



2015-16
ANNUAL REPORT



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

Consolidated Financial Highlights

(Rs. in million)

	2015-16	2014-15	2013-14	2012-13	2011-12
Revenue	3,116.30	3,191.48	3,288.12	2,643.17	2,226.24
EBITDA	229.24	300.76	299.10	40.94	(11.40)
Profit Before Tax (PBT)	207.82	278.11	285.32	25.20	(31.29)
Profit After Tax (PAT)	259.27	191.96	186.14	10.59	(50.58)
Earnings Per Share (EPS)	10.50	7.80	7.59	0.43	(2.07)



“Smart City readiness has become one of our key strengths. We have the requisite knowledge to implement fast, effective and connected solutions for companies and governmental bodies at any scale.”

Dear Shareholders,

I am pleased to present the financial statements for the year ended March 31, 2016, and to report that your Board has recommended a 10% dividend. Overall, we have maintained profitability and remain strong despite a reduction in revenue vis-à-vis the previous year. Net profit stood at Rs.25.93 crore as against Rs. 19.20 crore for the previous year. Consolidated revenue stood at Rs. 311.63 crore as against Rs. 319.15 for the previous year.

When your Company embarked on a new fiscal year last April, the Internet of Things (IoT), and its transformative effects of interconnectivity and intelligence, was taking shape the world over. Faced with challenges in information exchange and communication, industry and government, in particular, were seeking new services, protocols, platforms, and more. As a key driver for smart city projects, IoT also entered the sphere of academics, policy makers, and other key influencers tasked with managing unprecedented growth of urbanization. Clearly, there was opportunity to seize in the smart city space, as well as in IoT technologies that improve instrumentation and transmission.

(Continued)



Spotlight: Smart City and IoT-based Initiatives

- Launched a Smart Parking Solution – a robust, reliable and cost-effective end-to-end solution for car parking occupancy detection and management. It uses field mounted Wi-Fi IP-based cameras for both indoor and outdoor parking.
- Continuing collaboration with the University of California (Berkeley), Nanyang Technological University (NTU), and the National University of Singapore (NUS), in Singapore to build a world-class research model for building efficiency through an engagement with SinBerBEST, (Singapore-Berkeley Building Efficiency and Sustainability in the Tropics).
- Collaborating on the design and development of a Wi-Fi Thermostat for heating, ventilation and air conditioning (HVAC) control for a global diversified technology and industrial leader. This involves the redesign of an iconic product for IoT-based connectivity.
- Implementing a solution for Smart Grid architecture, with other consortium partners, for the Chandrapura sub-division of Bangalore Electricity and Supply Company (BESCOM), through IIT-BHU. It is a research-oriented project, known as “Design and Development of a Smart Energy Grid Architecture with Energy Storage”, and funded by the Department of Science and Technology (DST), under sanction by India’s Ministry of Science and Technology. Our primary focus will be to demonstrate the success of transitioning to the smart grid over traditional grids.
- Conducting comprehensive product engineering work for a Swiss smart metering client
- Continuing implementation of statewide ERP-based Nagarpalika, in tandem with two other consortium partners, for a citizen-friendly portal for all e-governance solutions. This will provide the urban development department with powerful data analytics capabilities.
- Developing new, state-of-the-art solutions in the video and data analytics space to complement existing smart cities offerings.

As you may recall, over the past two years we have made concerted efforts to leverage our niche capabilities and to also invest in R&D for furthering our strategic and profitable growth. Innovation has been, and will continue to be, one of our key drivers. I am proud to report that this has produced positive outcomes particularly this year. We worked very hard to develop our smart city solutions and gain further traction in IoT. While this effort was helped tremendously by India’s drive to put its mark on the global smart cities stage, Mindteck’s innovations put us at the forefront and more able to compete.

Our foray into this realm began some years ago with the implementation of an intelligent lighting solution for a UK-based utility company, involving complete hardware and software development for the system. In recent past, our client announced record reductions in energy consumption – from 50m kWh to 34m kWh. We hope to replicate similar energy efficiencies across India in the years ahead. This engagement was followed by the development of an FDA-approved remote patient monitoring innovation in collaboration with a medical device client.

The development of our Ignite platform, a versatile IoT platform, has helped us to build city-scale IoT solutions, such as smart parking EV charging, automated energy/water meter reading, solar power generation monitoring, building energy management and many other smart city solutions. It enables OEM/ODM and system integrator clients to rapidly develop end-customer solutions that are robust and customized at optimized cost. This year, in order to strengthen these offerings, we joined the Intel® Internet of Things Solutions Alliance in order to access scalable, interoperable solutions for accelerating the deployment of intelligent devices and end-to-end analytics. This will provide our clients with more robust performance, faster time-to-profit, greater opportunity for innovation and easier software development.

Our strong focus and deep understanding of wireless design, IoT/M2M and connectivity solutions also led to our nomination to the Bureau of Indian Standards, a government panel responsible for creating guidelines for setting up smart cities across the country. We understand how cities work and can play a critical role in finding ways to help citizens of the future.

Finally, during the course of the year, we were pleased to partake in several thought leadership forums, and had many opportunities to showcase our smart city initiatives to several state governments in India. We hope this widespread interest continues and look forward to partnering with public and private entities, including, but not limited to, utility, networking and server companies.

During 2015-16, other good progress was made toward our quest for a future of predictable, sustainable and profitable growth. We appointed another Independent Director, with over 40 years of experience and the leadership acumen to help further our growth.

“We are passionate about helping government bodies and organizations learn how to build sustainable ways to utilize their resources efficiently and effectively.”

Additionally, we opened an office in Mumbai for added local presence advantage. Our global footprint expanded as well with the establishment of a subsidiary company in the Republic of the Philippines, where I am pleased to note that we have already become a top company of choice.

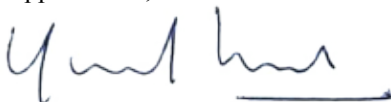
Furthering our reach even more: Mindteck won its first engagement in the Republic of Ireland where we are servicing a new set of enterprise technology and banking clients. We also signed an MOU with a well-known business house in Saudi-Arabia, thus creating a cross-border alliance to promote business in the Gulf Cooperation Council (GCC).

One of the most interesting engagement collaborations of the year was with One Education, a not-for-profit organization in Australia. We designed and developed the electronics and firmware for the Infinity computer – a modular, safe and eco-friendly device created to be “the perfect STEM learning experience”. Our involvement also included the proof of concept phase and electronic design of various modules. Aside from being a part of such a meaningful endeavor, this provided the opportunity for us to prove our long-standing strength in end-to-end product design.

Going forward, we will continue building on the momentum we have garnered in deploying smart cities and IoT solutions, focus on further developing our niche strengths and, as always, ensure that we delight our customers and help them compete, innovate and propel forward. This will entail strengthening our sales team, investing more in branding and marketing, expanding our alliances, partnerships and footprint around the globe, fostering learning and development, and making the right choices to seize every viable opportunity. We look forward and move ahead with optimism.

On July 25, 2016, Mindteck will celebrate its twenty-fifth anniversary. On behalf of my fellow Board Members, I would like to take this special opportunity to give thanks to all of those who contributed to our longevity and success. We are making solid progress toward building a stronger company every year, and have our clients to appreciate for their enduring confidence, our shareholders and partners for their continuing support, and our employees around the globe for their dedication and unwavering commitment.

In appreciation,



Yusuf Lanewala

Chairman and Managing Director

Other Notable Achievements

- Won a multi-million dollar data center transformation project for a Fortune 50 client in the US.
- Secured a wearables project involving the development of a wrist-wearable Wi-Fi Wireless Notification Device (WND), with the necessary hardware, firmware and bridge software, to help our semiconductor client improve their employees' operator conformity index, equipment utilization and productivity.
- Expanded CSR endeavors to the US in the local communities of the regions we serve.
- Conducted out-of-state Mindteck Academy Java training to support a large and complex public sector project in the US Midwest.
- Developing a car infotainment system for a new client in the automotive domain.
- Developing a body clock device to help individuals with Seasonal Affective Disorder (SAD)
- Launched a Learner Native App for iPad devices for an award-winning, qualification-focused Learning Management System (LMS)
- Commenced Phase IV of our technical and big data work on The *Atlas online*, for The Center for International Development (CID) at Harvard University.

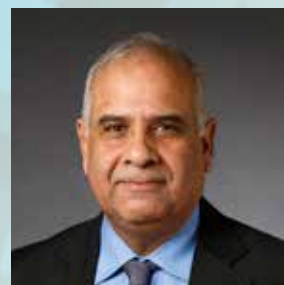
Board of Directors



Yusuf Lanewala
*Chairman and
Managing Director*



Meenaz Dhanani
Executive Director



Javed Gaya
Independent Director



Narayan A. Menon
Independent Director



Jagdish Malkani
Independent Director



Prochie Mukherji
Independent Director



Guhan Subramaniam
Independent Director

Company Secretary

Shivarama Adiga S.
Vice President - Legal and Company Secretary

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

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

Auditors

B S R & Company

Bankers

**Axis Bank Ltd.
HDFC Bank Ltd.
YES Bank Ltd.**

Management Team

Yusuf Lanewala

Chairman and Managing Director

Meenaz Dhanani

Executive Director

Anand Balakrishnan

Chief Financial Officer

Avneet Gupta

Chief Operating Officer

Sumit Goswami

Executive Vice President

Arup Banerjee

Senior Vice President

Sales Leadership Team

Ranga Yeragudi

US Northeast

Jacob Pillay

Asia Pacific

Yatendra Kumar Gupta

US West

Simon Christopher

Europe

Harish Nair

India, Middle East and Africa

Research and Development

Surjit Lahiri

Human Resources

Pradeep K.

Delivery

Satheesh Sreedharan

Marketing and Communications

Karen Stark

Legal and Company Secretary

Shivarama Adiga S.

Board's Report

To the Members,

The Directors hereby present the Twenty-Fifth Annual Report of your Company on the business and operations for the year ended March 31, 2016.

1. RESULTS OF OPERATIONS

Rs. in million

	Standalone		Consolidated	
	Year ended 31-Mar-16	Year ended 31-Mar-15	Year ended 31-Mar-16	Year ended 31-Mar-15
Revenue from operations	866.46	801.70	3,116.30	3,191.48
Other income	22.13	8.41	22.41	9.09
Employee benefits expenses	512.74	393.60	1,984.94	1,864.37
Cost of technical sub-contractors	16.94	21.46	570.02	695.39
Other expenses	207.59	200.04	354.51	340.05
Profit before finance costs, depreciation, taxes and amortization	151.33	195.01	229.24	300.76
Finance costs	0.50	0.37	3.24	3.10
Depreciation and amortization expense	15.62	16.60	18.18	19.55
Profit before tax expense	135.21	178.03	207.82	278.11
Tax expense	53.19	63.21	(51.46)	86.15
Profit After Tax	82.02	114.81	259.27	191.96
Paid-up Equity Share Capital	251.73	250.63	247.57	246.47
Earnings Per Share (EPS)	3.27	4.59	10.50	7.80

2. COMPANY AFFAIRS

Standalone

On a standalone basis, your Company recorded revenue of Rs. 866.46 million, as against Rs. 801.70 million in the previous year. Mindteck's net profit stood at Rs. 82.02 million, as against Rs. 114.81 million in the corresponding previous year. At an operating margin level, Mindteck recorded EBITDA of Rs. 151.33 million (17.46%) this year as against Rs. 195.01 million (24.32%) last year.

Consolidated

During the year under review your Company recorded consolidated revenue of Rs. 3116.30 million as against Rs. 3191.48 million in the previous year. Of the revenue that was recorded, 68.29% is attributed to the US and the balance pertains to the rest of the world.

Mindteck's Consolidated Net Profit for the year stood at Rs. 259.27 million, as against Rs. 191.96 million in the corresponding previous year.

At an operating margin level, Mindteck recorded EBITDA of Rs. 229.24 million (7.36%) this year as against Rs. 300.76 million (9.42%) last year.

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

3. DIVIDEND

The Board has recommended a dividend of 10% (Re. 1 per

equity share of Rs. 10 each) for the year ended March 31, 2016. This translates into a total outlay of Rs. 30,297,752 including Dividend Distribution Taxes.

4. BUSINESS FOCUS AND HIGHLIGHTS

Mindteck provides product engineering and information technology services to top-tier Fortune 50-1000 clients, start-ups, leading universities, and government entities around the globe. We are devoted to delivering knowledge that matters to help our clients compete, innovate and propel forward. Our legacy expertise in embedded systems and enterprise applications is complemented by our more recently recognized successes in Internet of Things (IoT)-based solutions such as those for developing smart cities. We also have a strong track record in storage, life sciences, healthcare and medical devices. Mindteck is among a select group of global companies appraised at Maturity Level 5, Version 1.3 of the CMMI Institute's Capability Maturity Model Integration (CMMI). We are also one of the Founding Members of *The Atlas online*, a visualization tool for research developed by The Center for International Development (CID) at Harvard University. Global alliances include The Intel IoT Solution, Thread Group, IoT Global Network and Zigbee.

Semiconductor and Storage

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

continuously provided us excellent customer satisfaction ratings for our constant support in executing their business critical projects.

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

For over a decade, Mindteck has been serving the semiconductor equipment manufacturing industry. Our expertise is comprised of a wide spectrum of IT services, including Semiconductor (SEMI) standards implementation, DeviceNet implementation, proprietary protocol development, Mechanical Engineering Services (MES), enterprise device monitoring, Electronic Design Services (EDS), simulator development, automation, change management and end-to-end testing services. Our ready-to-deploy solution accelerators, such as a device simulator, automated equipment software testing framework, and Semiconductor Equipment Communications Standard (SECS)/Generic Equipment Model (GEM)-based Factory Automation (FA) test harness, helps lower project risk and cost. Our participation in the largest semiconductor and automotive shows in Europe – Semicon Europa and Frankfurt Motor Show – this past year increased our visibility and garnered interest in our services. Key highlights executed in 2015-16 include:

- A breakthrough in acquiring a deal with one of the major storage and semiconductor companies for device driver qualification on the Company's various products. This certification testing of different flavors on Windows, VMware and Citrix will enable us to gain the expertise to target other storage companies having similar requirements that are mandatory and so critical for their storage products.
- Acquisition of a new semiconductor client in the US, for product development.
- Winning an offshore project with a semiconductor company specializing in data conversion and signal processing technology.
- Winning a project for a global fabless semiconductor company that develops and sells semiconductor devices for the storage, communications, optical networking, printing and embedded computing marketplaces.

Electronic Design Services

Mindteck's EDS group provides core embedded technology solutions and services in a wide variety of sectors, including industrial control systems, gas control and monitors, computer modules, electric vehicle chargers, instrumentation, storage, smart energy and IoT. Our integrated product design capabilities spans hardware/firmware design, mechanical design, software development,

connectivity solutions and value engineering. With a sound ecosystem of established partnerships, Mindteck's comprehensive approach to product development consistently results in the reduction of time to market for the end customer. Highlights of recent work include:

- An existing customer in the area of analytical instruments engaged us to develop hardware and firmware for their next generations Gas Chromatography (GC) system based on new sensor technology.
- Collaboration with a market leader to add new features in the design of their powerful 'next generation' body clocks.
- Commencing a car audio player upgrade project for an existing Original Equipment Manufacturer (OEM) customer, thus enabling them to migrate to a new hardware platform.
- Commencing a battery-operated retrofittable radio module project for an OEM customer that involved complete product development, including hardware, firmware, mechanical, test jigs and high-volume production support.
- Winning a project for a global provider of smart and efficient lighting solutions.
- Winning an engagement for a flow meter with a new Swiss customer.
- Acquisition of two new clients: A manufacturer of low-cost laptop computers and a consumer electronics manufacturing multinational.

Smart Energy and Wireless

Mindteck is one of the earliest adopters of the ZigBee standards. Today, we possess our own ZigBee and 6LowPan wireless stacks. Having developed ZigBee stacks for major silicon providers, the focus of our work is demonstrated through our solution accelerators:

- Wireless short-range and long-range communication modules
- Sensor modules for monitoring solar power generation/efficiency
- Remote sensing and control of valves/actuators
- Dashboard and data analytics for solar energy and water pumping efficiency
- Diagnostics
- Connectivity with WiFi, ZigBee
- Global System for Mobile Communication (GSM)/General Packet Radio Service (GPRS) and Satellite Very Small Aperture Terminal (VSAT) for isolated installation of standalone systems and smart metering for energy and water consumptions

In recent past, we have been consistently focusing on wireless communication and wireless sensor networks for design and development of wireless monitoring and load control solutions in the automation space. We have been a ZigBee Alliance contributor member since 2004, and have developed ZigBee Stack and Application profiles for leading

semiconductor companies, and conceptualized and developed ZigBee-based products for OEMs. We are also investing in proactive development of next-generation ZigBee IP stack and Smart Energy 2.0 profile. Mindteck has solution IPs that are market-ready and in line with smart city initiatives. We have also ventured into Wi-Fi based solutions, including wearables.

