
Company Secretary

Place: Bengaluru  
Date: May 29, 2015

Place: Bengaluru  
Date: May 29, 2015



# Consolidated Statement of Profit and Loss for the Year Ended March 31, 2015

Amount in Rs.

	Note	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from operations		3,191,477,778	3,288,123,572
Other income	3.6	9,091,449	9,440,832
<b>Total revenues</b>		<b>3,200,569,227</b>	<b>3,297,564,404</b>
<b>Expenses</b>			
Employee benefits expense	3.7	1,864,366,743	2,038,963,937
Cost of technical sub-contractors		695,387,437	675,575,965
Finance costs	3.8	3,099,338	4,858,822
Depreciation and amortization expense	3.4.1	19,551,302	8,925,960
Other expenses	3.9	340,052,768	283,921,715
<b>Total expenses</b>		<b>2,922,457,588</b>	<b>3,012,246,399</b>
<b>Profit before tax</b>		<b>278,111,639</b>	<b>285,318,005</b>
Tax expense			
Current tax		(87,960,870)	(87,578,841)
Deferred tax credit		1,808,848	1,630,748
Tax relating to earlier years		-	(13,229,164)
<b>Profit after tax</b>		<b>191,959,617</b>	<b>186,140,748</b>
<b>Earnings per equity share</b>			
Equity shares of par value Rs.10/- each			
Basic		7.80	7.59
Diluted		7.69	7.54
Weighted average number of equity shares used in computing earnings per share			
Basic	3.14	24,604,232	24,524,546
Diluted	3.14	24,969,770	24,685,429
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 and Managing Director

**Javed Gaya**  
Director

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S.**  
Company Secretary

Place: Bengaluru  
Date: May 29, 2015

Place: Bengaluru  
Date: May 29, 2015

# Consolidated Cash Flow Statement for the Year Ended March 31, 2015

Amount in Rs.

	Year ended March 31, 2015	Year ended March 31, 2014
<b>Cash flow from operating activities</b>		
Profit before taxation	278,111,639	285,318,005
Adjustments:		
Depreciation and amortisation	19,551,302	8,925,960
Interest expense	407,986	1,583,243
Interest income	(5,930,677)	(1,475,082)
Unrealised exchange differences	562,313	560,048
Profit on sale of fixed assets	(8,669)	(422,432)
Provision for doubtful debts and advances	166,502	2,278,948
<b>Operating profit before working capital changes</b>	<b>292,860,396</b>	<b>296,768,690</b>
Changes in trade receivables	(43,651,636)	(59,323,077)
Changes in loans and advances and other assets	(1,511,336)	(48,339,006)
Changes in current liabilities and provisions	44,172,377	22,147,158
<b>Cash generated from operations before taxes</b>	<b>291,869,801</b>	<b>211,253,765</b>
Income taxes paid, net	(62,219,087)	(67,529,769)
<b>Net cash provided by operating activities</b>	<b>229,650,714</b>	<b>143,723,996</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(19,419,288)	(27,446,881)
Proceeds from sale of fixed assets	8,669	1,962,262
Interest received	5,930,677	1,475,082
<b>Net cash used in investing activities</b>	<b>(13,479,942)</b>	<b>(24,009,537)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares	1,501,205	865,300
Interest paid	(407,986)	(1,583,243)
Repayment of term loans	-	(31,325,178)
Repayment of short term borrowings, net	-	(10,283,065)
Dividends paid (including distribution tax)	(28,796,212)	(193,250)
<b>Net cash used in financing activities</b>	<b>(27,702,993)</b>	<b>(42,519,436)</b>
Net increase in cash and cash equivalents	188,467,779	77,195,023
Cash and cash equivalents at the beginning of the year	153,950,371	77,075,129
Effect of exchange differences on translation of foreign currency cash and cash equivalents	1,517,575	(319,781)
<b>Cash and cash equivalents at the end of the year*</b>	<b>343,935,725</b>	<b>153,950,371</b>

Cash and cash equivalents at the end of the year include unpaid dividend account aggregating to Rs 155,398 (previous year Rs 129,226).

\* Refer note 3.5.2

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 and Managing Director

**Javed Gaya**  
Director

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S.**  
Company Secretary

Place: Bengaluru  
Date: May 29, 2015

Place: Bengaluru  
Date: May 29, 2015

# Notes to the Consolidated Financial Statements for the Year Ended March 31, 2015

## 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 clientele 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 twelve offices across India, the United States, United Kingdom, Netherlands, Germany, Bahrain, Singapore and Malaysia.

Mindteck has wholly owned subsidiaries (including step-down subsidiaries) in the United States of America, Singapore, 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.

### List of subsidiaries with percentage holding as on March 31, 2015

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 SOC, Kingdom of Bahrain ('Mindteck Middle East')	A subsidiary of Mindteck incorporated under the laws of the Kingdom of Bahrain	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).

### 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	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.

Fixed assets individually costing Rs 5,000 or less are fully depreciated in the year of purchase/installation. Pro-rata depreciation is provided on all fixed assets purchased and sold during the year.

## 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 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 and diluted 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, 2015	As at March 31, 2014
<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>330,000,000</b>	330,000,000
<b>Issued, subscribed and paid-up capital</b>		
<b>Equity shares</b>		
25,062,971 (previous year 24,980,071) equity shares of Rs 10 each fully paid-up	<b>250,629,710</b>	249,800,710
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>246,469,710</b>	245,640,710

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, 2015		As at March 31, 2014	
	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>24,564,071</b>	<b>245,640,710</b>	24,516,771	245,167,710
Add: shares issued during the year on exercise of employee stock options/ restricted shares	<b>82,900</b>	<b>829,000</b>	47,300	473,000
Shares outstanding at the end of the year	<b>24,646,971</b>	<b>246,469,710</b>	24,564,071	245,640,710

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 29, 2015 have recommended dividend of 10% (Re 1 per equity share of par value Rs 10 each) for the year ended March 31, 2015. (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, 2015	As at March 31, 2014
Embtech Holdings Limited, Holding Company	<b>16,169,857</b>	16,169,857

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

S.No.	Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
		No. of shares	%	No. of shares	%
1	Embtech Holdings Limited	<b>16,169,857</b>	<b>64.52%</b>	16,169,857	64.73%
2	First Asian Investments S.A	<b>1,390,569</b>	<b>5.55%</b>	1,390,569	5.57%

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) Details of equity shares allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the balance sheet date is given below:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Class of shares	Equity	Equity	Equity	Equity	Equity
No of shares	-	-	-	-	100,000

The Company had issued 7,800,000 equity shares in the year ended March 31, 2008, 3,069,944 equity shares in the year ended March 31, 2009 and 100,000 equity shares in the year ended March 31, 2010 totaling to 10,969,944 equity shares of Rs 10 each and are allotted as fully paid-up for consideration other than cash to the shareholders of erstwhile ICI Tech Holdings Inc., Mindteck Singapore Pte Ltd., Mindteck UK Limited and Chendle Holdings Limited pursuant to the acquisitions.

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 & 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 & 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 5 years from the date of vesting.

During the year ended March 31, 2015, the Company has granted 35,400 options on May 29, 2014 at an exercise price of Rs 37.30 per share, 77,100 options on August 13, 2014 at an exercise price of Rs 43.60 per share, 25,200 options on November 07, 2014 at an exercise price of Rs 81.45 per share, 19,200 options on February 06, 2015 at an exercise price of Rs. 59.55 per share.

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

Amount in Rs.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	214,000	17.20	349,200	19.02
Granted during the year	156,900	50.19	69,300	13.55
Exercised during the year on exercise of employee stock options/ restricted shares	82,900	18.11	47,300	18.29
Forfeited during the year	-	-	147,000	18.50
Lapsed during the year	68,300	28.88	10,200	31.00
Options outstanding at the end of the year	219,700	36.79	214,000	17.20
Options exercisable at the end of the year	66,300	17.71	91,733	18.85

The weighted average remaining contractual life of the options outstanding as at March 31, 2015 is 6.61 years (previous year 5.13 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, 2015 would have been Rs 189,811,852 (previous year profit of Rs 185,965,577) i.e. lower by Rs 2,147,765 (previous year profit lower by Rs 175,171) and the basic and diluted EPS for the year would have been Rs 7.71 and Rs 7.60 (previous year Rs7.58 and Rs 7.53 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.

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 & 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 & Remuneration Committee.

During the year ended March 31, 2015, the Company has granted 200,000 options on April 04, 2014 at an exercise price of Rs 30.35 per share and 411,750 options on August 13, 2014 at an exercise price of Rs 43.60 per share.

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

Amount in Rs.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	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	611,750	39.27	-	-
Exercised during the year on exercise of employee stock options/ restricted	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	42,500	43.60	-	-
Options outstanding at the end of the year	569,250	38.94	-	-
Options exercisable at the end of the year	-	-	-	-

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. No options have been granted under the option scheme 2014.

### 3.1.2 Reserves and Surplus

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital reserve</b>	<b>86,726,769</b>	86,726,769
<b>Securities premium reserve</b>		
Opening balance	1,029,062,642	1,028,670,342
Less: Premium on equity shares held by the Mindteck Employees Welfare Trust [refer note 3.1.1(a)]	(36,240,000)	(36,240,000)
	<b>992,822,642</b>	992,430,342
Add: Additions during the year on exercise of employee stock options/restricted shares	672,205	392,300
	<b>993,494,847</b>	992,822,642
<b>Surplus (Balance in the statement of profit and loss)</b>		
Opening balance	232,534,514	75,619,200
Add: Amount transferred from statement of profit and loss	191,959,617	186,140,748
Appropriations/Reduction:		
Dividend proposed	(24,659,371)	(24,980,071)
Dividend distribution tax	(5,104,380)	(4,245,363)
Depreciation adjusted against opening retained earnings (refer note 3.4.1)	(920,552)	-
	<b>393,809,828</b>	232,534,514
<b>Foreign currency translation reserve</b>		
Opening balance	57,048,229	31,668,192
Additions during the period	1,621,341	25,380,037
	<b>58,669,570</b>	57,048,229
<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>1,381,216,007</b>	1,217,647,147

### 3.2.1 Other Long-term Liabilities

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Others</b>		
Rent equalisation reserve	1,718,746	2,427,464
Rental deposit	2,021,179	2,021,179
<b>Total</b>	<b>3,739,925</b>	<b>4,448,643</b>

### 3.2.2 Long-term Provisions

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Provision for employee benefits</b>		
- Gratuity (Refer note 3.3.4)	11,877,397	6,172,772
- Compensated absences	33,029,961	30,570,134
<b>Total</b>	<b>44,907,358</b>	<b>36,742,906</b>

### 3.3.1 Trade Payables

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
Due to Micro and Small enterprises (refer note 3.17)	-	-
Accrued expenses	76,826,149	56,677,367
Others	129,696,684	91,377,635
<b>Total</b>	<b>206,522,833</b>	<b>148,055,002</b>

### 3.3.2 Other Current Liabilities

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
Unearned income	14,354,850	2,685,527
Unpaid dividends	156,997	129,226
Other liabilities		
- Statutory liabilities	34,975,869	38,590,178
- Salary payable	61,421,277	68,342,979
<b>Total</b>	<b>110,908,993</b>	<b>109,747,910</b>

### 3.3.3 Short-term Provisions

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits		
- Compensated absences	3,507,187	1,910,488
- Bonus and incentives	24,438,927	41,313,881
Other provisions		
- Taxation	132,709,371	106,914,650
Proposed equity dividend	25,062,971	24,980,071
Tax on proposed equity dividend payable	5,102,231	4,245,363
<b>Total</b>	<b>190,820,687</b>	<b>179,364,453</b>

### 3.3.4 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 16,364,981 (previous year: Rs 14,526,034).

#### 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, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Obligations at beginning of the year	15,622,218	14,659,660	10,642,518	8,031,700	7,401,745
Service cost	5,403,165	2,630,457	4,720,513	4,506,137	2,067,453
Interest cost	1,152,619	1,210,496	792,985	643,842	509,623
Benefits paid	(1,915,706)	(2,773,358)	(1,335,731)	(1,037,925)	(2,034,183)
Actuarial (gain)/loss	(129,374)	(105,037)	(160,628)	(1,501,236)	87,062
<b>Obligations at end of the year</b>	<b>20,132,922</b>	<b>15,622,218</b>	<b>14,659,660</b>	<b>10,642,518</b>	<b>8,031,700</b>
<b>Change in plan assets</b>					
Plan assets at beginning of the year, at fair value	9,449,446	7,073,778	8,073,140	4,392,359	5,582,750
Expected return on plan assets	700,556	641,304	264,986	461,072	381,264
Actuarial gain/(loss)	21,229	(150,671)	71,383	57,634	62,249
Contributions	-	4,658,393	-	4,200,000	400,279
Benefits paid	(1,915,706)	(2,773,358)	(1,335,731)	(1,037,925)	(2,034,183)
<b>Plan assets at end of the year, at fair value</b>	<b>8,255,525</b>	<b>9,449,446</b>	<b>7,073,778</b>	<b>8,073,140</b>	<b>4,392,359</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	20,132,922	15,622,218	14,659,660	10,642,518	8,031,700
Fair value of plan assets at the end of the year	(8,255,525)	(9,449,446)	(7,073,778)	(8,073,140)	(4,392,359)
<b>Liability recognized in the balance sheet</b>	<b>11,877,397</b>	<b>6,172,772</b>	<b>7,585,882</b>	<b>2,569,378</b>	<b>3,639,341</b>