The visibility and acceptance of our smart energy offerings increased with the introduction of our IoT solutions—smart metering, smart parking, building automation and sustainable energy efficient solutions. Key project highlights for 2015-16 include:

- Provided ready-to-deploy solutions for a leading networking major.
- Provided wearables over Wi-Fi to improve factory operation efficiency for one of the world's leading silicon vendors.
- Received extensions on projects from a healthcare lighting client, solar PV client and our largest medical device customer in Europe.
- Acquired a new customer who operates Singapore's wholesale electricity market.

Cloud Computing and Big Data

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

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 with regard to the dashboard, custom reports and data mining capabilities. Our holistic analytics and business intelligence service offerings help clients act automatically on their data.

Mindteck's own IP—Mind-CDMI—brings niche expertise in cloud-based storage interoperability in the form of a cloud data management interface.

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

- For the aforementioned *The Atlas online* research collaboration with The CID at Harvard University, we are helping the team work on Atlases for multiple countries. These are designed and developed from scratch to show various state, department, district and municipality level profiles with various product capability and employment history in different industries.
- Winning a full-scale execution of a new release of a proprietary, cloud-based platform for a compliance client.

Healthcare and Medical Devices

This past January, Mindteck's Kolkata and Bengaluru

development centers obtained recertification for ISO 13485—the world's most recognized medical device standard which is recognized by many governments worldwide.

We also recently designed a web and cloud-based real-time patient monitoring system with live audio and video streaming facilities that can be used by end users running computers or smart phones. Additionally, our R&D team developed the Doctor e-Visit solution for Intensive Care Unit (ICU) patients. This innovative solution enables ICU patients with complicated medical cases to get timely access to the world's best doctors irrespective of their physical location. Other highlights include:

- Acquisition of a large medical device company as a new client for a managed project.
- Acquisition of two new clients—manufacturers of diagnostic and medical imaging systems related to women's health and eye care.

Life Sciences

Mindteck provides niche product engineering and information management services and solutions for different segments of 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 and 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. Our projects have consistently received high customer satisfaction ratings, with an average 8.4 out of 10.

Research and Development

Mindteck's R&D team has been focusing on creating, developing and maintaining IPs, products, processes and solutions essential to meet the demands of the marketplace. The team's new product development initiatives are based on the IoT. Outcomes of the team are also being leveraged in the *100 Smart Cities* pilots announced by the Government of India.

Products/solutions developed by Mindteck in the year 2015-16 include the aforementioned *Doctor e-Visit Solution*, as well as the following:

Wireless-based Parking Occupancy Detection Sensors: These sensors aid in accurate detection and reporting of vehicle parking availability via wireless technology. They are battery-powered, very easy to install, and have operational life designed for more than a decade. Smart Parking systems use such sensors for accurate detection of the parking inventory.

Camera Calibration System: This solution is used as a configuration tool and was developed as precursor to ongoing research on multiple video analytics-based solutions in the Smart Cities space.

In the year ahead, the R&D team's focus areas will be to integrate existing IoT solutions into leading smart cities system integrator partner platforms. Also, participate in the Smart City pilot solution and integration work, and develop new state-of-art innovative solutions in the video analytics

and data analytics space to complement the existing smart cities offerings. In a data-driven digital economy, the future trend driving the industry is the need to rapidly integrate and deploy innovative solutions and generate new revenue models for the end customer by utilising analytics. Mindteck is well positioned and firmly focused on developing the most innovative solutions to take advantage of the growing market in the IoT and analytics space.

Smart Cities

As has been previously mentioned, the smart city space was a key area of focus for us over the course of the year.

In October, we unveiled our smart parking solution at '*Smart Solutions for Service Delivery in Cities*,' an event jointly organized by the government of Tamil Nadu and NASSCOM, sponsored by Tamil Nadu Urban Finance and Infrastructure Development Corporation. Mindteck was among the select group of 20 technology companies invited to present to a gathering of attendees, including senior Tamil Nadu government designates from India's shortlisted smart cities, principal secretaries, municipal commissioners, officials of urban local bodies and senior government officials. Mindteck presented an overview of the company's smart city engagements and also shared a demonstration of its smart parking solution—a robust, reliable and cost-effective solution.

We were subsequently invited to the *Smart City Solutions Workshop* held in Kolkata, and later an *Industry Consultation Workshop* held in Pune to discuss smart governance roadmaps and the IT vision. We showcased our end-to-end solution for car parking occupancy detection and management which uses field mounted Wi-Fi IP-based cameras for both outdoor and indoor parking. This was well-received by the country's top infrastructure consultants, private companies and other major government agencies.

Two other events provided an opportunity for us to showcase other smart city solutions as well: Our smart healthcare solution for remote patient monitoring at ASSOCHAM'S '*International Technology Summit 2015*,' and our eGovernment solution at the *International Conference on Sustainable Habitat and Smart Cities* in Jaipur.

Going forward, our R&D team will be totally focussed on integrating our IoT solutions to those of leading smart cities system integrator partner platforms.

Government

Mindteck has been working with US state and local Governments since 1999. We have successfully executed numerous projects in health and human services, education, constituent services, and public safety in the following US States: Pennsylvania, Texas, Michigan, Massachusetts, Oregon, District of Columbia, Wisconsin, California, West Virginia, New York, New Hampshire, and Florida. We have a strong history of delivering projects comprising application development, program and project management, business analysis, testing, strategic consulting and professional services.

In India, we are also continuing to implement the statewide E-Nagarpalika project won last year. Other key highlights include:

- Winning a multi-year contract for a government department, and portal development for a large governmental organization in Bahrain.

- Winning a SharePoint contract with a large government export finance institution in India.

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 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 functional testing, automation, performance testing, system testing and certification testing — especially in the Storage Area Network (SAN), Network Attached Storage (NAS) and unified storage space, in tandem with multiple storage product vendors.

Wireless and Smart Energy

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

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

Medical Devices

Our CoE initiative based out of our Kolkata Development Center has made further in-roads into value development. We developed expertise in the medical data exchange protocols such as HL7 and DICOM, medical data security aspects involving Federal Information Processing Standard (FIPS)140-2 and Health Insurance Portability and Accountability (HIPAA), and FDA-recommended development guidelines. We have nurtured and worked with a wide set of medical vital parameters and gathered significant expertise on using medical data simulators.

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 the result of a carefully constructed cultural environment. It has to be fabric of the organization, not part of the fabric"*. - Phill Crosby

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

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

ISO certifications demonstrate Mindteck's ongoing commitment to delivering a consistent level of quality to customers through our well-defined process and procedures. 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 2015-16, Mindteck was recertified for ISO 27001:2013—Information Security Management System.

6. INFRASTRUCTURE

Mindteck has offices in the US, UK, Singapore, Malaysia, Philippines, 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, 2016, Mindteck had six wholly-owned subsidiaries: Mindteck, Inc. (US), Mindteck Middle East Ltd. S.P.C. (Bahrain), Mindteck Software Malaysia SDN. BHD. (Malaysia), Mindteck Singapore Pte. Ltd. (Singapore), Mindteck

(UK) Limited (UK), and Chendle Holdings Limited (British Virgin Islands). Mindteck (UK) Limited has two subsidiaries – Mindteck Germany GmbH (Germany) & Mindteck Netherlands B.V. (Netherlands) and Mindteck Singapore Pte. Ltd. has one subsidiary-Mindteck Solutions Philippines, Inc. (Philippines).

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

Further, the Company undertakes that the annual accounts of the subsidiary companies and the related detailed information will be made available to any investor seeking such information at any point of time. The annual accounts of the subsidiary companies and related detailed information will also be kept for inspection by any investor at Mindteck's registered office and that of the respective subsidiary companies. We shall furnish a hard copy of the accounts of subsidiaries to any shareholder on demand and a soft copy of accounts is available on the Investors section of 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. In recognition of our security efforts, during the year 2016, Mindteck was certified for ISO 27001:2013—Information Security Management System.

10. LITIGATION

No material litigation is outstanding as on March 31, 2016 except one recovery suit filed in connection with advance payment made for the proposed office premises, which was not occupied by the Company.

11. CHANGES TO SHARE CAPITAL

The Board of Directors of the Company allotted 1,600 Equity Shares on May 29, 2015, 3,966 Equity Shares on August 21, 2015, 76,398 Equity Shares on November 13, 2015 and 28,166 Equity Shares on February 12, 2016 pursuant to allotment of shares under the Employee Stock Option Schemes. Consequently, the outstanding, issued, subscribed and paid up Equity Shares increased from 25,062,971 to 25,173,101 as on March 31, 2016.

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. 259,274,181 to its reserves.

16. DIRECTORS

As per Article 112 of the Articles of Association of the Company, Mr. Yusuf Lanewala retires by rotation as Director in the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. A brief resume of Mr. Yusuf Lanewala is included in the Notice for the Annual General Meeting.

Mr. Yusuf Lanewala was appointed as Chairman of the Company for a period of three years effective from October 01, 2013. Further, he was also re-appointed as Managing Director and CEO of the Company for a period of three years effective from April 01, 2014.

Mr. Guhan Subramaniam was appointed as an Additional Independent Director effective from May 20, 2016. The resolution seeking approval of members for appointment of Mr. Guhan Subramaniam as Independent Director forms part of the Notice for the 25th Annual General Meeting. A brief resume of Mr. Guhan Subramaniam is included in the Notice for the Annual General Meeting.

Mr. Meenaz Dhanani was appointed as an Executive Director for a period of three years effective from October 04, 2013 with all necessary approvals. The current term of Mr. Meenaz Dhanani as an Executive Director of the Company expires on October 03, 2016. Hence, as per the recommendation of Nomination & Remuneration Committee and Board of Directors, Mr. Meenaz Dhanani shall be re-appointed as an Executive Director with effect from October 04, 2016 for a period of three years subject to the approval of Central Government. The Resolution seeking the approval for appointment of Mr. Meenaz Dhanani as an Executive Director forms part of the Notice for the 25th Annual General Meeting. A brief resume of Mr. Meenaz Dhanani is included in the Notice for the Annual General Meeting.

Declarations by Independent Directors

All Independent Directors have given declarations to the effect

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

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 and Nomination & 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 seven members, two of whom are Executive or Whole-time Directors, and five are Independent Directors, including one woman Director. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is 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 four times during the Financial Year, the details of which are given in the Corporate Governance report that forms part of this Annual Report. The intervening gap between any two meetings was within the time prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vigil Mechanism/Whistleblower policy

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

17. KEY MANAGERIAL PERSONNEL

There was no appointment or resignation of Key Managerial Personnel during the FY 2015-16.

18. AUDITORS

Statutory Auditor

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 M/s. B S R & Company, Chartered Accountants, as Statutory Auditor 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 re-appointed, 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 FY 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2015-16 forms part of the Annual Report as **Annexure-5** to the Board's Report.

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

19. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of the annual return in the prescribed format is 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

23. PARTICULARS OF EMPLOYEES

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

The employee employed throughout the financial year and in receipt of remuneration of ₹ 60 lakhs or more, or employed for part of the year and in receipt of ₹ 5 lakhs or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

Employee Name	Designation	Educational Qualification	Age	Experience	Date of Joining	Gross remuneration paid (~)	Previous Employment
Avneet Gupta	Chief Operating Officer	B.Sc (Hons), PGDBM – Marketing and Finance	45 years	21 Years	02-Jan-2015	Rs. 65.86 Lakhs P.A.	IBM India Pvt. Ltd.

24. COMMITTEES OF THE BOARD

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

A detailed note on the Board and its Committees is provided under the Corporate Governance report section 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"> The Committee oversees the Company's financial reporting process and disclosures of its financial information to ensure accuracy and reliability. The Company has adopted the Whistleblower mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. The Whistleblower Policy is appended as Annexure-4 to the Board's Report. In accordance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policies on Related Party Transactions and material subsidiaries. The policies, including the Whistleblower Policy, are available on our website.

concern status and Company's operation in the future. The details of Tax Matters are disclosed in Annexure to Auditor's Report in the Standalone Financial Statements.

21. INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its Business, including adherence to the Company's policies, safeguarding 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, etc. Further, updates on business, statutory law and industry are made available to Independent Directors, especially to the Audit Committee members on an ongoing basis by internal teams, Statutory and Internal Auditors on a quarterly basis.

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Nomination and Remuneration Committee	Mr. Javed Gaya - Chairman Mr. Jagdish Malkani - Member Mr. Narayan A. Menon - Member	<ul style="list-style-type: none"> The Committee oversees and administers executive compensation, operating under a written charter adopted by our Board of Directors. The Committee has designed and continuously reviews the compensation program 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. 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 and performance-based stocks to align senior employee compensation with shareholder value. The Nomination and Remuneration Committee has framed the Nomination and Remuneration policy. A copy of the policy is appended as Annexure-3 to the Board's Report.
Corporate Social Responsibility Committee	Mr. Yusuf Lanewala - Chairman Mr. Javed Gaya - Member Mr. Jagdish Malkani -Member	<ul style="list-style-type: none"> The Board has laid out the Company's policy on Corporate Social Responsibility (CSR), and the CSR related activities of the Company are carried out as per the instructions of the committee. 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. Financial data pertaining to the Company's CSR activities to various beneficiaries for FY 2015-16 is as appended under the prescribed format in Annexure-8 to the Board's Report. The contents of the CSR policy are available on our website (http://www.mindteck.com/pdf/policies/CSR_Policy.pdf)
Stakeholders Relationship Committee	Mr. Javed Gaya - Chairman Mr. Yusuf Lanewala - Member Mr. Jagdish Malkani - Member	<ul style="list-style-type: none"> The Committee reviews and ensures redressal of investor grievances. The Committee noted that all the grievances of the investors have been resolved during the year.
Risk Management Committee	Mr. Yusuf Lanewala - Chairman Mr. Meenaz Dhanani - Member Mr. Anand Balakrishnan - Member	<ul style="list-style-type: none"> 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. 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. The details of the management framework form part of this Annual Report.
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"> Review Board/Corporate Codes and make suitable recommendations to the Board from time to time. Review the Structure/Charters of other Board Committees and make suitable recommendations to the Board from time to time. Recommend best practices and standards in any particular area to the Board of Directors as per its mandate.

25. RISK MANAGEMENT POLICY

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

26. CORPORATE GOVERNANCE REPORT

Mindteck recognizes good Corporate Governance and is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability, for the benefit of its stakeholders and for long-term success. We adhere to standards set by SEBI for Corporate Governance practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a report on Corporate Governance pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report in **Annexure-9**.

27. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is attached to this Annual Report.

28. 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:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently. Judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

29. WE CARE

At Mindteck, care is rooted in the ways we engage and enable, and fundamental to the way in which we build and nurture relationships, champion others, foster careers in technology, and steward community causes. In 2011, we established WE CARE as a framework for honouring our commitments and making a lasting difference both inside and outside the organization. The cornerstones are Knowledge, Opportunity, Advocacy, Inclusion, Goodwill and Respect. Constituents include Shareholders, Clients, Employees, Partners and Communities.

During FY 2015-16, we made further strides forging positive brand associations, building stronger relationships and innovating within the WE CARE framework:

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

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

During the year at hand, Mindteck Academy conducted its second classroom-based, enterprise-level Java Academy, and also held its first Business Analyst Book Camp, onsite for a client in the Midwest. Additionally, it developed an online, live, instructor-led (OLL) Java Academy through an alliance in India, and enhanced **www.mindteckacademy.com** features and functionality—including online application and assessments, lead forms, and live chat. The focus for 2016-17 encompasses driving profit from both the onsite and online course offerings, increasing online visibility, and furthering its efforts to become an authoritative resource and thought leader in the IT training and staffing industry.

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 and Canada. In 2015-16, our Brand Ambassadors expanded face-to-face outreach, increased referrals and placements, and helped generate business leads for the US West and Central Southeast regions. In the coming year, Consultant Care will focus on expanding to select global regions, cultivating additional ambassador-consultant relationships to deepen penetration and loyalty, opening new remarketing and referral channels, and deploying more nurturing/loyalty tactics.