### 3.3.4 Employee Benefits: Post-employment Benefit Plans (Continued)

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
<b>Gratuity cost</b>					
Service cost	5,403,165	2,630,457	4,720,513	4,506,137	2,067,453
Interest cost	1,152,619	1,210,496	792,985	643,842	509,623
Expected return on plan assets	(700,556)	(641,304)	(264,986)	(461,072)	(381,264)
Actuarial (gain)/loss	(150,603)	45,634	(232,011)	(1,558,870)	24,813
<b>Net gratuity cost</b>	<b>5,704,625</b>	<b>3,245,283</b>	<b>5,016,501</b>	<b>3,130,037</b>	<b>2,220,625</b>
<b>Assumptions</b>					
Interest rate	7.86% p.a.	9.12% p.a.	7.95% p.a.	8.57% p.a.	7.98% p.a.
Expected rate of return on plan assets	8.25% p.a.	8.00% p.a.	8.00% 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.	11.00% p.a.	10.00% p.a.
Attrition rate	20.00% p.a.	19.00% p.a.	19.00% p.a.	20.00% p.a.	28.00% p.a.
Retirement age	58 years	58 years	58 years	58 years	58 years

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

Amount in Rs.

Assets	Gross Block					Accumulated Depreciation					Net block	
	As at April 1, 2014	Additions	Deletions	Foreign exchange difference ^	As at March 31, 2015	As at April 1, 2014	Charge for the year	Adjusted to retained earnings (note below)	Deletions	Foreign exchange difference ^	As at March 31, 2015	As at March 31, 2014
<b>Tangible assets</b>												
Computer equipment	60,722,039	16,229,880	181,797	339,155	77,109,277	43,261,719	10,474,756	920,552	181,797	293,930	54,769,160	22,340,117
Office equipment	14,006,783	1,641,810	-	7,356	15,655,949	9,376,051	1,729,554	-	-	7,196	11,112,801	4,543,148
Furniture and fixtures	37,679,886	1,824,864	-	827,560	40,332,310	34,260,968	1,776,224	-	-	774,644	36,811,836	3,520,474
Vehicles	978,552	-	-	24,738	1,003,290	944,467	34,133	-	-	24,690	1,003,291	-
Building given under operating lease	10,156,520	-	-	-	10,156,520	2,492,142	165,100	-	-	-	2,657,241	7,499,278
<b>Total (A)</b>	<b>123,543,780</b>	<b>19,696,554</b>	<b>181,797</b>	<b>1,198,809</b>	<b>144,257,346</b>	<b>90,335,347</b>	<b>14,179,767</b>	<b>920,552</b>	<b>181,797</b>	<b>1,100,460</b>	<b>106,354,329</b>	<b>37,903,017</b>
<b>Intangible assets, owned:</b>												
Goodwill (arising on business acquisition)	880,578,499	-	-	(1,055,322)	879,523,177	7,000,000	-	-	-	-	7,000,000	872,523,177
Computer software	41,672,240	4,834,197	-	1,938	46,508,375	32,363,302	5,371,535	-	-	(28,463)	37,706,374	8,802,001
<b>Total (B)</b>	<b>922,250,739</b>	<b>4,834,197</b>	<b>-</b>	<b>(1,053,384)</b>	<b>926,031,552</b>	<b>39,363,302</b>	<b>5,371,535</b>	<b>-</b>	<b>-</b>	<b>(28,463)</b>	<b>44,706,374</b>	<b>881,325,178</b>
<b>Total (A+B)</b>	<b>1,045,794,519</b>	<b>24,530,751</b>	<b>181,797</b>	<b>145,425</b>	<b>1,070,288,898</b>	<b>129,698,649</b>	<b>19,551,302</b>	<b>920,552</b>	<b>181,797</b>	<b>1,071,997</b>	<b>151,060,703</b>	<b>919,228,195</b>
Previous year	1,031,057,794	25,578,728	17,955,793	7,113,790	1,045,794,519	132,339,819	8,925,960	-	6,718,444	(4,848,686)	129,698,649	916,095,870

Note: In April 2014, the Company has reassessed the estimated useful life of Fixed Assets considering the guidelines under schedule II of the Companies Act, 2013. During the year ended March 31, 2015, the realignment of the useful lives has resulted in adjustment of Rs 920,552 against the opening balance of retained earnings.

^ Represents the effect of translation of assets held by foreign subsidiaries which are considered as non-integral operation in terms of AS 11, "The Effects Of Changes In Foreign Exchange Rates".

### 3.4.2 Deferred Tax Assets (Net)

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

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax liability</b>		
Fixed assets	281,451	-
	<u>281,451</u>	<u>-</u>
<b>Deferred tax asset</b>		
Fixed assets	-	451,238
Provision for doubtful debts	83,416	83,416
Compensated absences	2,193,696	825,095
Gratuity	4,282,462	1,595,604
Others	584,202	2,098,125
	<u>7,143,776</u>	<u>5,053,478</u>
Deferred tax assets (net)	<u>6,862,325</u>	<u>5,053,478</u>

In view of unabsorbed depreciation and carry forward business losses under tax laws, some of the entities within the Group are unable to demonstrate virtual certainty as required by the explanation in Accounting Standard 22 'Accounting for taxes on income'. Accordingly for these entities, no deferred tax asset has been recognized (except to the extent of deferred tax liabilities) as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

### 3.4.3 Long-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured considered good)</i>		
Advance tax and tax deducted at source (net of provision for income tax)	29,593,000	29,540,062
Taxes paid under protest	22,900,000	22,900,000
Service tax input credit	37,255,754	46,301,543
Security deposits	52,409,468	48,687,421
<i>(Unsecured considered doubtful)</i>		
Security deposits	5,000,000	5,000,000
	<u>147,158,222</u>	<u>152,429,026</u>
Less: Provision for doubtful deposits	<u>(5,000,000)</u>	<u>(5,000,000)</u>
Total	<u>142,158,222</u>	<u>147,429,026</u>