Transition Care provides opportunities for seasoned technology professionals who have been a victim of restructuring to continue benefiting from their wealth of experience and knowledge. We match their skillsets to our niche needs to help build a stronger Mindteck. Transition Care is also a resource for clients who want to preserve their reputation and employee morale during a restructuring, as well as for outplacement firms that want to reduce their roster of displaced IT professionals. Highlights during 2015-16 include: Participation in two AARP (formerly American Association of Retired Persons) Virtual Career Fairs which garnered 107 resumes, two viable candidates and one hire; Participation in a client-related outplacement forum of 20 participants which garnered two viable candidates with one pending hire. The key focus areas for 2016-17 include revenue generation from partnership relationships with outplacement firms, continued outreach to our client base, and furthering our efforts to hire seasoned sales and technical support talent.

Client Care, which focuses on the client constituent of WE CARE, is a customer experience (CX) endeavour designed to engage and enable clients, as well as champion a caring

India CSR:

In 2015-16, Mindteck allocated more than 2% of its three-year average net profits towards CSR activities and the details of the same are attached to this report as **Annexure-8**.

CITY	ORGANIZATION
Bengaluru	Samarthanam Trust – empowers visually impaired, disabled and underprivileged individuals through developmental initiatives focused on education, social, economic independence and technology.
	Government Girls High School and Government Pre-University (PU) College for Girls in Hosakote through Bangalore Indiranagar Rotary Trust – supports academic improvement, extracurricular activities and sanitation facilities.

US CSR:

During the year, we also allocated funds to initiate Local Targeted Giving in the communities we serve across the US. Employee advocates and their fellow regional colleagues elected the following organisations:

REGION	ORGANIZATION
Northeast	The Seeing Eye – breeds and raises puppies to guide blind people; instructs blind people in proper use/handling/care of the dogs; conducts and supports research on canine health and development.
	Elijah's Promise – harnesses the power of food to break the cycle of poverty, eliminate hunger and change lives.
Central Southeast	Pennsylvania Breast Cancer Coalition – represents, supports and serves breast cancer survivors and their families in Pennsylvania through educational programming, legislative advocacy and research.
	Coder Kids – encourages kids to learn about Computer Science and programming; develops their interests in all areas of Science, Technology, Engineering and Mathematics (STEM) through active, hands-on learning with projects, demos and presentations by other kids and local technology professionals.
Southwest and Missouri	North Texas Food Bank (Plano Food4Kids) – committed to addressing food insecurity of chronically hungry early childhood and elementary school children in Plano, TX. Through partnering with the food bank, Food4Kids provides kids with a backpack filled with nutritious, shelf-stable food every Friday during the school year.
	A.R.C. Angels Foundation – dedicated to saving lives by helping teens be actively involved in the prevention of teenage suicide; provides educational programs that empower teens to recognize signs/symptoms of suicide and take preventative actions.
West	YES! for Schools – teaches youth healthy strategies to manage stress and emotions, so that they may exhibit greater confidence and motivation to succeed in school and make healthy choices when faced with life's challenges.

culture and business approach. The Client Care Ambassador is a client advocate, operating both cross-functionally and independently across the organization. Key efforts during the year focused on: Supporting process improvements, and delivery and service performance; Liaising with the US sales teams; Developing CX communications training workshops. An expansion of these efforts, along with increased client engagement, will foster additional advocacy, loyalty and credibility during 2016-17.

30. CSR INITIATIVES

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

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

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, 2016, under this Scheme, the Company granted 69,900 options on May 29, 2015 at an exercise price of Rs. 79.95 per share, 48,600 options on August 10, 2015 at an exercise price of Rs. 81.00 per share, 27,600 options on November 13, 2015 at an exercise price of Rs. 130.80 per share and 11,700 options on February 12, 2016 at an exercise price of Rs. 81.60 per share, and also issued and allotted 44,900 shares to eligible employees. There has been no variation in the terms of ESOP Scheme during the year.

(b) Mindteck Employees Stock Option Scheme 2008

During the year ended March 31, 2016, under this Scheme, the Company granted 10,500 options on November 13, 2015 at an exercise price of Rs. 130.80 and it has issued and allotted 65,230 shares to eligible employees. There has been no variation in the terms of ESOP Scheme during the year.

(c) Mindteck Employees Stock Option Scheme 2014

No options were granted under this Scheme.

The Details of the Employees Stock Option Schemes as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 are displayed on the website of the Company. (**Weblink: <http://www.mindteck.com/pdf/policies/Disclosures-pursuant-to-SEBI-Regulations-2014.pdf>**)

32. MINDTECK EMPLOYEES WELFARE TRUST

The Mindteck Employees Welfare Trust was set up in the year 2000 to implement the Company's Share Incentive Scheme. As on March 31, 2016, the said Trust holds 416,000 shares of the Company and has not yet granted any shares to the Company's employees under the said scheme.

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

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

34. ACKNOWLEDGEMENTS

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

for and on behalf of the Board of Directors



Bengaluru, India
Date: May 20, 2016

Yusuf Lanewala
Chairman and Managing Director
(DIN-01770426)

Annexure-1

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

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

Amount in Rs.

Name of the Subsidiary	Mindteck Germany GmbH	Mindteck Software Malaysia SDN. BHD.	Mindteck Middle East Ltd. S.P.C.	Mindteck Netherlands B V	Mindteck Singapore Pte. Ltd.	Mindteck (UK) Limited	Mindteck Inc.	Chendle Holdings Ltd.	Mindteck Solutions Philippines, Inc.
Sl. No.	1	2	3	4	5	6	7	8	9
Reporting Period	01-04-15 to 31-03-16	01-04-15 to 31-03-16	01-04-15 to 31-03-16	01-04-15 to 31-03-16	01-04-15 to 31-03-16	01-04-15 to 31-03-16	01-04-15 to 31-03-16	01-04-15 to 31-03-16	01-04-15 to 31-03-16
Reporting Currency	EUR	MYR	BHD	EUR	SGD	GBP	USD	USD	PHP
Exchange Rate	₹ 75.24540	₹ 16.96410	₹ 176.99800	₹ 75.24540	₹ 49.15270	₹ 95.20960	₹ 66.25580	₹ 66.25580	₹ 1.44184
Share Capital	1,622,110	3,016,212	5,750,500	1,041,030	38,047,091	77,207,393	308,957,277	20,030,000	13,743,619
Reserves & Surplus	(11,444,121)	51,600,137	468,494	(1,647,210)	35,288,672	(39,077,792)	118,607,804	-	(429,572)
Total Assets	14,049,479	83,544,887	28,063,549	107,074	100,799,742	64,657,904	647,038,763	20,030,000	13,742,839
Total Liabilities	23,871,490	28,928,538	21,844,555	713,254	27,463,979	26,528,303	219,473,682	20,030,000	428,792
Investments	-	-	-	-	13,743,619	2,663,140	-	20,030,000	-
Turnover	25,084,373	253,276,938	75,231,998	-	159,136,994	195,665,274	2,143,794,988	-	-
Profit before taxation	(16,233,752)	25,568,764	(4,451,594)	(13,494)	13,759,610	9,814,002	253,892,559	-	(429,572)
Provision for taxation	255,172	8,129	-	-	-	-	(104,910,741)	-	-
Profit after taxation	(15,978,580)	25,576,893	(4,451,594)	(13,494)	13,759,610	9,814,002	148,981,818	-	(429,572)
Proposed Dividend	-	-	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	99.99

Annexure-2

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

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

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

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2016, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

Amount in Rs.

Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	*Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Mindteck Inc., US	Subsidiary	To render offshore services	01-04-2008 - ongoing	457,133,033	NA	2,411,866
Mindteck Software Malaysia SDN. BHD. Malaysia	Subsidiary	To render offshore services	01-04-2009 - ongoing	3,155,091	NA	410,057
Mindteck Middle East Limited S.P.C., Kingdom of Bahrain	Subsidiary	To render offshore services	01-04-2009 - ongoing	2,528,641	NA	1,093,287
Mindteck (UK) Limited, United Kingdom	Subsidiary	To render offshore services	01-04-2008 - ongoing	111,924,079	NA	526,932
Mindteck Singapore Pte. Limited, Singapore	Subsidiary	To render offshore services	01-04-2009 - ongoing	10,709,788	NA	313,522
Chendle Holdings Ltd, BVI	Subsidiary	NIL	NIL	NIL	NA	NIL
Mindteck Netherlands BV, Netherlands	Step-Subsidiary	To render offshore services	01-04-2008 - ongoing	NIL	NA	NIL
Mindteck Germany GmbH, Germany	Step-Subsidiary	To render offshore services	01-04-2008 - ongoing	6,218,108	NA	4,079,797
Mindteck Solutions Philippines, Inc., Philippines	Step-Subsidiary	NIL	NIL	NIL	NA	NIL

*Based on TP Agreements.

Annexure-3

NOMINATION AND REMUNERATION POLICY

Our policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The Nomination and Remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act and 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)

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 report 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 will be the following:

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

VII. MEMBERSHIP

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

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:**

1. **Managing Director/Whole-time Director/Manager (Managerial Person):**

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director, and 3 (three) listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

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

- **Removal:**

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

- **Retirement:**

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

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

- **General:**

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

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

1. **Fixed pay:**

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

2. **Minimum Remuneration:**

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

3. **Provisions for excess remuneration:**

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

- **Remuneration to Non-Executive/Independent Directors:**

1. **Remuneration/Commission:**

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

2. **Sitting Fees:**

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

3. **Limit of Remuneration/Commission:**

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

4. **Stock Options:**

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

XIV. MINUTES OF COMMITTEE MEETING

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

XV. DEVIATIONS FROM THIS POLICY

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

Annexure-4

WHISTLEBLOWER POLICY/VIGIL MECHANISM

As part of our Corporate Governance practices, the Company has adopted the Whistleblower policy that covers our Directors and employees.

The policy is provided herewith pursuant to 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 'Whistleblower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Business Conduct and Ethics policy.

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

In addition to the Listing agreement, Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates all listed companies 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
- Non-compliance to the law of the land or violation of law
- Concealing legal mandatory disclosures
- Breach of fiduciary responsibilities
- Infringement of Company's 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's Code of Conduct.

(d) **"Company means"**- "Mindteck (India) Limited".

(e) **"Employee"**- Employee means every employee of the Company (whether working in India or abroad), permanent or temporary, including the contracted employee and Directors of the Company whether in the employment of the Company or not.

(f) **"Protected Disclosure"**- means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

(g) **"Subject"** - means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

(h) **"Whistleblower"**- means an Employee making a Protected Disclosure under this policy.

3. SCOPE OF THE POLICY

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

4. EFFECTIVE DATE OF POLICY

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

5. COMPANY GUARANTEES UNDER THE POLICY

Protection:

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

Protected Disclosures are not published:

The Company will take appropriate action to protect the identity of employees who raise Protected Disclosures in good faith, unless forced by circumstances to reveal, in which case the employees will be taken into confidence and his interests adequately protected.

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

Disqualifications:

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

6. PROCEDURE FOR DISCLOSURE, ENQUIRY AND DISCIPLINARY ACTION

How to disclose Protected Disclosures?

- a) An employee intending to make any Protected Disclosure is required to disclose all relevant information at the earliest from the day on which he/she knew of the Protected Disclosure
- b) Protected Disclosures should preferably be reported in writing, so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in the regional language of the place of employment of the Whistleblower.
- c) The Protected Disclosure, if forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee shall detach the covering letter and discuss the Protected Disclosure with Members of the Committee.
- d) The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible to interview the Whistleblowers.
- 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 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 the 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, 2016

[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 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 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 Bye-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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board Of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952
7. Employees State Insurance Act, 1948
8. Environment Protection Act, 1986 and other applicable environmental laws
9. Indian Contract Act, 1872
10. Income Tax Act, 1961 and other related laws
11. Indian Stamp Act, 1999
12. Payment of Bonus Act, 1965
13. Payment of Gratuity Act, 1972 and such other applicable labour laws
14. The Information Technology Act, 2000

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

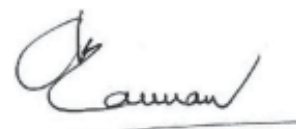
- i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable as on the date of my audit
- ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited;
- iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 effective from 1st December 2015.

During the period under review, the Company has largely complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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.
- (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: 10th May 2016



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

Annexure-6

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2016

[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 21/25 Shakil Niwas Mahakali Caves Road, Opp Satya Saibaba Temple Andheri (East), Mumbai - 400 093 Contact Person: Santosh Gamare Tel: 022-2820 7203-05			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)					
Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company		
1	IT Software Services	62-620	95.25		
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	Embtch Holdings Ltd. 4th Floor, IBL House, Caudan Port Louis, Republic of Mauritius	OC98004605	Holding	65.27	2(46)
2	Mindteck, Inc. 150 Corporate Centre Drive, Suite 200 Camp Hill, PA 17011, US	100683427	Subsidiary	100	2(87)
3	Mindteck Middle East Ltd S.P.C. # 44, 3rd Floor, Suhail Centre, Building 81 Road 1702, Block 317 Diplomatic Area PO Box-10795, Manama, Kingdom of Bahrain	49063	Subsidiary	100	2(87)
4	Mindteck Software Malaysia SDN. BHD. Galleria@Cyberjaya Unit 16-5, Jalan Tecknokrat 6 Cyber 5, 63000 Cyberjaya, Selangor Darul Ehsan Malaysia	718964	Subsidiary	100	2(87)
5	Mindteck Singapore Pte. Ltd. 7B keppel Road, # 05-09 PSA Tanjong Pagar Complex, Singapore-089055	199904845D	Subsidiary	100	2(87)
6	Mindteck (UK) Ltd. 4 Imperial Place, Maxwell Road, 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. Schipholweg 103, 2316 XC Leiden, Netherlands	27313198	Associate	100	2(6)
10	Mindteck Solutions Philippines Inc., U710 BSA Twin Towers, Bank Drive, Ortigas Center Mandaluyong Metro Manila, Philippines	CS201604851	Associate	99.99	2(6)

IV. SHAREHOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% 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	64.52%	16,169,857	261,747	16,431,604	65.27%	0.76%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (A) (2)	16,169,857	-	16,169,857	64.52%	16,169,857	261,747	16,431,604	65.27%	0.76%
TOTAL (A)	16,169,857	-	16,169,857	64.52%	16,169,857	261,747	16,431,604	65.27%	0.76%
B. Public									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	25	25	0.00%	-	25	25	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1)	-	25	25	0.00%	-	25	25	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	231,074	1,312	232,386	0.93%	328,051	1,312	329,363	1.31%	0.38%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,063,329	152,840	2,216,169	8.84%	2,319,854	147,505	2,467,359	9.80	0.96%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	618,326	-	618,326	2.47%	595,910	-	595,910	2.37 %	(0.10%)
c) Others (specify)									
Non-Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	627,669	17,000	644,669	2.57%	420,824	17,000	437,824	1.74%	(0.83%)
Foreign Nationals	189,671	16,000	205,671	0.82%	103,243	16,000	119,243	0.47%	(0.35%)
Clearing Members	56,333	-	56,333	0.22%	19,9435	-	199,435	0.79%	0.57%
Trusts	1,236,008	-	1,236,008	4.93%	1,236,008	-	1,236,008	4.91%	(0.02)
Foreign Bodies	3,421,780	261,747	3,683,527	14.70%	3,295,280	-	3,295,280	13.09%	(1.61%)
LLP/Partnership Firm	-	-	-	0.00%	50,550	-	50,550	0.20%	0.20%
NBFC Registered with RBI	-	-	-	0.00%	10,500	-	10,500	0.04%	0.04%
Sub-total (B)(2)	8,444,190	448,899	8,893,089	35.48%	8,559,655	181,817	8,741,472	34.73%	(0.76%)
Total Public (B)	8,444,190	448,924	8,893,114	35.48%	8,559,655	181,842	8,741,497	34.73%	(0.76%)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	24,614,047	448,924	25,062,971	100.00%	24,729,512	443,589	25,173,101	100.00%	0.00%

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	EMBTech HOLDINGS LIMITED	16,169,857	64.52%	NIL	16,431,604	65.27%	NIL	0.76%