### 3.4.4 Other Non-current Assets

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured, considered good)</i>		
Deposit Accounts with Bank*	369,647	3,070,916
Total	<u>369,647</u>	<u>3,070,916</u>

\* Represents restricted bank balances of Rs. 369,647 (previous year: Rs.3,070,916). 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, 2015	As at March 31, 2014
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- Considered good	6,384,231	2,747,914
- Considered doubtful	9,241,331	9,129,269
Less: Provision for doubtful debts	<u>(9,241,331)</u>	<u>(9,129,269)</u>
	<u>6,384,231</u>	<u>2,747,914</u>
Other debts		
- Considered good	610,560,465	565,737,125
Total	<u>616,944,696</u>	<u>568,485,039</u>

### 3.5.2 Cash and Bank Balances

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalent</b>		
Balances with banks		
- Current accounts	191,437,951	90,762,392
- Deposit accounts	152,094,949	62,848,907
Cash on hand	247,427	209,846
Other bank balances		
- Unpaid dividend accounts	155,398	129,226
<b>Total</b>	<b>343,935,725</b>	<b>153,950,371</b>

### 3.5.3 Short-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
<i>(Unsecured considered good)</i>		
Security deposits	-	309,536
Prepaid expenses	11,828,687	11,380,984
Service Tax input credit	17,768,644	6,364,358
VAT input credit	1,069,173	-
Employee advances	5,926,000	1,661,528
Supplier advances	2,603,619	2,930,437
<b>Total</b>	<b>39,196,123</b>	<b>22,646,843</b>

### 3.5.4 Other Current Assets

Amount in Rs.

Particulars	As at March 31, 2015	As at March 31, 2014
Unbilled revenue	122,608,007	124,995,137
Claimable expenses	277,492	4,854,525
Recoverable from Mindteck Employees Gratuity Fund	-	2,631,222
Accrued Interest	570,737	-
<b>Total</b>	<b>123,456,236</b>	<b>132,480,884</b>

### 3.6 Other Income

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest income	5,930,677	1,475,082
Foreign exchange gain, net	-	3,333,493
Rental income	2,418,528	2,088,456
Profit on sale of fixed assets, net	8,669	422,432
Other non-operating income	733,575	2,121,369
<b>Total</b>	<b>9,091,449</b>	<b>9,440,832</b>

### 3.7 Employee Benefits Expense

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries and wages	1,674,589,066	1,838,304,587
Contribution to provident and other funds	116,266,837	124,388,764
Staff welfare expenses	73,510,840	76,270,586
Total	1,864,366,743	2,038,963,937

### 3.8 Finance Costs

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest expense	407,986	1,583,243
Bank charges	2,691,352	3,275,579
Total	3,099,338	4,858,822

### 3.9 Other Expenses

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Rent	84,711,601	82,011,517
Hiring charges	2,923,353	7,060,627
Travel expenses	32,959,125	40,405,020
Foreign exchange loss, net	8,545,314	-
Power and fuel	14,457,109	14,012,754
Communication expenses	17,456,184	20,178,555
Professional charges	46,834,719	48,072,985
Repairs and maintenance-building	525,474	105,877
Repairs and maintenance-others	14,754,984	17,689,593
Project supply and services	54,574,471	2,947,886
Rates and taxes	3,574,932	4,549,506
Insurance	4,194,756	3,370,375
Remuneration to auditors	4,503,109	4,464,382
Membership and subscription	32,510,737	22,649,636
Printing and stationery	2,767,237	2,111,179
Recruitment expenses	6,438,992	6,171,487
Provision for doubtful debts, net	166,502	2,278,948
Contribution towards Corporate Social Responsibility	1,690,000	-
Miscellaneous expenses	6,464,169	5,841,388
Total	340,052,768	283,921,715

### 3.10 Contingent Liabilities and Commitments

- Corporate Guarantee of Rs 125,396,000 i.e. USD 2 million (previous year: Rs 119,726,000 i.e. USD 2 million) 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 aggregating to Rs 135,694,569 (previous year: Rs 118,682,320) 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. 3,554,053 (previous year Rs 4,715,401) from Axis Bank against the bank guarantees provided to Customs and Excise Departments for Software Technology Park of India (STPI) bonding facilities.

### 3.11 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, 2015	Year ended March 31, 2014
USA	2,442,463,138	2,646,364,244
India	149,337,640	72,526,831
Rest of the world	599,677,000	569,232,497
Total	3,191,477,778	3,288,123,572

Carrying amount of segment assets by location of assets	As at March 31, 2015	As at March 31, 2014
USA	594,165,233	559,585,935
India	485,158,859	332,007,470
Rest of the world	240,303,900	184,040,523
Unallocated corporate asset - Goodwill on consolidation	872,523,177	873,578,499
Total	2,192,151,169	1,949,212,427

Cost to acquire tangible and intangible fixed assets by location of assets	Year ended March 31, 2015	Year ended March 31, 2014
USA	8,692,738	3,473,498
India	14,440,325	25,472,818
Rest of the world	1,397,688	3,746,202
Total	24,530,751	32,692,518



### 3.12 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, 2015 amounted to Rs 67,477,523 (previous year Rs. 65,847,002).

Future minimum lease payments under non-cancellable operating lease are set out below:

Amount in Rs.

Minimum lease payments	As at March 31, 2015	As at March 31, 2014
Payable - not later than one year	49,767,590	64,523,335
Payable - later than one year and not later than five years	158,674,201	151,756,468

Additionally, 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, 2015 was Rs 17,234,078 (previous year Rs 16,164,515).

### 3.13 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	Managing Director
Dayananda Shetty	Executive Director (Resigned w.e.f August 14 , 2014)
Meenaz Dhanani	Executive Director
Anand Balakrishnan	Chief Financial Officer (Appointed w.e.f November 7, 2014)
Avneet Gupta	Chief Operating Officer (Appointed w.e.f January 2, 2015)
Shivarama Adiga . S	Company Secretary

Transactions with the above key managerial personnel during the year is given below:

Amount in Rs.

Nature of transaction	For the year ended March 31, 2015	For the year ended March 31, 2014
(i) Remuneration to key managerial personnel	28,303,811	15,556,817
(ii) Directors' sitting fees	1,020,000	440,000

The balances receivable from and payable to related parties as at March 31, 2015 and as at March 31, 2014 are Nil.