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

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			16,169,857	64.23%	16,169,857	64.23%
	Changes during the year	30-11-15		261,747	1.04%	16,431,604	65.35%
	At the end of the year			16,431,604	65.27%	16,431,604	65.27%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters' and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: FIRST ASIAN INVESTMENTS SA						
	At the beginning of the year			1,390,569	5.55%	1,390,569	5.55%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,390,569	5.52%	1,390,569	5.52%
2	Name: BANCO EFISA S.A.						
	At the beginning of the year			1,229,211	4.90%	1,229,211	4.90%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,229,211	4.88%	1,229,211	4.88%
3	Name: RAVI PRASAD THANTRY						
	At the beginning of the year			820,008	3.27%	820,008	3.27%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			820,008	3.26%	820,008	3.26%
4	Name: TADHAMON INTERNATIONAL ISLAMIC BANK						
	At the beginning of the year			802,000	3.20%	802,000	3.20%
	Changes during the year	29-01-2016	Transfer	(10,000)	0.04%	792,000	3.15%
	Changes during the year	05-02-2016	Transfer	(22,000)	0.09%	770,000	3.06%
	Changes during the year	12-02-2016	Transfer	(4,000)	0.02%	766,000	3.04%
	Changes during the year	11-03-2016	Transfer	(30,000)	0.12%	736,000	2.92%
	Changes during the year	18-03-2016	Transfer	(22,581)	0.09%	713,419	2.83%
	Changes during the year	25-03-2016	Transfer	(15,419)	0.06%	698,000	2.77%
	Changes during the year	31-03-2016	Transfer	(22,500)	0.09%	675,500	2.68%
	At the end of the year			675,500	2.68%	675,500	2.68%
5	Name: MINDTECK EMPLOYEES WELFARE TRUST						
	At the beginning of the year			416,000	1.66%	416,000	1.66%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			416,000	1.65%	416,000	1.65%
6	Name: INFOTECH VENTURES LTD						
	At the beginning of the year			261,747	1.04%	261,747	1.04%
	Changes during the year	30-11-15	Transfer	(261,747)	1.04%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	Name: HARJIT KAUR JOHAL						
	At the beginning of the year			244,831	0.98%	244,831	0.98%
	Changes during the year	11-12-2015	Transfer	(187,871)	0.75%	56,960	0.23%
	Changes during the year	18-12-2015	Transfer	(56,960)	0.23%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

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: MAHESH THARANI						
	At the beginning of the year			200,971	0.80%	200,971	0.80%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200,971	0.80%	200,971	0.80%
9	Name: ATUL AMRITLAL MEHTA						
	At the beginning of the year			144,236	0.57%	144,236	0.57%
	Changes during the year	22/05/2015	Transfer	(1,500)	0.01%	142,736	0.57%
	Changes during the year	05/06/2015	Transfer	(4,067)	0.02%	138,669	0.55%
	Changes during the year	12/06/2015	Transfer	(933)	0.00%	137,736	0.55%
	Changes during the year	19/06/2015	Transfer	(4,094)	0.02%	133,642	0.53%
	Changes during the year	26/06/2015	Transfer	(517)	0.00%	133,125	0.53%
	Changes during the year	30/06/2015	Transfer	(905)	0.00%	132,220	0.53%
	Changes during the year	10/07/2015	Transfer	(3,500)	0.01%	128,720	0.51%
	Changes during the year	24/07/2015	Transfer	(500)	0.00%	128,220	0.51%
	Changes during the year	31/07/2015	Transfer	(2,500)	0.01%	125,720	0.50%
	Changes during the year	14/08/2015	Transfer	(2,950)	0.01%	122,770	0.49%
	Changes during the year	21/08/2015	Transfer	(6,500)	0.03%	116,270	0.46%
	Changes during the year	28/08/2015	Transfer	(10,826)	0.04%	105,444	0.42%
	Changes during the year	04/09/2015	Transfer	(4,203)	0.02%	101,241	0.40%
	Changes during the year	11/09/2015	Transfer	(18,868)	0.07%	82,373	0.33%
	Changes during the year	18/09/2015	Transfer	(14,128)	0.06%	68,245	0.27%
	Changes during the year	25/09/2015	Transfer	(7,400)	0.03%	60,845	0.24%
	Changes during the year	30/09/2015	Transfer	(2,500)	0.01%	58,345	0.23%
	Changes during the year	09/10/2015	Transfer	(1,986)	0.01%	56,359	0.22%
	Changes during the year	16/10/2015	Transfer	(1,000)	0.00%	55,359	0.22%
	Changes during the year	23/10/2015	Transfer	(3,500)	0.01%	51,859	0.21%
	Changes during the year	30/10/2015	Transfer	(1,500)	0.01%	50,359	0.20%
	Changes during the year	06/11/2015	Transfer	(6,750)	0.03%	43,609	0.17%
	Changes during the year	13/11/2015	Transfer	(4,466)	0.02%	39,143	0.16%
	Changes during the year	20/11/2015	Transfer	(2,500)	0.01%	36,643	0.15%
	Changes during the year	04/12/2015	Transfer	(1,700)	0.01%	34,943	0.14%
	Changes during the year	11/12/2015	Transfer	(2,500)	0.01%	32,443	0.13%
	Changes during the year	25/12/2015	Transfer	(1,000)	0.00%	31,443	0.12%
	Changes during the year	31/12/2015	Transfer	(500)	0.00%	30,943	0.12%
	Changes during the year	15/01/2016	Transfer	(6,000)	0.02%	24,943	0.10%
	Changes during the year	22/01/2016	Transfer	(6,100)	0.02%	18,843	0.07%
	Changes during the year	05/02/2016	Transfer	(500)	0.00%	18,343	0.07%
	Changes during the year	19/02/2016	Transfer	(300)	0.00%	18,043	0.07%
	At the end of the year			18,043	0.07%	18,043	0.07%
10	Name: ABDUL HABIB ALLIMAHOMED						
	At the beginning of the year			106,888	0.43%	106,888	0.43%
	Changes during the year	20-11-2015	Transfer	(50,000)	0.20%	56,888	0.23%
	Changes during the year	27-11-2015	Transfer	(8,000)	0.03%	48,888	0.19%
	Changes during the year	04-12-2015	Transfer	(17,184)	0.07%	31,704	0.13%
	Changes during the year	11-12-2015	Transfer	(11,044)	0.04%	20,660	0.08%
	At the end of the year			20,660	0.08%	20,660	0.08%
11	Name: BASSAM MAHMOUD K JABR						
	At the beginning of the year			82,583	0.33%	82,583	0.33%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			82,583	0.33%	82,583	0.33%
12	Name: GOPAL DHALUMAL						
	At the beginning of the year			77,159	0.31%	77,159	0.31%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			77,159	0.31%	77,159	0.31%
13	Name: NIRANKAR ADVISOR LLP						
	At the beginning of the year			NIL	0.00%	NIL	0.00%
	Changes during the year	05-02-2016	Transfer	50,550	0.20%	-	-
	At the end of the year			50,550	0.20%	50,550	0.20%
14	Name: MANISHA LALIT SHAH						
	At the beginning of the year			NIL	0.00%	NIL	0.00%
	Changes during the year	13-11-2015	Transfer	2,000	0.01%	2,000	0.01%
	Changes during the year	04-12-2015	Transfer	(1,000)	0.00%	1,000	0.00%
	Changes during the year	05-02-2016	Transfer	22,500	0.09%	23,500	0.09%
	Changes during the year	11-03-2016	Transfer	29,613	0.12%	53,113	0.21%
	At the end of the year			53,113	0.21%	53,113	0.21%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: YUSUF LANEWALA						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
2	Name: MEENAZ DHANANI						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
3	Name: NARAYAN AMBAT MENON						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
4	Name: JAVED GAYA						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
5	Name: JAGDISH MALKANI						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
6	Name: PROCHIE MUKHERJI						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	Name: ANAND BALAKRISHNAN						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
8	Name: SHIVARAMA ADIGA						
	At the beginning of the year			2,800	0.01%	2,800	0.01%
	Changes during the year	10-04-2015	Transfer	(1,200)	0.00%	1,600	0.00%
	Changes during the year	20-10-2015	Transfer	(900)	0.00%	700	0.00%
	Changes during the year	13-11-2015	Transfer	3,400	0.01%	4,100	0.01%
	Changes during the year	27-11-2015	Transfer	(700)	0.00%	3,400	0.01%
	Changes during the year	12-02-2016	Transfer	3,000	0.01%	6,400	0.02%
	At the end of the year			6,400	0.02%	6,400	0.02%

V. INDEBTEDNESS

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

(Amt. Rs)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Yusuf Lanewala	Meenaz Dhanani	(Rs)
	Designation	Chairman and Managing Director	Executive Director*	
1	Gross salary	8,176,695	-	8,176,695
	(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	1,575,000	-	1,575,000 -
5	Others, please specify	-	-	-
	Total (A)	9,751,695	-	9,751,695
	Ceiling as per the Act	7,243,137	7,243,137	14,486,274

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

**Commission paid during the year pertaining to FY 2014-15

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Javed Gaya	Narayan Menon	Jagdish Malkani	Prochie Mukerji	(Rs)
1	Independent Directors					
	Fee for attending board committee meetings	360,000	180,000	360,000	150,000	1,050,000
	Commission*	475,000	475,000	475,000	-	1,425,000
	Others, please specify	-	-	-	-	-
	Total (1)	835,000	655,000	835,000	150,000	2,475,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1 + 2)	835,000	655,000	835,000	150,000	2,475,000
	Total Managerial Remuneration	-	-	-	-	12,226,695
	Overall Ceiling as per the Act	-	-	-	-	15,934,901

*Commission paid during the year pertaining to FY 2014-15

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	-	Anand Balakrishnan	Shivarama Adiga S.	(Rs)
	Designation	CEO*	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	5,034,717	3,119,236	8,153,953
	(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	16,000 options	26,000 options
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify			-	-
5	Others, please specify	-	-	-	-
	Total	-	5,034,717	3,119,236	5,236,852

* 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

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

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>14.2</td></tr></table>	Name of the Director	Ratio to the Median	Yusuf Lanewala	14.2																
Name of the Director	Ratio to the Median																				
Yusuf Lanewala	14.2																				
(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 & KMP</td><td>% increase</td></tr><tr><td>Yusuf Lanewala, CMD</td><td>NIL</td></tr><tr><td>Anand Balakrishnan, KMP</td><td>9%</td></tr><tr><td>Shivarama Adiga S., KMP</td><td>17%</td></tr></table>	Name of the Director & KMP	% increase	Yusuf Lanewala, CMD	NIL	Anand Balakrishnan, KMP	9%	Shivarama Adiga S., KMP	17%												
Name of the Director & KMP	% increase																				
Yusuf Lanewala, CMD	NIL																				
Anand Balakrishnan, KMP	9%																				
Shivarama Adiga S., KMP	17%																				
(III) The percentage increase in the median remuneration of employees in the financial year;	6.5%																				
(IV) The number of permanent employees on the rolls of Company;	The total no. of Mindteck employees as on March 31, 2016 was 628.																				
(V) The explanation on the relationship between average increase in remuneration and Company performance;	The increase in the Company's profit after tax for the financial year 2015-16 over 2014-15 was 2.03% and the average increase given to employees was 8%. Remuneration increase is based on merit/performance of individual employees and 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 1.84% 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>2015**</td><td>2016**</td></tr><tr><td>Share Price</td><td>45.60</td><td>63.90</td><td>82.40</td></tr><tr><td>No. of equity shares</td><td>9,725,564</td><td>25,062,971</td><td>25,173,101</td></tr><tr><td>PE Ratio</td><td>16.34</td><td>13.92</td><td>25.20</td></tr><tr><td>Market Capitalization (In Rs.)</td><td>443,485,718</td><td>1,601,523,847</td><td>2,074,263,522</td></tr></table> <p>* The Company's last public offer was in February 2002 at a price of Rs. 25 (including premium of Rs. 15 per share) on Right Issue basis. Share Price and Number of Equity shares are as on June 30, 2002.</p> <p>** Share Price and Number of Equity shares are as on March 31.</p>	Particulars	2002*	2015**	2016**	Share Price	45.60	63.90	82.40	No. of equity shares	9,725,564	25,062,971	25,173,101	PE Ratio	16.34	13.92	25.20	Market Capitalization (In Rs.)	443,485,718	1,601,523,847	2,074,263,522
Particulars	2002*	2015**	2016**																		
Share Price	45.60	63.90	82.40																		
No. of equity shares	9,725,564	25,062,971	25,173,101																		
PE Ratio	16.34	13.92	25.20																		
Market Capitalization (In Rs.)	443,485,718	1,601,523,847	2,074,263,522																		

(VIII) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>Average percentage increase was 6.5% for all the employees and for managerial personnel in the financial year 2015-16.</p> <p>Remuneration increase is based on merit performance of individual employees and market benchmark data.</p>								
(IX) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;	<table border="1"> <thead> <tr> <th>Key Managerial Personnel</th><th>% of Revenue</th></tr> </thead> <tbody> <tr> <td>Yusuf Lanewala</td><td>0.94%</td></tr> <tr> <td>Anand Balakrishnan</td><td>0.55%</td></tr> <tr> <td>Shivarama Adiga S.</td><td>0.34%</td></tr> </tbody> </table>	Key Managerial Personnel	% of Revenue	Yusuf Lanewala	0.94%	Anand Balakrishnan	0.55%	Shivarama Adiga S.	0.34%
Key Managerial Personnel	% of Revenue								
Yusuf Lanewala	0.94%								
Anand Balakrishnan	0.55%								
Shivarama Adiga S.	0.34%								
(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-8

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES


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


1.	A brief outline of the Company's CSR Policy, including 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"> • Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects. • Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. • Any other CSR activities as per Companies Act, 2013 and approved by the Board from time to time. <p>(Weblink: http://www.mindteck.com/pdf/policies/CSR_Policy.pdf)</p>
2.	Composition of CSR Committee	<p>Yusuf Lanewala – Chairman (Chairman and Managing Director)</p> <p>Javed Gaya – Member (Independent Director)</p> <p>Jagdish Malkani – Member (Independent Director)</p>
3.	Average net profit of the Company for last three financial years	Rs. 136,481,690
4.	Prescribed CSR expenditure (2% of the average net profit as computed above)	Rs. 2,729,634
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. 2,750,000</p> <p>Amount unspent: NIL</p>	<p>Bangalore Indiranagar Rotary Trust provides infrastructure improvement as well as educational and extracurricular activities for Government Girls High School and Government PU College for Girls 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 to extracurricular activities and improving sanitation facilities	Hoskote, Bengaluru, Karnataka	Rs. 2,250,000	Direct Expenditure on project	Rs. 2,250,000	Through Bangalore Indiranagar Rotary Trust
2	Samarathanam Trust for the Disabled	Skill set improvement for visually-impaired, disabled and underprivileged people	HSR Layout, Bengaluru, Karnataka	Rs. 500,000	Direct Expenditure on project	Rs. 500,000	Direct

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

Place: Bengaluru, India
Date: May 20, 2016


Yusuf Lanewala
Chairman and Managing Director
(DIN-01770426)


Yusuf Lanewala
Chairman of the CSR Committee
(DIN-01770426)

Annexure-9

Corporate Identity No: L30007KA1991PLC039702

Nominal Capital: Rs. 33,00,00,000.00

To,

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

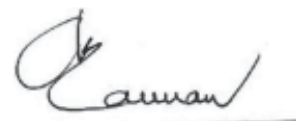
CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

I have examined all the relevant records of Mindteck (India) Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, Mumbai, for the period from 1st April 2015 to 30th November 2015 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December 2015 to 31st March 2016.

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

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

Bengaluru, India
Date: 10th May 2016



S KANNAN

Company Secretary
FCS No. 6261
C P No.: 13016

Annexure-10

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

1. CONSERVATION OF ENERGY

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

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

Conservation of Energy:

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

Waste Management:

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

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

2. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Technology Absorption:

(i) The efforts made towards technology absorption:

- Mindteck has developed technologies on its own in the areas of IoT and Smart Cities and has not absorbed any technologies from external sources.

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

- Development of homegrown technologies in IoT and Smart City space has helped in reducing the solution costs, delivery timelines and helped in import substitution.

(ii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) – Not Applicable

3. FOREIGN EXCHANGE EARNINGS AND 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, 2016	Year ended March 31, 2015
Earnings	565,947,725	652,361,592
Expenditure	20,841,370	11,136,395

for and on behalf of the Board of Directors



Yusuf Lanewala

Chairman and Managing Director
(DIN-01770426)

Bengaluru, India

Date: May 20, 2016

Corporate Governance Report

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

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

Accordingly, Mindteck complies with Corporate Governance as per SEBI (LODR) and a report in terms of the above regulations, containing the details of the Corporate Governance and processes 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.