### 3.14 Earnings Per Share ('EPS')

The computation of earnings per share is set out below:

Amount in Rs.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after taxation (Rs)	191,959,617	191,959,617	186,140,748	186,140,748
<b>Shares</b>				
Weighted average number of equity shares outstanding during the year	24,564,071	24,604,232	24,516,771	24,524,546
Weighted average number of equity shares resulting from assumed exercise of employee stock options	40,161	262,660	7,775	58,005
Weighted average number of equity shares resulting from equity shares reserved for issuance	-	102,878	-	102,878
Weighted average number of equity shares for calculation of earnings per share	24,604,232	24,969,770	24,524,546	24,685,429

As per the Guidance Note on 'Accounting for Employee Share-Based Payments' issued by the ICAI, 416,000 (previous year 416,000) weighted average number of equity shares held by the Mindteck Employees Welfare Trust have been reduced from the equity shares outstanding in computing basic and diluted earnings per share.

### 3.15 Auditor's Remuneration

Amount in Rs.

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Audit fees	2,150,000	2,150,000
Tax audit fee	75,000	100,000
Other services	2,050,000	2,000,000
Reimbursement of expenses	228,109	214,382
Total	4,503,109	4,464,382

### 3.16 Derivative Instruments

Foreign currency exposures that have not been hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Amount (Rs.)	Amount (Foreign currency)	Amount (Rs.)	Amount (Foreign currency)
Trade receivables for services rendered	421,747	EUR 6,200	510,477	EUR 6,200
	672,805	CHF 10,348	698,631	CHF 10,348
	887,409	USD 14,175	4,199,137	USD 70,146
Trade payables for services availed	1,577	EUR 23	1,750,726	EUR 21,260
	155,302	USD 2,478	-	-

**3.17** 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, 2015 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.

Particulars	As at March 31, 2015	As at March 31, 2014
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year:		
- Principal amount payable to suppliers	-	-
- 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 year 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 as above are actually paid to the small enterprises	-	-

### 3.18 Comparatives presented have been regrouped, where necessary, to conform to the current year's classification.

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 and Managing Director

**Javed Gaya**  
Director

**Anand Balakrishnan**  
Chief Financial Officer

**Shivarama Adiga S.**  
Company Secretary

Place: Bengaluru  
Date: May 29, 2015

Place: Bengaluru  
Date: May 29, 2015

# Notice of Annual General Meeting

**NOTICE** is hereby given that the TWENTY-FOURTH ANNUAL GENERAL MEETING of the Members of Mindteck (India) Limited will be held on Tuesday, August 11, 2015 at 12:00 Noon in Hotel Woodlands, "Mini Hall" No-5, Rajaram Mohan Roy Road, Bengaluru-560 025, to transact the following business:

## As Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended March 31, 2015, together with the Board's Report and Auditor's Report thereon.
2. To declare dividend of Re.1 per Equity Share for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mr. Meenaz Dhanani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and pass the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 and all other applicable provisions of the Companies Act, 2013 and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force. M/s. B S R & Company, Chartered Accountants (Firm Registration No.128032W), appointed as Statutory Auditor of the Company for a period of three years by the shareholders at their 23rd Annual General Meeting held on August 14, 2014, in respect of whom the Company has received the eligibility letter in writing, be and hereby ratified by the Company to hold the office of Statutory Auditor from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors."

## As Special Business:

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** Ms. Prochie Sanat Mukherji (DIN 07158863), appointed as an Additional Director under Article 114(a) of Articles of Association of the Company and Section 152, 161(1) of the Companies Act, 2013 by the Board on April 28, 2015 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 Ms. Prochie Sanat Mukherji (DIN 07158863), as a candidate for the office of Independent Director of the Company.

**RESOLVED FURTHER THAT** Ms. Prochie Sanat Mukherji (DIN 07158863), an existing Independent Director of the Company, who has submitted a declaration that she meets

the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, who is eligible for appointment, be and is hereby appointed as an Independent Director for the term of five years from April 28, 2015 up to April 27, 2020."

**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 intimation to Bombay Stock Exchange, as may be required or are necessary, so as to give proper effect to this Resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** in supersession of earlier resolution approved by the members of the Company at their meeting held on August 14, 2014 and pursuant to the provisions of Sections 197 of the Companies Act, 2013, Schedule-V and other applicable provisions, if any including any statutory amendments, modifications or re-enactment thereof for the time being in force, the consent of the company be and is hereby accorded for payment of profit-related commission not exceeding 1.5% of profit to Mr. Yusuf Lanewala (DIN 01770426), Chairman and Managing Director in addition to his existing remuneration commencing from the financial year 2014-15 and grant such number of ESOPs as may be approved by the Nomination & Remuneration Committee from time to time as per Company's ESOP Schemes.

**"RESOLVED FURTHER THAT** the Board of Directors and Nomination & Remuneration Committee thereof be and are hereby authorized to fix the actual profit related commission to Mr. Yusuf Lanewala (DIN 01770426), Chairman and Managing Director from time to time, commencing from the Financial Year 2014-15, so as not to exceed the maximum statutory limits specified in Section 197(1) of Companies Act, 2013 and grant such number of ESOPs as per Company's ESOP Schemes, including any statutory modifications or re-enactment thereof as the case may be.

**"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."

## Registered Office:

Prestige Atlanta  
No.10, Industrial Layout  
7th Main, 80 Feet Road  
3rd Block, Koramangala  
Bengaluru-560 034, India  
Date: May 29, 2015

## 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. 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/Registrars at the entrance of the meeting venue.
5. Pursuant to Section 91 of Companies Act, 2013 the Register of Members and Share Transfer Register shall remain closed from August 05, 2015 to August 11, 2015 (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, 2015.
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 RTAs 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 (formerly Mondkar Computers Pvt. Ltd.) at 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093. Contact No. 022-28207203-05, Fax No. 022 -28207207. Attached please find a format to update your Electronic Clearing Services (ECS) and e-Mail 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 THEIR RTA, M/s. UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED (FORMERLY MONDKAR COMPUTERS PVT. LTD.), 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. Pursuant to provisions of Section 205A(5) and 205C of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of seven years until the FY 2006-07 has been transferred to the **"Investor Education and Protection Fund"** (IEPF) constituted by the Central Government. During the FY 2014-15 the company has transferred a sum of Rs. 83,070 as Unclaimed Dividend to the IEPF for the FY 2006-07.
13. 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 Registrars. Members' attention is particularly drawn to the **"Corporate Governance Report"** of the Annual Report in respect of Unclaimed Dividends.
14. As per Circular No. MRD/Dop/Cir-5/2009 dated May 20, 2009 issued by the Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee(s) are required to furnish a copy of their PAN to the Company's Registrars.
15. As per Section 101 and 136 read with applicable rules of the Companies Act, 2013 in addition to the Ministry of Corporate Affairs (vide Circular nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its 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 Report 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.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Clause 35B of the Listing Agreement, 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 e-mail 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 e-mail 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](http://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 Saturday, August 08, 2015 (9.00 a.m.) and ends on Monday, August 10, 2015 (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, 2015 (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, 2015 (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, 2015 (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 three days 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 Monday, August 10, 2015 (5.00 p.m.).
- vii. Members have the option to request a physical copy of the Ballot Form by sending an e-mail 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 Monday, August 10, 2015 (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](http://www.mindteck.com)) and on the website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) within three days of the passing of the resolutions at the Twenty-Fourth AGM of the Company on August 11, 2015 and communicated to the Bombay Stock Exchange Limited, where the shares of the Company are listed.

### Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

#### Item No. 5: Appointment of Ms. Prochie Sanat Mukherji as an Independent Director.

Ms. Prochie Sanat Mukherji (DIN 07158863) was appointed as an Additional Independent Director of the Company with effect from April 28, 2015, pursuant to 161 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 Section 161 of the Companies Act, 2013, Ms. Prochie Sanat Mukherji 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 proposing the candidature of Ms. Prochie Sanat Mukherji for the office of Independent Director.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, which came in to effect from April 01, 2014 and October 01, 2014 respectively, every listed company shall have at least one Woman Director on the Board.

Ms. Prochie Sanat Mukherji, an Independent Director of the Company, has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. In the opinion of the Board, the Director fulfills the conditions specified in the Companies Act, 2013 and Rules framed there under along with Clause 49 of the Listing Agreement for appointment as an Independent Director and she is Independent of the management.

The Company has received from Ms. Prochie Sanat Mukherji a consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification

of Directors) Rules 2014, to the effect that she is not disqualified under sub section (2) of 164 of the Companies Act, 2013.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of the Director is placed before the Shareholders for approval.

The terms and conditions of appointment of the Director shall be open for inspection by the Shareholders at the Registered Office of the Company during normal hours on any working day, excluding Saturday and Sunday.

None of the Directors, Key Managerial Personnel or their relatives, except Ms. Prochie Sanat Mukherji and her relatives, are in any way concerned or interested in the resolution set out at item No. 5 of the notice.

#### Item No. 6: Payment of Profit related Commission to Mr. Yusuf Lanewala, Chairman and Managing Director.

The members of the Company have approved the appointment and payment of remuneration to Mr. Yusuf Lanewala, Chairman and Managing Director by Special Resolution at 23rd Annual General Meeting held on August 14, 2014 under Companies Act, 2013 for a period of three years w.e.f. April 01, 2014. In addition to the existing remuneration, the Board has recommended to pay the profit-related commission to Mr. Yusuf Lanewala, Chairman and Managing Director of the Company in terms of Section 197 and others applicable provisions of Companies Act, 2013. Accordingly the payment of profit-related commission not exceeding 1.5% of profit to Mr. Yusuf Lanewala, Chairman and Managing Director be paid commencing from the Financial Year 2014-15 and grant such number of ESOPs under Company's ESOP Schemes. This profit-related commission shall be paid in accordance with the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors within the maximum statutory limits specified under the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

None of the Directors and Key Managerial Personnel or their relatives, except Mr. Yusuf Lanewala and his relatives, are in any way concerned or interested in the resolution set out at item No. 6 of the notice.

#### Registered Office:

Prestige Atlanta  
No.10, Industrial Layout  
7th Main, 80 Feet Road  
3rd Block, Koramangala  
Bengaluru-560 034, India  
Date: May 29, 2015

#### 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 CLAUSE 49 OF THE LISTING AGREEMENT REGARDING APPOINTMENT AND RE- APPOINTMENT OF DIRECTOR

Name of the Director	Mr. Meenaz Dhanani	Ms. Prochie Sanat Mukherji
Date of Appointment/Last Re-appointment	October 04, 2013	April 28, 2015
Brief Resume and nature of expertise in specific functional areas	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Ms. Mukherji is a seasoned business professional with over 42 years of experience in the fields of Industrial Relations, Labour and Consumer Laws, and Human Resources. She has held senior positions at both Indian and multinational companies in diverse industries, including consumer products, white goods, financial services, pharmaceuticals and light engineering. Hindustan Lever, Glaxo, ICICI and the Tata Group are among the companies she has served. Presently, she serves as Senior Vice President and Chief of Staff to the Chairman and Managing Director of Mahindra Group, and also serves as the Convener of the Group Executive Board. She has deep interest in the areas of corporate history, education, core values and social responsibility. Ms. Mukherji holds BA (Hons.) and LL.B. degrees from the University of Bombay where she topped the University in 2nd and 3rd LL.B. She also holds a Master's degree in Law (LLM) from Yale Law School in the US.</p>
List of other Indian Companies in which Directorship is held	NIL	NIL
Chairman/Member of the Committee(s) of Board of Directors of the Company	NIL	NIL
Chairman/Member of the Committee(s) of Board of Directors of other companies in which he is a Director	NIL	NIL
a) Audit Committee b) Share Transfer and Investor Grievance Committee c) Remuneration Committee		
Shareholding/ Stock Options in the Company	NIL	NIL
Relationship with other Directors of the Company	NIL	NIL

## MINDTECK (INDIA) LIMITED

(CIN: L30007KA1991PLC039702)

Registered Office: Prestige Atlanta, No.10, Industrial Layout, 7th Main, 80 Feet Road  
Koramangala 3rd Block, Bengaluru-560 034, 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.