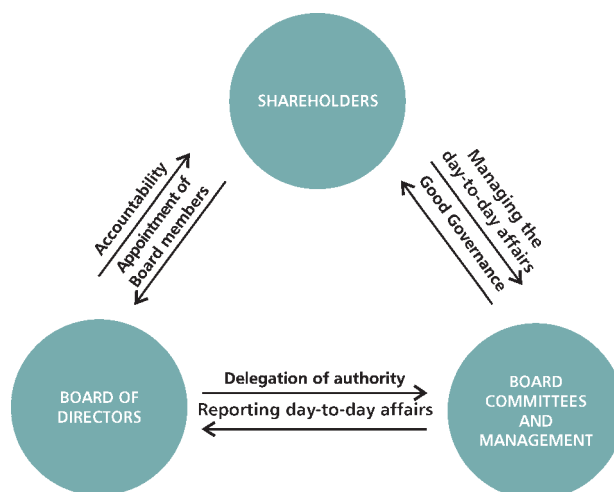
The Management aims to achieve its objective of increasing stakeholders' value while consistently observing the norms laid down in the Code of Corporate Governance. The Management has institutionalized Corporate Governance at all levels within the Company in order to ensure transparency, good practices 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 and processes. The day-to-day implementation and monitoring of these policies, guidelines and processes rest with the management of the Company, and are in consonance with the requirements of the Companies Act, 2013, Listing Agreement and applicable SEBI Regulations, including SEBI (LODR). Keeping in view the Company's size, complexity, global operations and corporate traditions, Mindteck has adopted the following main principles and philosophies:

- (i) Constitution of the Board of the Company and Committees of Directors of appropriate composition, size and expertise.

- (ii) Complete transparency in the operations of the Company.
- (iii) Maintaining prescribed levels of disclosure and complete openness in communication.
- (iv) Independent verification and safeguarding integrity of the Company's financial reporting.
- (v) A sound system of risk management and internal control.
- (vi) Timely and balanced disclosure of all material information concerning the Company to its stakeholders.
- (vii) A system to ensure compliance with applicable laws of all countries in which the Company operates.
- (viii) Maintenance of high standards of safety and health.
- (ix) Adherence to good governance practices in spirit and not just in letter.

II THE GOVERNANCE STRUCTURE AT MINDTECK



The governance mechanism adopted at Mindteck:

- (i) The Board is appointed by the shareholders and is vested with the responsibility of conducting the affairs of the Company with the objective of maximizing of returns to all stakeholders.
- (ii) The Board is responsible for the overall vision, strategy and good 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 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 the Corporate Governance practice and oversees how the

Management serves and protects the long-term interests of all stakeholders of the Company. The Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors, including a woman Director, with considerable experience in their respective fields to maintain the independence of the Board and to separate the functions of the Board from the management of the Company. There is a clear demarcation in the roles and responsibilities of the Chairman and the Board.

As at March 31, 2016 the Company had six Directors, of which four Directors are Independent, as defined in the Companies

Act, 2013 and Regulation 16(1) (b) of SEBI (LODR). The Chairman and Managing Director manage the day-to-day affairs of the Company. The Board periodically evaluates the need for change in its composition and size. None of the Directors of the Company are related inter se.

No Directors of the Company hold directorships more than the statutory limit as prescribed under the Companies Act, 2013 and SEBI (LODR). Thus, none of the Directors on the Board are members of more than ten Committees or act as Chairman of more than five Committees across all companies in which they are Directors.

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	62	NIL	-	1	-	-
Mr. Meenaz Dhanani	Executive Director	59	NIL	-	-	-	-
Mr. Javed Gaya	Independent Director	60	NIL	-	7	-	-
Mr. Narayan A. Menon	Independent Director	67	NIL	-	-	-	-
Mr. Jagdish Malkani	Independent Director	60	NIL	-	2	-	-
Ms. Prochie Sanat Mukherji	Independent Director	67	NIL	-	-	-	-
Mr. Guhan Subramaniam ⁽¹⁾	Independent Director	62	NIL	-	1	-	-

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

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

(1) Appointed as an Independent Director w.e.f May 20, 2016 subject to the approval of the Shareholders at the Annual General Meeting of 2016.

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

Pursuant to Regulation 25 (3) of SEBI (LODR), the Independent Directors of the Company met once in the FY 2015-16.

Broad Definition of Independent Directors:

The Company has defined the independence as stipulated under Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR). Accordingly, an Independent Director means a person who is not an officer or an 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 and Company Secretary make presentations on business models, nature of industry and its dynamism, the roles, responsibilities and liabilities of Independent Directors, etc. Further, business updates, statutory law updates and industry updates are made available to Independent Directors especially to the Audit Committee members on an ongoing basis by internal teams, and by the Statutory and Internal Auditors on a quarterly basis.

(Weblink: <http://www.mindteck.com/pdf/IDFP050515.pdf>).

Board Meetings:

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

The Board met four times in the financial year 2015-2016:- May 29, 2015, August 10, 2015, November 13, 2015 and February 12, 2016.

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.

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

Name of the Director	No. of Board Meetings during FY 2015-16		Whether attended last AGM held on August 11, 2015	Sitting fees for Board and Committee meetings (in Rs.)
	Held	Attended		
Mr. Yusuf Lanewala	4	3	Yes	NIL
Mr. Meenaz Dhanani	4	2	No	NIL
Mr. Javed Gaya	4	4	Yes	3,60,000
Mr. Narayan A. Menon	4	2	No	1,80,000
Mr. Jagdish Malkani	4	4	Yes	3,60,000
Ms. Prochie Sanat Mukherji	4	3	Yes	1,50,000
Mr. Guhan Subramaniam ⁽¹⁾	4	-	No	NIL

(1) Appointed as an Independent Director w.e.f. May 20, 2016 subject to the approval of the Shareholders at the Annual General Meeting, 2016.

Non-Executive/Independent Directors' remuneration:

The members at the Annual General Meeting of the Company on August 14, 2014, approved the payment of profit-related commission to the Non-Executive Directors including Independent Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The fees/compensation paid to Non-Executive/Independent Directors is fixed by the Board of Directors. The compensation is within the limits prescribed under the Companies Act, 2013. The remuneration paid to Independent Directors of the Company pertaining to FY 2014-15 is annexed to the Board's Report. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings. The criteria for making payments to Non-Executive/Independent Directors are as per the Nomination and Remuneration Policy adopted by the Company which is displayed on the website of the Company.

(Weblink: http://www.mindteck.com/pdf/policies/Nomination_Remuneration_Policy.pdf)

Shares and convertible instruments held by Non-Executive/Independent Directors:

None of the Non-Executive/Independent Directors hold shares or any convertible instruments in the Company.

Remuneration to Chairman & Managing Director and Executive Directors:

The detailed remuneration paid to Mr. Yusuf Lanewala, Chairman & Managing Director and Mr. Meenaz Dhanani, Executive Director are provided in para VI of **Annexure 6** in the Board's Report. The Company had executed formal service contract with Mr. Yusuf Lanewala, Chairman & Managing Director and Mr. Meenaz Dhanani, Executive Director with a notice period of 3 months and 60 days respectively.

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 & 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 for the Board Meetings. 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 financial results of 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 of the Company and its subsidiaries.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including the appointment or removal of the Chief Financial Officer and the Company Secretary.
- 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, such as 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 or violation 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 Part A of Schedule II of SEBI (LODR) has been made available to the Board. The Company's Board reviews and takes on record the statutory compliance reports submitted by the Company's Management on a quarterly basis. In case of business exigencies, resolutions of the Board are passed by circulation. In addition to the above, the Company has complied all Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI (LODR).

Recording minutes of proceedings at Board and Committee Meetings:

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

Post meeting follow up mechanism:

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

B. GOVERNANCE BY COMMITTEES OF THE BOARD OF DIRECTORS

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

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee

- (iv) Corporate Governance Committee
- (v) Corporate Social Responsibility Committee
- (vi) Risk Management Committee

(i) Audit Committee

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

(a) Composition:

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 FY 2015-16.

(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 fees, 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) Discussion with external auditors, before the audit commences about the nature and scope of the audit and 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 Whistleblower 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, 2015, August 10, 2015, November 13, 2015 and February 12, 2016. The approved minutes of the meetings were placed before the Board at the succeeding Board Meeting for information.
- Attendance Record in Audit Committee Meetings held during the year is as follows:
- | Table No. 03
Members | No of meetings | |
|--------------------------------|----------------|----------|
| | Held | Attended |
| Mr. Narayan A. Menon, Chairman | 4 | 2 |
| Mr. Javed Gaya | 4 | 4 |
| Mr. Yusuf Lanewala | 4 | 3 |
| 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 SEBI (LODR).
- (iii) To review performance and determine the remuneration payable to Executive Directors.

- (iv) Establishment and administration of employee compensation and benefit plans.
- (v) To decide and make suitable recommendations to the Board on any other matter that the Board may entrust to the Committee with or as may be required by any statutes/regulations/guidelines/listing agreements, etc.

(c) Meetings:

The Committee held four meetings during the year: May 29, 2015, August 10, 2015, November 13, 2015 and February 12, 2016.

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	2
Mr. Jagdish Malkani	4	4

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

(e) Evaluation criteria for Board of Directors:

The Board along with Nomination and Remuneration Committee laid down the evaluation criteria for the performance of Executive and Non-Executive Directors, including Independent Directors through their peer evaluation. Every Board member evaluates the effectiveness of the Board dynamics and Relationships, Company performance strategy and the overall effectiveness of the Board and its Committees. During the year, the Committee identified and provided training and education programs to ensure that the Non-Executive Directors are provided with adequate information regarding the business, the industry, and their roles and responsibilities.

In addition to the above, Independent Directors are evaluated based on few key performance indicators such as:

- The ability to adopt international best practices to address risk and challenges
- Ability to monitor corporate governance practices.
- Commitment to fulfill the obligations and responsibilities.
- Active participation in long-term strategic planning.

(iii) Stakeholders Relationship Committee

(a) Composition:

Javed Gaya, Chairman (Independent Director)

Yusuf Lanewala, Member (Chairman and Managing Director)

Jagdish Malkani, Member (Independent Director)

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

(b) Powers/Roles:

The Stakeholders Relationship Committee approves the transfer of shares, issue of split and duplicate share certificates, etc. The Committee also oversees redressal of the shareholders' grievances/complaints and compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Committee has delegated the power of transfer of shares to the Company Secretary and to Universal Capital Securities Pvt. Ltd, the Company's Registrar and Share Transfer Agent, 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:

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

Report of Investor Complaints received and disposed of during year ended March 31, 2016:

Table No. 05	No. of cases outstanding as on April 01, 2015	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2016
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 and aim to achieve highest levels of transparency, accountability and equity in all facets of operations and transactions in pursuit of increased value to stakeholders.

(c) Terms of reference of the Corporate Governance Committee:

- (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

(a) Composition:

Yusuf Lanewala, Chairman (Chairman and Managing Director)

Javed Gaya, Member (Independent Director)

Jagdish Malkani, Member (Independent Director)

(b) Objective:

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

(c) Terms of reference of the Corporate Social Responsibility Committee:

- 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

(d) Meetings:

During the year, the committee did not meet but passed Circular Resolutions.

(vi) Risk Management Committee

(a) Composition:

Yusuf Lanewala, Chairman (Chairman and Managing Director)

Meenaz Dhanani, Member (Executive Director)

Anand Balakrishnan, Member (Chief Financial Officer)

(b) Objective:

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

(c) Terms of reference of the Risk Management Committee:

- i. Maximization of stakeholders' wealth.
- ii. Promote an innovative and a less risk-averse culture.
- iii. Encourage managers to take well-informed and calculated 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 risk elements.
- vii. Implement suitable strategies to mitigate such risk.

(d) Meetings:

The Committee held two meetings during the year- July 22, 2015 and January 12, 2016. The Minutes were placed before the Board at the following Board Meeting for information. Quorum was present at the meetings.

Attendance Record in Risk Management Committee meetings held during the year is as follows:

Table No. 06 Members	No of meetings	
	Held	Attended
Mr. Yusuf Lanewala, Chairman	2	2
Mr. Meenaz Dhanani	2	-
Mr. Anand Balakrishnan	2	2

(e) Commodity price risk or foreign exchange risk and hedging activities:

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

C. GOVERNANCE BY MANAGEMENT

Other Disclosures:

Related Party Transactions:

During the year 2015-16, no materially significant related party transactions were entered into by the Company with the Directors or management or their relatives that may have a potential conflict with the interest of the Company at large. The details of the transactions with subsidiaries at arm's length basis are separately shown in Annexure to Board's Report and Notes to accounts 3.16 of the Financials as at March 31, 2016. The Company's Related Party Transactions Policy is displayed on its website.

(weblink: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 except the amount of Rs. 57,000 (inclusive of Service Tax) paid by the Company for delay in the appointment of Woman Director.

COMPLIANCE CERTIFICATES:

Certificate on Corporate Governance:

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

CEO and CFO Certificate:

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

Code of Business Conduct and Ethics:

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

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 Board's Report as **Annexure-1**.

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

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

- Constituted Corporate Governance Committee
- Constituted Risk Management Committee
- Unmodified Audit Report
- Internal Auditor directly reports to Audit Committee.

Policies and Best Practices:

Mindteck has formulated various policies and procedures in accordance with the requirements of the Companies Act, 2013, SEBI(LODR) 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 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 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, 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.

Whistleblower:

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

Material Subsidiaries:

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

Policy for Determining Material Information

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

(Weblink:<http://www.mindteck.com/pdf/policies/Policy-for-Determining-Material-Information.pdf>)

Document Retention and Archival Policy

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

(Weblink:<http://www.mindteck.com/pdf/policies/Document-Retention-and-Archival-Policy.pdf>)

Internal Auditor:

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

Software Development Centers:

Bengaluru, India:

- 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 the
website: 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

For queries relating to shares/dividend/compliance:

Shivarama Adiga S.

Vice President, Legal and Company Secretary
Tel: 91 80 4154 8000 Extn. 8013
Email: shivarama.adiga@mindteck.com

Address of Registrar and Transfer Agent:

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

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 9019-22
Email: sebi@sebi.gov.in

Registrar of Companies, Karnataka

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

BSE 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, Senapati Bapat Marg
Lower Parel, Mumbai – 400 013, India
Tel: 91 22 2499 4200
Fax: 91 22 2497 6351
Email: info@nsdl.co.in

Central Depository Services (India) Limited

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

D. INFORMATION FOR SHAREHOLDERS

Corporate Profile:

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

Forthcoming Annual General Meeting (AGM):

AGM for the year 2015 -16 is scheduled on Thursday, August 11, 2016 at 12:00 Noon. at Hotel Woodlands, "Sri Krishna Hall" No-5, Rajaram Mohan Roy Road, Bengaluru - 560 025.

Location and time of the last three AGMs held:

Table No. 07		
Date of AGM	Time of AGM	Location
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
August 11, 2015	12.00 Noon	Hotel Woodlands, "Mini 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. 08

September 27, 2013	Appointment and payment of remuneration of Mr. Yusuf Lanewala as Managing Director and Group CEO
August 14, 2014	<ol style="list-style-type: none"> 1. Appointment and Payment of Remuneration to Mr. Dayananda Shetty as an Executive Director of the Company 2. Appointment and Payment of Remuneration to Mr. Meenaz Dhanani as an Executive Director of the Company 3. Re-Appointment and Payment of Remuneration to Mr. Yusuf Lanewala as Managing Director and CEO of the Company 4. Appointment of Mr. Javed Gaya as an Independent Director 5. Payment of Profit-related Commission to Non-Executive Directors, including Independent Directors 6. Introduction of Mindteck Employees Stock Option Scheme 2014 to the employees of the Company 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
August 11, 2015	Payment of Profit related Commission to Mr. Yusuf Lanewala, Chairman and Managing Director.

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

Financial Year: April 01, 2015 to March 31, 2016

Book Closure dates for the forthcoming AGM:

August 05, 2016 to August 11, 2016 (both days inclusive).

The Company's equity shares are listed on the BSE Limited ('BSE') as at March 31, 2016 and Scrip code is "517344".

The Annual Listing fee for the year 2016-17 has been paid by the Company to BSE Limited. The Annual Custodial fee for the year 2016-17 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, 2016.

Share Transfer System:

The Company's Registrar and Share Transfer Agent, Universal Capital Securities Pvt. Ltd., 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 Limited. 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 FY 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2015-16 attached to the Board's Report as **Annexure-5**.

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

Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 98.24% of the Company's equity share capital are dematerialized as on March 31, 2016. The Company continues to facilitate requests for dematerialization of shares on a regular basis and the request can be routed through RTA, Universal Capital Securities Private Limited. Under the Depository system, the International Securities Identification Number (ISIN) allotted to Mindteck shares is INE110B01017.

Shareholding Pattern as on March 31, 2016:

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

Distribution of Shareholding as on March 31, 2016:

Table No. 09	As on March 31, 2016				As on March 31, 2015			
Range	Shareholders		Shares		Shareholders		Shares	
No. of Shares	Numbers	% to Total	Numbers	% to Total	Numbers	% to Total	Numbers	% to Total
1 – 500	8,916	88.90	833,865	3.31	7,911	89.36	695,256	2.77
501 – 1,000	527	5.25	429,507	1.71	451	5.09	383,493	1.53
1,001 – 2,000	262	2.61	395,513	1.57	220	2.48	337,768	1.35
2,001 – 3,000	97	0.97	247,968	0.98	93	1.05	239,264	0.96
3,001 – 4,000	52	0.52	183,683	0.73	39	0.44	137,442	0.58
4,001 – 5,000	31	0.31	147,171	0.59	37	0.42	173,074	0.69
5,001 –10,000	88	0.88	641,393	2.55	58	0.66	460,072	1.83
10,001 & above	56	0.56	22,294,001	88.56	44	0.50	22,636,602	90.32
Total	10,029	100.00	25,173,101	100.00	8,853	100.00	25,062,971	100.00

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. 10	Dividend Year	Type of Dividend	Dividend Rate	Date of Declaration	Due Date for Transfer to IEPF	Amount Unclaimed ⁽¹⁾ Rs.
	2013-14	Final Dividend	10%	14-08-2014	18-10-2021	111,960.00
	2014-15	Final Dividend	10%	11-08-2015	15-10-2022	108,848.00

(1) Amount unclaimed as at March 31, 2016

The Shareholders may write to 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 last AGM i.e. August 11, 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 2015-16 Rs. 46,093 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) and Hosadigantha (Bengaluru Edition-Kannada) newspapers during the year ended March 31, 2016. The results have also been submitted to the BSE Limited 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 website: (www.mindteck.com).

(iii) Website:

The Company's website 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, 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 21.04.2011 and Circular No. 18/2011 dated April 29, 2011) by allowing paperless compliances by Companies through electronic mode. As per Regulation 36 (1) (a) of the SEBI (LODR) soft copies of full annual report shall be sent to all those shareholder(s) who have registered their email address(es) for the purpose. Thus, Companies are now permitted to send various notices/documents, including Annual Reports, to its shareholders through electronic mode. We request all

shareholders to be a part of this "Green Initiative" by updating their email IDs for all future correspondence with their respective DPs (for shares held in Demat form) or to the email ID of RTA, Universal Capital Securities Private Limited by sending an email to mindteck.investors@uniseq.in 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 through e-mail.

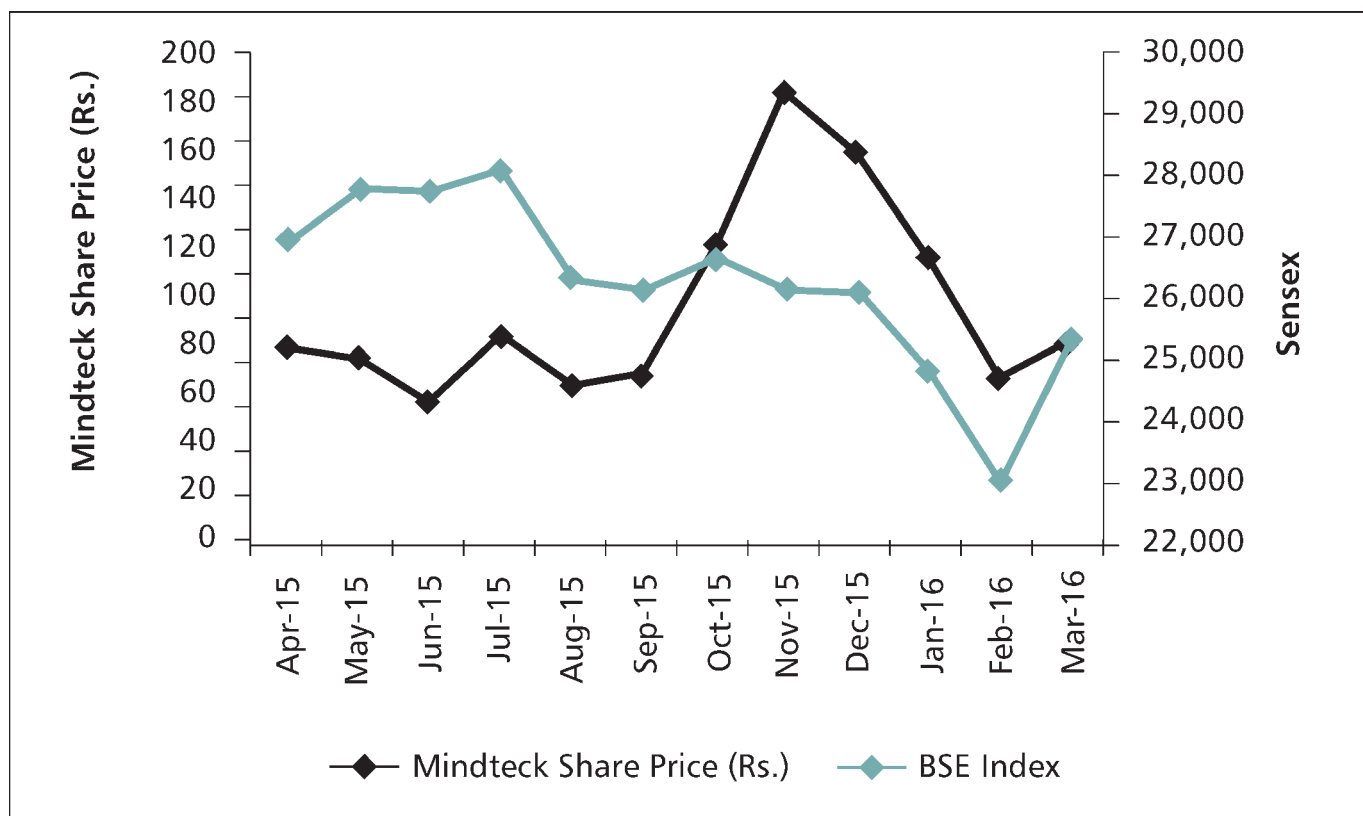
Market Price Data: High/Low of Company's equity shares on the BSE Limited, Mumbai during each month in the year ended March 31, 2016:

Table No. 11	Sensex		Share Price		Trade	
Month	High	Low	High Rs.	Low Rs.	No. of shares traded	Value Rs.
April 2015	29,094.61	26,897.54	108.40	64.15	1,218,515	108,002,092
May 2015	28,071.16	26,423.99	86.00	71.10	250,732	19,744,509
June 2015	27,968.75	26,307.07	76.00	55.60	402,881	25,421,470
July 2015	28,578.33	27,416.39	86.05	57.00	839,066	60,307,508
August 2015	28,417.59	25,298.42	90.90	59.00	628,543	48,633,878
September 2015	26,471.82	24,833.54	73.90	54.00	357,745	22,505,235
October 2015	27,618.14	26,168.71	135.65	66.00	2,205,835	230,621,210
November 2015	26,824.30	25,451.42	194.00	100.10	2,568,960	375,925,274
December 2015	26,256.42	24,867.73	190.00	135.00	1,621,474	266,120,677
January 2016	26,197.27	23,839.76	175.90	112.30	1,086,799	151,245,808
February 2016	25,002.32	22,494.61	123.70	67.30	1,035,792	93,511,651
March 2016	25,479.62	23,133.18	91.90	64.70	795,789	64,103,660

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

Table No. 12	Month	Closing share price on month's last trading day (Rs.)	BSE Index	BSE IT Index
	April 2015	80.35	27,011.31	10,410.98
	May 2015	77.00	27,828.44	10,910.45
	June 2015	57.25	27,780.83	10,449.45
	July 2015	85.80	28,114.56	11,072.67
	August 2015	65.35	26,283.09	11,161.34
	September 2015	68.65	26,154.83	11,577.86
	October 2015	122.10	26,656.83	11,263.78
	November 2015	185.80	26,145.67	10,950.02
	December 2015	160.40	26,117.54	11,061.31
	January 2016	117.90	24,870.69	11,165.05
	February 2016	67.30	23,002.00	10,229.49
	March 2016	82.40	25,341.86	11,387.95

Performance of Mindteck shares in comparison to BSE Index:



(Source data: www.bseindia.com)

for and on behalf of the Board of Directors

Yusuf Lanewala

Chairman and Managing Director
(DIN-01770426)

Bengaluru, India
Date: May 20, 2016

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, Executive Director and Non-Executive Directors/Independent Directors. I confirm that the Company has, in respect of the financial year ended March 31, 2016, 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
(DIN-01770426)

Bengaluru, India
Date: May 20, 2016

Management Discussion and Analysis

In addition to historical information, this Annual Report contains certain forward looking statements 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

As per the IMF's 2015 World Economic Outlook update: Emerging and developing economies, which account for nearly 70% of global growth, continue to decelerate. Many of the issues that adversely affected global growth in 2015 – slowdown in China and other emerging markets, sharp declines in commodity prices and financial market volatility – are likely to continue to exert downward pressure on growth in 2016. Progress in structural reforms, which is key to longer-term sustainable growth, remains slow in many countries. The projected pickup in growth in the next two years—despite the ongoing slowdown in China—primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be troubled by new economic or political shocks.

- Global growth is projected at 3.4% in 2016 and 3.6% in 2017;
- New projections indicate growth in advanced economies will be 0.1% lower in both 2016 and 2017, and even much lower for emerging and developing economies;
- Emerging markets are forecasted to grow by 4.3% and 4.7% in 2016 and 2017, respectively, 0.2% lower than the previous projection.

In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. Prospects of a gradual increase in policy interest rates in the United States, as well as bouts of financial volatility amid concerns about emerging market growth prospects, have contributed to tighter external financial conditions, declining capital flows, and further currency depreciations in many emerging market economies.

In the United States, domestic demand remains solid, as housing and labour markets have strengthened. India and the rest of emerging Asia are generally projected to continue growing at a robust pace. GDP growth in the Asia-Pacific region is forecast at 5.3% in both 2016 and 2017. IMF, in its regional economic outlook for Asia and Pacific, retained India's growth projections at 7.5 % for 2016 and 2017. As per the European Economic Guide, the outlook for growth in 2016 now looks feeble and more uncertain following the sharp falls in European equity markets, particularly of banking shares, since the start of the year.

While the Euro area recovery is gaining traction, growth is low compared to historical norms and is widely divergent among the 19 members of the currency bloc. The Consumer Price Index (0.3% year-over-year) and core inflation (1% year-over-year) remain well below the European Central Bank's (ECB) target. Unemployment remains elevated in many Euro area nations. In spite of the ECB's

aggressive expansionary monetary policies, loans to the private sector continue to be extremely low and are especially so in some troubled peripheral Euro area economies. Doubts about Euro area nations' ability to manage the recent influx of a large number of refugees adds an additional layer of uncertainty to the outlook. Despite aggressive monetary and fiscal stimulus, growth in Japan has been low and uneven. Japan's exports have fallen sharply in spite of a weaker yen, while stagnant wage gains dampen consumer spending. Unfavourable demographics and government debt, the largest in the world, are also likely to weigh negatively on future growth.

Growth in emerging markets, excluding China, is likely to be restrained in the short term. For many emerging market economies, China is the largest trade partner and source of growth. The slowdown in China is likely to present significant challenges to growth elsewhere. Low returns in US fixed income markets, due to several rounds of accommodative monetary policy by the Federal Reserve, led to capital flow into emerging market assets. The recent increase in interest rates in the U.S. is currently reducing capital flows and is causing volatility in global financial markets, particularly in emerging markets.

NASSCOM, the trade association of the Indian Information Technology and Business Process Management industry, projected a 10-12% for the Indian software services segment for the financial year 2017, lagging the 12-14% growth forecast it had made for the current financial year. A volatile global economy and currency fluctuations, especially the weakening of the rupee against the US dollar, continued to impact India's information technology and business process management (BPM) services segments. NASSCOM stated that going forward, revenue growth alone may not be an adequate indicator of the growing capability and capacity of India's technology industry. Factors such as investment, valuations, digital solutions portfolio and impact would also need to be considered in assessing industry performance and contribution to the economy.

According to Gartner, India will continue to be the fastest growing IT market for the second year in succession and will continue growing to total USD 85.28 billion by the end of 2019. Software, which accounts for nearly 7% of IT revenue in India, will grow 11.9% as a segment, but within this segment, enterprise application software will be the fastest growing sub-segment in 2016, with revenue forecast to grow 15.4% over 2015. Communication services will continue to account for the largest share of IT spend in India and will account for 39.6% of revenue in 2016, however, this will also be the slowest growing segment with a 1.4% increase in revenue in 2016.

IT outsourcing trends that will drive the industry in 2016

Deloitte reports that the rise of enterprise Internet of Things (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. A tipping point has been reached wherein cognitive computing, big data analytics, cloud computing and the rapidly growing IoT are transforming businesses around the globe. Promising advancements in

materials, software, fabrication techniques and machine design are likely to lead to an expansion in enterprise applications for additive manufacturing (3D printing). Companies across the entire IT services landscape are changing how they deliver their offerings, shifting toward more flexible consumption business models that allow customers the flexibility to consume and pay for products and services based on need and usage.

IDCs' Top Ten 2016 IT Market Predictions

By 2017:

1. Over 50% of organizations' IT spending will be for third-platform technologies (cloud, mobile, social business, and Big Data analytics), solutions and services, rising to over 60% by 2020.

By the end of 2017:

2. Two-thirds of the CEOs of global 2000 enterprises will have digital transformation at the centre of their corporate strategy.

By 2018:

3. At least half of IT spending will be cloud-based, reaching 60% of all IT infrastructure and 60-70% of all software, services, and technology spending by 2020.
4. Enterprises pursuing digital transformation strategies will more than double software development capabilities; two-thirds of their coders will focus on strategic digital transformation apps and services.
5. Enterprises with digital transformation strategies will expand external data sources by at least three- to five-fold and delivery of data to the market by 100-fold or more.
6. There will be 22 billion Internet of Things devices installed, driving the development of over 200,000 new IoT apps and services.
7. Over 50% of developer teams will embed cognitive services in their apps (vs. 1% today), providing US enterprises with over USD 60 billion annual savings by 2020.
8. Over 50% of enterprises will create and/or partner with industry cloud platforms to distribute their own innovations and source others.
9. 80% of B2C and 60% of B2B enterprises will overhaul their "digital front door" to support 1,000 to 10,000 times more customers and customer touch points.

By 2020:

10. More than 30% of the IT vendors will not exist as we know them today, requiring realignment of preferred vendor relationships.

According to KPMG, tech trends—from automation and analytics to digital and the IoT—will continue to influence outsourcing business models. In KPMG's 2015 Technology Industry Outlook Survey, mobile technology is ranked as the biggest driver of company revenue over the next 24 months.

Industry and opinion leaders have identified the following major trends in IT outsourcing for FY 2016:

Security takes centre stage: Security risk is poised to increase as telematics and the IoT becomes more prevalent in consumer and commercial products. In 2016, more enterprises will opt

for specialized security vendors with security-as-a-service capabilities that can protect data no matter where it resides.

As-a-service outsourcing model: Traditional commercial models from pricing to contract durations will be replaced by "As-a-Service" solutions, meeting an increasing buyer expectation that flexibility is at the core of the service provider proposition.

End-to-end process delivery becomes standard: Business services teams will be able to design/drive/enhance end-to-end global business processes across multiple technologies, including mobile/IoT/Software as a Service (SaaS), all supported by a mature global delivery model.

Cloud integration expertise turns into a margin multiplier for service providers: Developing expertise internally and recruiting experts in cloud-based integration will lead to greater margins on deals throughout the year. Enterprises will use this factor to pre-qualify resellers before engaging with them as it's essential to the build-out of their IT strategies.

Market outlook by industry for 2016

Electronic Design, Semiconductor and Storage

With world economic growth having a major impact on the electronics industry, the indications imply that there will be a slowdown in the electronics market with growth likely to be flat for 2016.

According to the Electronic Components Supply Network (ECSN), the continued slowdown, particularly in the Asia-Pacific market, has meant that the whole supply network remains overstocked and it will take some time for manufacturers to adjust their production levels. Despite the forecasts and predictions of flat growth for 2016, the situation remains very volatile. Periods of low growth where there is no overriding trend are more difficult to predict. Therefore the predictions for the electronics industry in 2016 could show a small fall or a small rise.

Despite the fact that low growth is being predicted in the electronics industry for 2016, the growing area of the IoT will have a positive impact. With predictions of billions of connected devices being in operation in the next few years, this provides a major opportunity for the electronics industry as a whole. Much of the production will go to Asia, but there will undoubtedly be a large amount of equipment development and system development in Europe and the US.