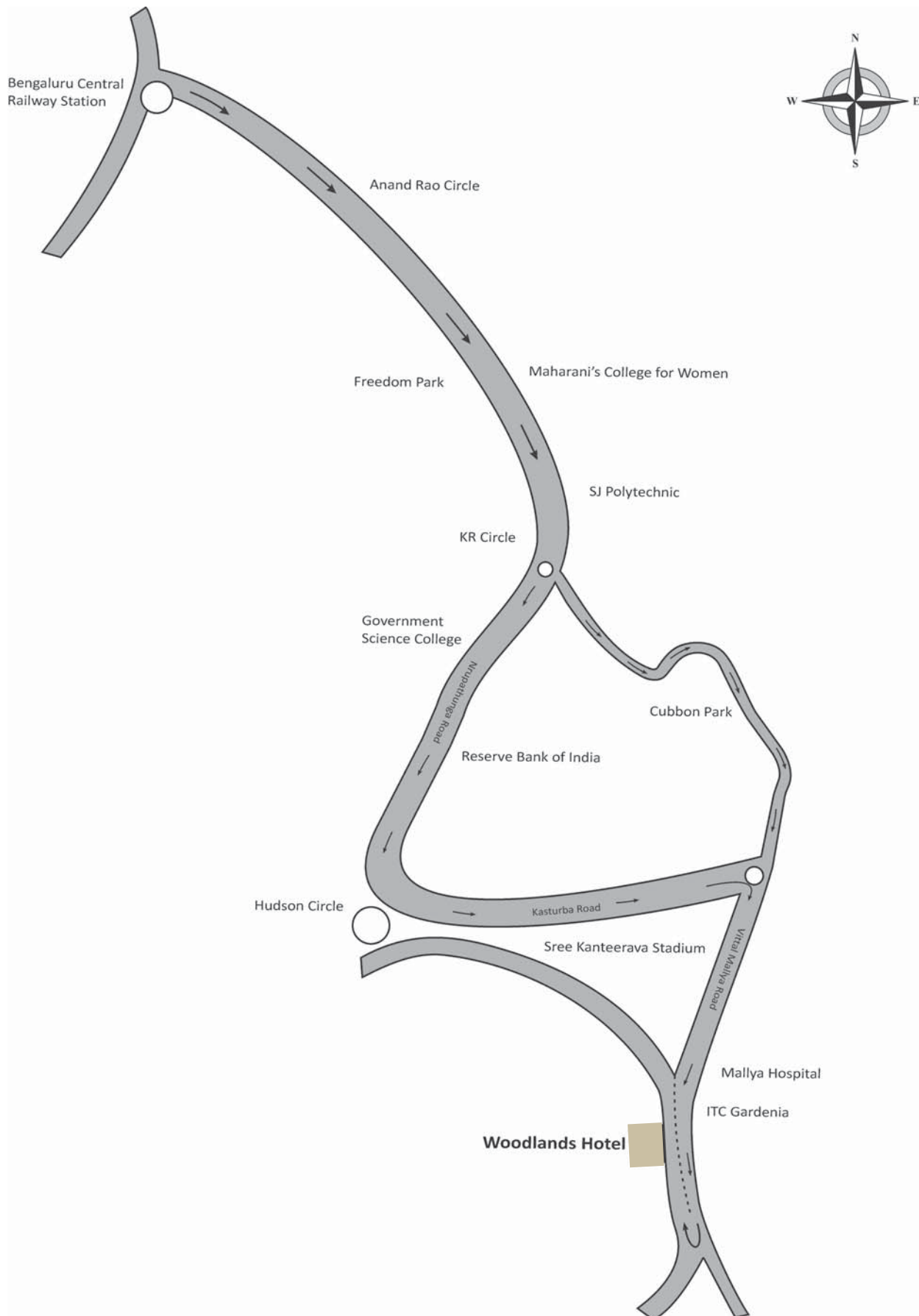
I hereby record my presence at the **TWENTY-FOURTH ANNUAL GENERAL MEETING** of the Company at Hotel Woodlands, "Mini Hall", No. 5, Rajaram Mohan Roy Road Bengaluru-560 025, India on Tuesday, August 11, 2015 at 12:00 Noon.

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: Prestige Atlanta, No.10, Industrial Layout, 7th Main, 80 Feet Road  
Koramangala 3rd Block, Bengaluru-560 034, India

## PROXY FORM (MGT-11)

Name of the Member(s):

Registered Address:

Email ID:

Reg. Folio/Client ID No.:

DP ID No.:

No. 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-Fourth Annual General Meeting of the Company to be held on Tuesday, August 11, 2015 at 12:00 Noon in Hotel Woodlands, "Mini Hall" No. 5, Rajaram Mohan Roy Road, Bengaluru-560 025, India and at any adjournment thereof in respect of such resolutions as are 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, 2015 together with the Reports of the Directors and Auditors thereon.			
2	To declare dividend of Re. 1/- Per Equity Share for the financial year ended March 31, 2015.			
3	To appoint a Director in place of Mr. Meenaz Dhanani, who retires by rotation and being eligible, offers himself for re-appointment.			
4	To ratify the appointment of M/s. B S R & Company as the Auditor of the Company.			
<b>Special business</b>				
5	To approve the appointment of Ms. Prochie Sanat Mukherji as an Independent Director			
6	To approve payment of profit-related commission to Mr. Yusuf Lanewala, Chairman and Managing Director in addition to the existing remuneration commencing from the financial year 2014-15 and grant of ESOPs.			

Signed this ..... day of.....

Affix Re.  
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 e-mail address with your depository participant or with Universal Capital Securities Pvt. Ltd., our STA (**mindteck.investors@uniseq.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: Prestige Atlanta, No.10, Industrial Layout, 7th Main, 80 Feet Road  
Koramangala 3rd Block, Bengaluru-560 034, India

## BALLOT FORM (MGT-12)

{Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies  
(Management and Administration) Rules, 2014}

Name of the Member(s):

Registered Address:

Email ID:

Reg. Folio/Client ID No.:

DP ID No.:

No. 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, 2015 together with the Reports of the Directors and Auditors thereon.			
2	To declare dividend of Re. 1/- Per Equity Share for the financial year ended March 31, 2015.			
3	To appoint a Director in place of Mr. Meenaz Dhanani, who retires by rotation and being eligible, offers himself for re-appointment.			
4	To ratify the appointment of M/s. B S R & Company as the Auditor of the Company.			
<b>Special business</b>				
5	To approve the appointment of Ms. Prochie Sanat Mukherji as an Independent Director			
6	To approve payment of profit-related commission to Mr. Yusuf Lanewala, Chairman and Managing Director in addition to the existing remuneration commencing from the financial year 2014-15 and grant of ESOPs.			

Signed this ..... day of.....