One trend that was mentioned by a number of distributors is that of 'reshoring'. In previous years, the manufacture of many products from Europe and the US had been produced offshore in Asia. With costs in Asia increasing, and many companies seeing the full cost of offshore manufacturing, this trend is reducing and many companies are seeking different areas to manufacture offshore, or even bringing manufacturing of some products to within the same country. Eastern Europe is being seen as an increasingly favourable area for manufacturing, although for low volumes, much more production is being undertaken in-country. As a result of all of these factors, it is anticipated that 2016 will be flat with little growth. However, 2017 and 2018 are likely to show improved growth, both within the UK, Europe and beyond.

According to Gartner analysts, weakening demand for such devices as PCs and smartphones, coupled with the continued strength of the US dollar and bloated inventory, took its toll on

the global semiconductor market in 2015 and promises to slow spending on equipment by chip manufacturers this year. In 2016, semiconductor vendors will begin pulling back on what they'll spend on equipment, and the worldwide capital spending in the space will fall 4.7% over 2015, to USD 59.4 billion.

As per KPMG, while executives remain positive about the semiconductor industry's prospects, overall optimism declined this year in response to falling average selling prices and higher development and manufacturing costs. As per this year's Global Semiconductor Outlook, China is viewed as a rising centre of semiconductor influence, as well as the industry's most attractive growth market and rapid M&A activity is reshaping the semiconductor landscape at an unprecedented rate.

Microprocessors, sensors, and memory remained the leading sectors expected to provide growth opportunities in 2016, reflecting consistent demand among enterprise and consumer customers for storage and memory. From a storage products perspective, the study concluded that spending will increase the most on public cloud and all-flash arrays, while spending on traditional SAN and NAS products will be more muted. The largest spending declines will be on tape products.

According to Gartner, the storage market is projected to reach USD 307 billion in 2016, a 3% increase from 2015. Storage modernization and consolidation, backup and recovery, and disaster recovery are some of the key drivers to this market, and they are likely to remain relevant drivers over the forecast period through 2019. In 2016, data centre modernization will continue to be a key driver for infrastructure spending in India. As per Global Industry Analysts (GIA), while data storage remains an indispensable IT need, the growing magnitude of the importance of this very basic IT function can be put into perspective by the fact that information is currently multiplying at a rate of over 65% each year, and the total data generated worldwide is projected to reach over 3 million petabytes by the year 2020. As companies seek to overcome data storage performance limits, significant opportunities are evident for storage technologies like NAS devices.

Smart Energy and Wireless

Deloitte reports that the telecom sector continues to be at the epicentre for growth, innovation, and disruption for virtually any industry. Mobile devices and related broadband connectivity continue to be more and more embedded in the fabric of society today and they are key in driving the momentum around some key trends such as video streaming, IoT, and mobile payments. The number of 'connected things' continues to grow as mobile and 'smart' device utilization and connectivity continues to expand—which will ultimately shape and define the IoT space. As per Gartner, smart cities alone will use 1.6 billion connected things in 2016. Smart commercial buildings will be the highest user of IoT until 2017, after which smart homes will take the lead with just over 1 billion connected things in 2018.

Smart homes will represent 21% of total IoT use in smart cities in 2016, and will record the highest increase over the next five years. Device and wireless standards will be embedded in more devices. Homes will move from being interconnected to information-and smart-enabled.

According to Deloitte, a large upcoming wave of change for the telecommunications sector will be the emergence of fifth

generation mobile networks (5G). While the technology is still several years away from achieving mass market coverage, what it promises—more speed, greater efficiency, and less latency—will be essential to supporting connected things in the future, especially self-driving cars. 2016 is likely to see heavy momentum toward implementation of this next generation of wireless network technology, which should move from lab to field trials. The findings show that there was a nearly four-fold increase in the use of mPayments technology from 2014 to 2015. More handsets are being equipped with 'Near Field Communication' chips, retailers are upgrading payment systems in response to regulatory pressures and consumer demand, and businesses of all types, from gas stations to coffee shops, are implementing point-of-sale technology that allows customers to pay using mobile devices. Given these trends, mPayments will finally become a payment method of choice for many consumers in 2016.

Healthcare and Medical Devices

As per industry analysts, global medical device production value is forecasted to record strong growth of almost 6% in 2016, and reach approximately USD 315 billion. The demand for medical devices seems to be on a hike, and consumers are eager to use wireless wearable medical devices to keep an eye on their health on-the-go.

The industry has met its next growth engine – Mobile Health (mHealth). While mHealth certainly has application for industrialized nations, the field has emerged in recent years as largely an application for developing countries, stemming from the rapid rise of mobile phone penetration in low-income nations. The global mHealth market was an estimated USD 10.5 billion in 2014 and is expected to grow 33.5% annually between 2015 and 2020.

Asia-Pacific is considered as an emerging medical device technologies market owing to advancements in technology and health care infrastructure. While Japan, China and India are the fastest growing economy, South American countries like Brazil and Mexico are the regions that have significant potential for growth due to developing medical infrastructure, and high disposable income.

As per industry analysts, technology continues to empower the healthcare industry with tools and services that offer convenience, access to care, and cost transparency. Telemedicine services, which provide a convenient, lower-cost option for non-emergency medical care, are expected to grow 40% over the next five years.

According to a PricewaterhouseCoopers (PWC) poll, 56% of consumers believe that using wearable technology will extend their average life expectancy by at least 10 years. USD 2.8 billion was spent on wearable technology in 2014, and that figure is expected to reach USD 8.3 billion by 2019. While most use trackers to monitor weight, physical activity and cholesterol, there is expected to be an increase in wearables that do everything from monitoring UV exposure to detecting seizures in patients with epilepsy. As demand for access to primary care continues to grow, a spike in old-school house calls is expected.

Life Sciences

According to Deloitte, pharma spending growth should match health spending growth at an average of 4.3% during 2015-2019, and global pharma sales should reach USD 1.4 trillion by 2019. Biotech drugs (vaccines, biologics) continue to gain traction in the life sciences sector. Biotech drug sales were an estimated USD 289 billion in 2014 and are projected to grow to USD 445 billion by 2019. Deloitte stresses that although economic woes are stunting pharma sales growth in certain regions, long-term prospects outweigh near-term challenges. During 2015-2019, both global health spending and pharma sales are expected to see positive growth, driven by population aging and expansion and the rollout of improved health insurance and services, particularly in developing markets. An important clinical development that is driving business model transformation is personalized care. Scientific advances can provide optimal value when targeted to particular consumers. Widespread adoption of personalized/precision care will likely be made possible through investments in offerings that integrate drugs and devices with low-cost diagnostics, disease management programs, and clinical decision support.

Government

The US Government administration indicates that its IT spending is growing at a slower rate than in the past, and that more agencies are using provisioned services like the cloud. The administration's cybersecurity plan will push agencies to evaluate their vulnerable IT infrastructure. One of the biggest opportunities for the channel in the public sector is within local government. In the UK, there are more than 400 local councils, all of which are looking to become more efficient—which means the opportunity for IT providers can be massive. The data suggests that cloud is becoming an increasing priority for local councils.

Every analyst is expecting the Digital India initiative of the Indian government to drive IT spending in 2016. The Digital India initiative, MyGov citizen portal, the Self-Employment and Talent Utilization (SETU) program for startups and smart cities initiatives are some examples that the Indian government is serious about leveraging information technology for effective governance.

Smart Cities

Gartner, Inc. estimates that 1.6 billion connected things will be used by smart cities in 2016, an increase of 39% from 2015. Smart commercial buildings will be the highest user of IoT until 2017, after which smart homes will take the lead with just over 1 billion connected things in 2018. The business applications that are fuelling the growth of IoT in commercial buildings are handled through building information management systems that drive operations management, especially around energy efficiency and user-centric service environments. In 2016, commercial security cameras and webcams, as well as indoor LEDs, will drive total growth, representing 24% of the IoT market for smart cities.

As per KPMG, top IT investment areas in 2016 include business intelligence/big data, legacy systems enhancement/upgrades and SaaS. Big data will rule and cloud investments serve as a means to enhance legacy systems. Top capabilities required for undertaking 2016 initiatives include business intelligence/harnessing big data, smart/innovative management practices and the ability to find and attract talent globally.

Big Data/Analytics

International Institute for Analytics (IIA) predicts that computing will become increasingly microservice-enabled, where everything – including analytics – will be connected via an API. International Data Corporation (IDC) predicts that by 2020, 50% of all business analytics software will include prescriptive analytics built on cognitive computing functionality and that cognitive services will be embedded in new apps. Embedded data analytics will provide U.S. enterprises USD 60-plus billion in annual savings by 2020. Forrester says that in 2016, machine learning will begin to replace manual data wrangling and data governance dirty work, and vendors will market these solutions as a way to make data ingestion, preparation, and discovery quicker. Through 2020, according to IDC, spending on self-service visual discovery and data preparation tools will grow 2.5 times faster than traditional IT-controlled tools for similar functionality.

By 2020, IDC predicts that data monetization efforts will result in enterprises increasing the marketplace's consumption of their own data by 100-fold or more. Also by 2020, the amount of data that is worth analysing will double. Forrester declares that 'all companies are in the data business now'. IDC predicts that by 2020, organizations able to analyse all relevant data and deliver actionable information will achieve an extra USD 430 billion in productivity benefits over their less analytically-oriented peers.

IDC has a modest and specific prediction, forecasting the market for big data technology and services to grow at a 23.1% compounded annual growth rate, reaching USD 48.6 billion in 2019. The larger market for business analytics software and business intelligence solutions, which now includes the new disciplines of data science and cognitive computing, is at least five times larger. But a much larger market, which may indeed approach a trillion dollar sometime in the not-distance future, includes the revenues companies in any industry will generate from 'monetizing' their data and algorithms.

OPPORTUNITIES AND THREATS

- *Long-standing client relationships:* Mindteck has had repeated business from Fortune 50-1000 clients since its establishment in 1991. A few of our clients have been engaging our services for over a decade now, including one with a dedicated ODC which has been growing year-on-year.
- *Niche Skills and Domain Expertise:* Mindteck possesses deep domain expertise in storage, medical devices, analytical instruments, smart energy, wireless development and integration, allowing us to provide thought leadership and partnership for client's success.
- *Continued Global Expansion:* We recently opened offices in Mumbai, the Philippines, as well as in the US states of Ohio and Missouri to serve our clients locally.
- *Diverse Client Base:* For twenty five years, we have been providing exceptional engineering value to Fortune 50 companies, start-ups, leading universities and government entities around the globe. Our niche expertise in embedded systems and enterprise applications is complemented by dedicated Centres of Excellence in wireless design, smart energy, storage testing, medical devices and life sciences.

- *Global Delivery Teams:* Mindteck's global delivery capabilities provide clients with the right expertise to deliver quality solutions. We have our offshore delivery centres in Bengaluru, Kolkata, in India and onshore delivery in Singapore and the US.
- *R&D and Centres of Excellence:* We have our own set of IPs, skills and expertise to tap the market in growth-oriented segments. Our Centres 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.
- *Competition:* Mindteck continues to face new competition in the marketplace from offshore providers. The strength of our long-standing client relationships, depth of our expertise, and strong track record has allowed us to minimize the impact.

RISKS AND CONCERNS

- *Economic Uncertainties:* As per recent economic forecasts, global economic uncertainty is still high as global demand remains weak. 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.
- *Political Uncertainties:* The Brexit debate is clouding the outlook for the Eurozone, while elections in many countries—including in the United States—are fostering political uncertainty.
- *Reshoring:* A recent Deloitte outsourcing study states 16% of outsourced offshore work is reshored annually. This is potentially 16% of a USD 300 billion market. As overseas markets are becoming volatile, and the cost of labour in foreign countries is rising steadily, outsourcing agreements proved to be less flexible when customers wanted to change the way how work is done or selectively move work back onshore to take advantage of new processing models and technologies like cloud and SaaS.
- *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.
- *Skills shortage, raising talent costs:* 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—Consultant Care, which helps retain valuable IT talent and avoid project disruption.
- *Selling, General and Administrative Cost Containment (SG&A):* It is imperative to not allow SG&A costs to grow proportionally. Efforts to reengineer internal processes and re-vamp internal systems have increased the productivity and helped contain costs. Improvements to customer relationship management, time and expense reporting, asset management, as well as job posting and recruiting processes, have been implemented.

DISCUSSION ON FINANCIAL PERFORMANCE

Business

During the year under review your Company recorded consolidated revenue of Rs. 3,116.30 million as against Rs. 3,191.48 million in the previous year. Of the revenues that were recorded, 68% is attributed to the US and the rest to Europe and Asia.

Mindteck's net profit for the year stood at Rs. 259.27 million, as against Rs. 191.96 million in the corresponding previous year, an increase of 35.07%.

At an operating margin level, Mindteck recorded EBITDA (Including other income) of Rs. 229.24 million this fiscal year as against Rs. 300.76 million last year.

Share Capital

Mindteck has an issued share capital base of 25,173,101 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, 2016, in relation to discharge of consideration for the acquisition of Chendle Holdings Ltd., one of the Company's wholly owned subsidiaries. The allotment has been pending owing to the non-availability of Permanent Account Number (PAN) for these shareholders. Of the total issued capital, an aggregate of 10,969,944 equity shares have been issued for consideration other than cash. These allotments are connected to the M&A deals completed by the Company in FY 2008.

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

During the year, 157,800 options have been granted to employees under the Mindteck Employees Stock Option Scheme 2005 and 10,500 options have been 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 623.20 million in the Statement of Profit and Loss as at March 31, 2016, after appropriation of dividend – Rs 29.88 million which is subject to the shareholders' approval. Shareholders' funds, excluding capital reserves, increased from Rs. 1,548.52 million in FY 2015 to Rs. 1,806.11 million in FY 2016.

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. 48.65 million in FY 2015 to Rs. 55.95 million in FY 2016. The increase is mainly due to provision made for employee benefits.

Current Liabilities

Current liabilities include current portion of a term loan, trade payables, provision for employee benefits, provision for tax, provision for proposed dividend and other current liabilities. The current liabilities decreased from Rs. 508.25 million in FY 2015 to Rs. 364.35 million in FY 2016.

Trade payables decreased from Rs 206.52 million in FY 2015 to Rs 163.08 million in FY 2016.

Other current liabilities comprise unearned income, unpaid dividend, statutory liabilities, such as PF, TDS etc, and payroll payables amounting to Rs. 109.34 million as at March 31, 2016 compared to Rs. 110.91 as at March 31, 2015.

Short-term provision for employee benefits, taxation and proposed dividend and tax thereon stood at Rs 91.93 million as at March 31, 2016 compared to Rs 190.82 million as at March 31, 2015. The reduction is mainly due to write-back of tax provisions pertaining to the US subsidiary. (Refer to consolidated notes 3.11)

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. 10.46 million in fixed assets during the fiscal year, which primarily relates to Computer Equipment and Computer software in India and the US.

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

Long-term loans and advances comprise security deposits, advance tax and tax deducted at source and service tax input credit totaling to Rs. 127.27 million as at March 31, 2016 compared to Rs. 142.16 million as at March 31, 2015. The decrease is due to the reduction in Service tax liability used to set off against the input credit, being classified as short term.

Other non-current assets comprised of fixed deposits with a bank against which it has lien for the guarantees issued amounting to Rs. 3.02 million as at March 31, 2016.

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, 2016 amounts to Rs. 579.96 million, representing about 68 days of sales. All debts doubtful of recovery have been provided for in the financial statements.

Cash and Bank balances amounted to Rs. 505.41 million compared to Rs. 343.94 million in the previous year which includes both rupee and foreign currency accounts.

Short term loans and advances include security deposits, service tax input credit, VAT credit, employee and supplier advances. The balance as at March 31, 2016 stood at Rs. 24.79 million compared to Rs. 27.37 million as at March 31, 2015.

Other current assets include unbilled revenue, claimable expenses, prepaid expenses and accrued interest. The balance as at March 31, 2016 stood at Rs. 150.67 million.

Investments

Mindteck (India) Ltd. has six wholly-owned subsidiaries and three step-down subsidiaries as at March 31, 2016. 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.P.C.- Operating company
- Mindteck Software Malaysia SDN BHD - Operating company
- Mindteck Germany GmbH - Selling and marketing company (step-down subsidiary)
- Mindteck Netherlands BV - Selling and marketing company (step-down subsidiary)
- Mindteck Solutions Philippines Inc.- Operating company (step-down subsidiary)
- Chendle Holdings Ltd - Investment arm, holding stock in Mindteck, Inc., US

RESULTS OF OPERATION

Income

Revenues from software services registered a negative growth of 2.36% in FY16. The Company recorded Rs. 3,116.30 million in FY16 as against Rs. 3,191.48 million in FY15. 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 FY16 stood at Rs. 2,554.96 million as against Rs. 2,559.75 million in FY15. Manpower expense increased to 82% of revenue compared to 80% last year.