\_\_\_\_\_  
Signature of the Shareholder

## FORM FOR REGISTERING E-MAIL ID

To

**FOR SHARES HELD IN PHYSICAL MODE**

Please complete this form and send it to:

**Shivarama Adiga S.**

VP- Legal and Company Secretary

**Mindteck (India) Limited**

Prestige Atlanta, No. 10

Industrial Layout, 7th Main, 80 Feet Road

3rd Block, Koramangala, Bangalore 560034

E-mail: [shivarama.adiga@mindteck.com](mailto:shivarama.adiga@mindteck.com)

Dear Sir,

**Sub: Registering of e-mail address for service of documents through e-mail**

I hereby request the Company to register my e-mail address given below and give consent for service of documents including the Notice of Shareholders' Meeting & Postal Ballot, Balance Sheet, Profit & Loss Account, Auditor's Report, Board's Report etc., through e-mail;

1. Folio No. :
2. Name of the 1st Registered Holder :
3. E-mail address :

[illegible]

Signature of the 1st registered holder as per  
the specimen signature with the company

Name :

Place :

Date :     /     /2015

## 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**

Prestige Atlanta, No. 10

Industrial Layout, 7th Main, 80 Feet Road

3rd Block, Koramangala, Bangalore 560034

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: \_\_/\_\_/2015

Name : \_\_\_\_\_

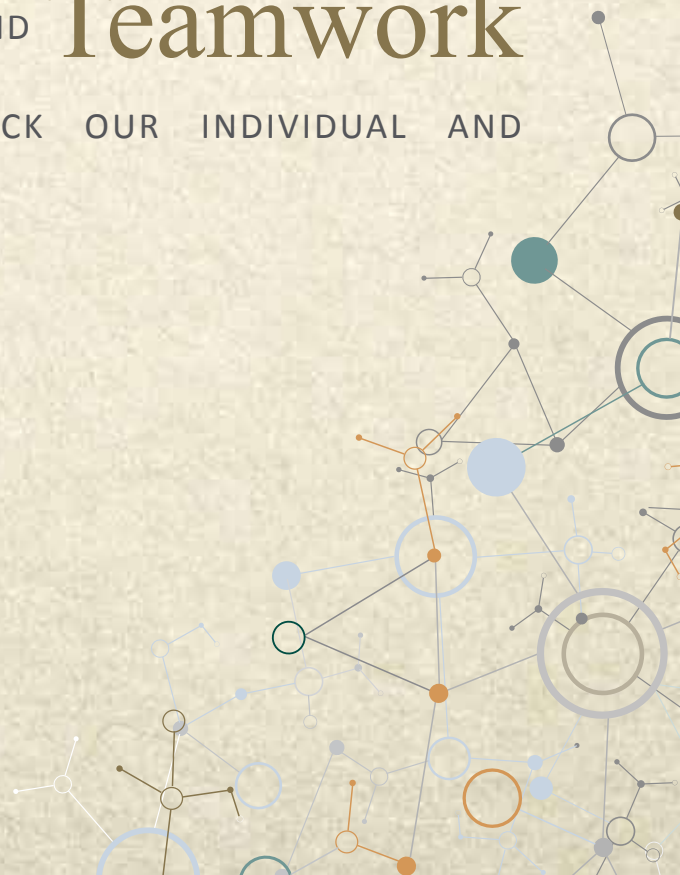
Address: \_\_\_\_\_

Note:

1. This form should be submitted to Mindteck (India) Limited at the address given above to reach them **on or before** August 15, 2015 for the receipt of dividend declared, if any, for the financial year 2014-15.
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).

THIS YEAR WE MADE SOLID PROGRESS TOWARD BUILDING A STRONGER MINDTECK. NOTABLY, WHILE SEEKING TO DEEPEN EXISTING CLIENT RELATIONSHIPS AND APPEAL TO PROSPECTS, WE WERE GIVEN MORE OPPORTUNITIES TO COMPETE ON KNOWLEDGE. THIS BODES WELL FOR OUR FUTURE AS A KNOWLEDGE-BASED ORGANIZATION, PARTICULARLY AGAINST THE BACKDROP OF INCREASING COMMODITIZATION. IN THE COMING YEAR, WE WILL BUILD ON THIS POSITION TO FURTHER OUR STRATEGIC AND PROFITABLE GROWTH.

WE WILL ALSO FOCUS ON DRIVING **Productivity**  
*Innovation* AND **Teamwork**  
THROUGHOUT THE COMPANY TO UNLOCK OUR INDIVIDUAL AND COLLECTIVE POTENTIAL.





## INDIA, MIDDLE EAST AND AFRICA

**Bengaluru** (Global Headquarters)  
Prestige Atlanta Building  
#10, Industrial Layout  
7th Main, 80 Feet Road  
3rd Block, Koramangala  
Bengaluru 560034, India  
Tel: 91 80 4154 8000  
Fax: 91 80 41125813

### Kolkata

Millennium Towers  
Unit: T-2 9C, Tower II, Level IX  
Plot No: 62, Block DN  
Sector V, Salt Lake  
Kolkata 700091, India  
Tel: 91 33 2367 4337/8  
Fax: 91 33 2367 4336

### Bahrain

Office #44, 3rd Floor  
Suhail Center, Building 81  
Road 1702, Block 317  
Diplomatic Area, PO Box 10795  
Manama, Kingdom of Bahrain  
Tel: 973 17 534469  
Fax: 973 17 536332

## 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

17304 Preston Road  
Suite 800  
Dallas, TX 75252  
Tel: 1 888 459 2632  
Fax: 1 888 467 0768

## 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

No 10-1 Biz Avenue  
Neo Cyber  
Lingkaran Cyber Point Barat  
63000 Cyberjaya  
Selangor, Malaysia  
Tel: 603 8322 2520  
Fax: 603 8322 2562

[www.mindteck.com](http://www.mindteck.com)

[info@mindteck.com](mailto:info@mindteck.com)



**CMMIDEV/5<sup>SM</sup>**  
Exp. 2016-09-19 / Appraisal #21071



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**FORM A**

**Covering letter to the annual audit report to be filed with the stock exchanges pursuant to clause 31 of the Listing Agreement**

1	Name of the Company	Mindteck (India) Limited
2	Annual financial statements for the year ended	31 March 2015
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not applicable

*for B S R & Company*

*Chartered Accountants*

Firm's Registration No. 128032W



**Vineet Dhawan**

*Partner*

Membership No.: 092084

Place: Bangalore

Date: May 29, 2015

*for Mindteck (India) Limited*




**Yusuf Lanewala**

*Chairman and Managing*

*Director*

Place: Bangalore

Date: May 29, 2015



**Narayan A. Menon**

*Audit Committee*

*Chairman*

Place: Bangalore

Date: May 29, 2015



**Anand Balakrishnan**

*Chief Financial Officer*

Place: Bangalore

Date: May 29, 2015