Finance cost in FY16 was Rs 3.24 million as compared to Rs. 3.10 million in FY15. There is a marginal increase compared to the previous year.

Other expenses of FY16 amounted to Rs. 354.51 million compared to Rs. 340.05 million last year. The Company has contributed Rs. 27.50 Lakhs towards Corporate Social Responsibility during the FY16. During the year, the Company implemented several cost rationalization measures to reduce the expense base. Mindteck will continue to focus on cost-effective measures to further productivity and increase efficiency in the operations.

Negative tax expense for the year amounting to Rs. 51.46 million (net) is the aggregate of current tax liability in all tax jurisdictions in which Company operates. Tax provision in India is based on the normal tax computation in accordance with the prevailing tax laws.

Negative tax for the year is mainly due to reversal of tax provisions amounting to Rs. 115,128,357 relating to Net Operating Losses (NOL) pertaining to Mindteck, Inc., a subsidiary company, due to expiry of the Statute of Limitations. 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 India Tax Authorities under the DTAA.

Operating Profit and Net Profit

EBITDA for the year amounted to Rs. 229.24 million as against Rs. 300.76 million the previous year. Net Profit is Rs. 259.27 million in FY16, at about 8.32% of software revenue, as against Rs. 191.96 million in FY15, at about 6.01% of software revenue.

HUMAN RESOURCE MANAGEMENT

Human Resources is focused on ensuring that the Company is a performance-driven environment where innovation and creativity

is encouraged, performance is recognized and employees are developed and motivated to realize their potential. We encourage employees to ask questions, share successes and lessons learned, propagate and cross-fertilize ideas. This both empowers employees and enhancing in the knowledge assets of the Company.

During FY 2015-16, several new activities were initiated:

IdeaFest-Dare to Dream Challenge - geared to spur innovation from our top-notch employees. The first Challenge in September was so successful that we will be conducting this spirited event quarterly. This has proven to be a good employee engagement activity, as well as good incubator for innovating and building IPs in our areas of expertise.

Knowledge Sharing Program (KSP) - instituted to foster knowledge and generate camaraderie amongst sales and delivery teams.

Project Management Program (PMP) training - conducted to ensure that all Delivery Managers are PMP-certified.

Employee Well-being Programs - conducted throughout the year, included:

- Health check-ups
- Dental and Eye Check-up Camp
- Yoga and Meditation Session

Annual Day Celebration - global gathering to celebrate Mindteck's longevity and success. Long Service Awards were among the several recognition activities.

Attrition Rate: Mindteck annualized attrition rate for 2015-16 was 25% as against the Industry standards, which vary between 25-30%.

Workforce Withstand

Year	Permanent	Contractual	Total
2015-16	611	17	628
2014-15	463	26	489

Head Count has grown by 28% compared to 2014-15.

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, 2016 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.

Place: Bengaluru, India
Date: May 20, 2016



Yusuf Lanewala
Chairman and Managing Director



Anand Balakrishnan
Chief Financial Officer

Independent Auditor's Report

To the Members of Mindteck (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Mindteck (India) Limited ("the Company"), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with 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 standalone financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the

- directors is disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 3.10 to the standalone financial statements;
- b. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses; 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

Bengaluru, May 20, 2016

Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of Mindteck (India) Limited

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noted.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company.
- (ii) The Company is a service company, primarily rendering software, IT-enabled and related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) According to the information and explanations given to us, the Company has not granted loans, investments and security to companies, firms or other parties. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the guarantee provided.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, 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 and Excise Duty.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Service tax, Sales tax, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2016 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 /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 Officer, Bangalore
Income Tax Act, 1961	Income tax/interest /transfer pricing	54,907,377 (15,000,000)*	Assessment year 2009-10	Income Tax 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	29,137,460	Assessment year 2012-13	Dispute Resolution Panel, Bangalore

* Amount in parenthesis represents the payment made under protest.

- (viii) The Company did not have any outstanding dues to any financial institution, bank, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us and based on our examination of the records of the Company, no material fraud by the Company or on the

Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations given to us, the managerial remuneration has been paid/provided for in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares fully or partly convertibles debentures under section 42 of the Act during the year.
- (xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Company**

Chartered Accountants

Firm Registration No. 128032W



Vineet Dhawan

Partner

Membership No. 092084

Bengaluru, May 20, 2016

Annexure B to the Independent Auditor's report of even date on the standalone financial statements of Mindteck (India) Limited

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

We have audited the internal financial controls over financial reporting of Mindteck (India) Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **B S R & Company**

Chartered Accountants

Firm Registration No. 128032W



Vineet Dhawan

Partner

Membership No. 092084

Bengaluru, May 20, 2016

Balance Sheet as at March 31, 2016

Amount in Rs.

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3.1.1	251,731,010	250,629,710
Reserves and surplus	3.1.2	1,468,355,369	1,413,817,795
		<u>1,720,086,379</u>	<u>1,664,447,505</u>
Share application money pending allotment	3.1.1 (b)	7,565,656	7,565,656
Non-current liabilities			
Other long-term liabilities	3.2.1	2,021,180	3,739,925
Long-term provisions	3.2.2	20,671,755	18,210,794
		<u>22,692,935</u>	<u>21,950,719</u>
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises & small enterprises	3.3.1	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises	3.3.1	89,383,808	89,241,757
Other current liabilities	3.3.2	22,573,911	14,912,390
Short-term provisions	3.3.3	79,523,516	74,300,286
		<u>191,481,235</u>	<u>178,454,433</u>
		<u>1,941,826,205</u>	<u>1,872,418,313</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	3.4.1	24,674,385	32,357,861
Intangible fixed assets	3.4.1	4,227,575	5,347,647
Non-current investments	3.4.2	1,231,291,030	1,231,291,030
Deferred tax assets (net)	3.4.3	13,827,503	6,862,325
Long-term loans and advances	3.4.4	157,889,515	190,018,401
Other non-current assets	3.4.5	3,019,255	369,647
		<u>1,434,929,263</u>	<u>1,466,246,911</u>
Current assets			
Trade receivables	3.5.1	143,755,119	186,428,219
Cash and bank balances	3.5.2	304,059,777	176,443,619
Short-term loans and advances	3.5.3	23,975,373	23,801,791
Other current assets	3.5.4	35,106,673	19,497,773
		<u>506,896,942</u>	<u>406,171,402</u>
		<u>1,941,826,205</u>	<u>1,872,418,313</u>

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
DIN - 01770426

Javed Gaya
Director
DIN - 01481518

Anand Balakrishnan
Chief Financial Officer

Shivarama Adiga S.
Company Secretary

Place: Bengaluru
Date: May 20, 2016

Place: Bengaluru
Date: May 20, 2016

Statement of Profit and Loss for the Year Ended March 31, 2016

Amount in Rs.

	Note	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from operations		866,462,106	801,699,232
Other income	3.6	22,131,878	8,413,671
Total revenues		888,593,984	810,112,903
Expenses			
Employee benefits expense	3.7	512,740,834	393,604,509
Cost of technical sub-contractors		16,939,736	21,458,920
Finance costs	3.8	495,103	373,583
Depreciation and amortization expense	3.4.1	15,624,410	16,604,116
Other expenses	3.9	207,586,882	200,044,431
Total expenses		753,386,965	632,085,559
Profit before tax		135,207,019	178,027,344
Tax (expense) / credit			
Current tax		(54,156,200)	(65,023,366)
Tax relating to earlier years		(6,000,000)	-
Deferred tax credit		6,965,178	1,808,847
Profit after tax		82,015,997	114,812,825
Earnings per equity share			
Equity shares of par value Rs.10/- each			
Basic		3.27	4.59
Diluted		3.19	4.52
Weighted average number of equity shares used in computing earnings per share			
Basic	3.18	25,099,858	25,020,232
Diluted	3.18	25,702,078	25,385,770
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
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Anand Balakrishnan
Chief Financial Officer

Shivarama Adiga S.
Company Secretary

Place: Bengaluru
Date: May 20, 2016

Place: Bengaluru
Date: May 20, 2016

Cash Flow Statement for the Year Ended March 31, 2016

Amount in Rs.

	Year ended March 31, 2016	Year ended March 31, 2015
Cash flow from operating activities		
Profit before taxation	135,207,019	178,027,344
Adjustments:		
Depreciation and amortization	15,624,410	16,604,116
Interest expense	-	273,878
Interest income	(19,642,406)	(5,883,143)
Unrealised exchange differences	(551,762)	1,037,988
Profit on sale of fixed assets	(95,968)	-
Operating profit before working capital changes	130,541,293	190,060,183
Changes in trade receivables	43,240,614	(81,570,044)
Changes in loans and advances and other assets	20,022,764	1,553,092
Changes in current liabilities and provisions	17,351,198	66,434,804
Cash generated from operations before taxes	211,155,869	176,478,035
Income taxes paid, net	(65,552,935)	(62,502,774)
Net cash provided by operating activities	145,602,934	113,975,261
Cash flow from investing activities		
Purchase of fixed assets	(6,845,464)	(14,440,325)
Proceeds from sale of fixed assets	120,570	-
Interest received	15,014,173	5,883,143
Net cash provided by / (used in) investing activities	8,289,279	(8,557,182)
Cash flow from financing activities		
Proceeds from issue of equity shares	3,922,555	1,501,205
Interest paid on loans	-	(273,878)
Dividends paid (including distribution tax)	(30,101,391)	(29,212,212)
Net cash used in financing activities	(26,178,836)	(27,984,885)
Net increase in cash and cash equivalents	127,713,377	77,433,194
Cash and cash equivalents at the beginning of the year	176,443,619	100,393,462
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(97,219)	(78,001)
Less: Bank balances of Mindteck Employees Welfare Trust on account of deconsolidation (Refer note 3.1.1.a)	-	(1,305,036)
Cash and cash equivalents at the end of the year*	304,059,777	176,443,619

Cash and cash equivalents at the end of the year include unpaid dividend account aggregating to Rs 220,808 (previous year Rs 155,398).

*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
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Vineet Dhawan
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Anand Balakrishnan
Chief Financial Officer

Shivarama Adiga S.
Company Secretary

Place: Bengaluru
Date: May 20, 2016

Place: Bengaluru
Date: May 20, 2016

Notes to the Financial Statements for the Year Ended March 31, 2016

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

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 the statement of profit and loss.

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

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

2.6 Revenue recognition

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

Revenue from IT-enabled services is recognized as the related services are performed, in accordance with the specific terms of the contract with 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 on the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in 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, 2016	As at March 31, 2015
Authorised		
Equity shares		
28,000,000 (previous year 28,000,000) equity shares of Rs 10 each	280,000,000	280,000,000
Preference shares		
500,000 (previous year 500,000) cumulative, non-convertible, redeemable preference shares of Rs 100 each	50,000,000	50,000,000
	330,000,000	330,000,000
Issued, subscribed and paid-up capital		
Equity shares		
25,173,101 (previous year 25,062,971) equity shares of Rs 10 each fully paid-up	251,731,010	250,629,710
	251,731,010	250,629,710

- a) Deconsolidation of the Mindteck Employees Welfare Trust ('Trust')
Effective January 1, 2015, the Trust has been deconsolidated subsequent to the SEBI (Share Based Employee Benefits) Regulations, issued on October 28, 2014.
- b) On April 1, 2008, the Company acquired 100% equity in its fellow subsidiary Chendle Holdings Limited, BVI ('Chendle Holdings') including its wholly owned subsidiary Primetech Solutions Inc., USA.

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

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

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

Amount in Rs.

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	Amount	Numbers	Amount
Equity Shares				
Number of shares outstanding at the beginning of the year (after reduction of equity shares held by Mindteck Employees Welfare Trust)	25,062,971	250,629,710	24,564,071	245,640,710
Add: Deconsolidation of Mindteck Employees Welfare Trust [refer note 3.1.1(a)]	-	-	416,000	4,160,000
Add: Additions during the year on exercise of employee stock options/restricted shares	110,130	1,101,300	82,900	829,000
Number of shares outstanding at the end of the year	25,173,101	251,731,010	25,062,971	250,629,710

- 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 20, 2016 have recommended dividend of 10% (Re 1 per equity share of par value Rs 10 each) for the year ended March 31, 2016 (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, 2016	As at March 31, 2015
Embtech Holdings Limited, Holding Company	16,431,604	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, 2016		As at March 31, 2015	
		No. of shares	%	No. of shares	%
1	Embtech Holdings Limited	16,431,604	65.27%	16,169,857	64.52%
2	First Asian Investments S.A	1,390,569	5.52%	1,390,569	5.55%

- 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, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Class of shares	Equity	Equity	Equity	Equity	Equity
No of shares	-	-	-	-	-

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 Compensation 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, 2016, the Company has granted 69,900 options on May 29, 2015 at an exercise price of Rs 79.95 per share, 48,600 options on August 10, 2015 at an exercise price of Rs 81.00 per share, 27,600 options on November 13, 2015 at an exercise price of Rs. 130.80 per share and 11,700 options @ Rs. 81.60 per share on February 12, 2016.

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

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	219,700	36.79	214,000	17.20
Granted during the year	157,800	89.29	156,900	50.19
Exercised during the year on exercise of employee stock options/ restricted shares	44,900	24.20	82,900	18.11
Forfeited during the year	-	-	-	-
Lapsed during the year	50,100	58.77	68,300	28.88
Options outstanding at the end of the year	282,500	63.17	219,700	36.79
Options exercisable at the end of the year	82,700	35.22	66,300	17.71

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, 2016, the Company has granted 10,500 options on November 13, 2015 at an exercise price of Rs 130.80 per share.

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

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	569,250	38.94	-	-
Granted during the year	10,500	130.80	611,750	39.27
Exercised during the year on exercise of employee stock options/ restricted shares	65,230	43.60	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	31,834	46.34	42,500	43.60
Options outstanding at the end of the year	482,686	39.83	569,250	38.94
Options exercisable at the end of the year	115,353	35.94	-	-

d) *Mindteck Employee Stock Option Scheme 2014*

During the year ended March 31, 2015, the Company introduced 'Mindteck Employees Stock Option Scheme 2014' ('the Option Scheme 2014') for the benefit of the employees, as approved by the Board of Directors in its meeting held on May 29, 2014 and the shareholders meeting held on August 14, 2014. The Option Scheme 2014 provides for the creation and issue of 2,500,000 options that would eventually convert into equity shares of Rs 10 each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee. No Equity Shares have been distributed under the Option Scheme 2014 and therefore no stock compensation expense has been recorded.

The weighted average remaining contractual life of the options outstanding as at March 31, 2016 is 5.92 years (previous year 6.61 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, 2016 would have been Rs 81,286,524 (previous year Rs 112,665,060) i.e. lower by Rs 729,474 (previous year lower by Rs 2,147,765) and the basic and diluted EPS for the year would have been Rs 3.24 and Rs 3.16 (previous year Rs 4.50 and Rs 4.44) respectively.

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options has been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 years, an expected dividend yield of 5- 10% on the underlying equity shares, volatility in the share price of 40-100% and a risk free rate of 7-9.5%. The Company's calculations are based on a single option valuation approach. The expected volatility is based on historical volatility of the share price during the period after eliminating abnormal price fluctuations.

3.1.2 Reserves and Surplus

Particulars	Amount in Rs.	
	As at March 31, 2016	As at March 31, 2015
Capital reserve	35,689,935	35,689,935
Securities premium reserve		
Opening balance	1,029,734,847	992,822,642
Add: Deconsolidation of Mindteck Employees Welfare Trust [refer note 3.1.1(a)]	-	36,240,000
	1,029,734,847	1,029,062,642
Add: Additions during the year on exercise of employee stock options/ restricted shares	2,821,255	672,205
	1,032,556,102	1,029,734,847
Surplus (Balance in the statement of profit and loss)		
Opening balance	348,393,013	266,251,547
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	82,015,997	114,812,825
Appropriations/Reduction:		
Proposed dividend	(25,174,701)	(25,075,371)
Tax on proposed dividend	(5,124,977)	(5,104,382)
Depreciation adjusted against opening retained earnings (refer note 3.4.1)	-	(920,552)
	400,109,332	348,393,013
Total	1,468,355,369	1,413,817,795

3.2.1 Other Long-term Liabilities

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Others		
Rent equalisation reserve	-	1,718,746
Rental deposit	2,021,180	2,021,179
Total	2,021,180	3,739,925

3.2.2 Long-term Provisions

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
- Gratuity (refer note 3.3.4)	13,293,356	11,877,397
- Compensated absences	7,378,399	6,333,397
Total	20,671,755	18,210,794

3.3.1 Trade Payables

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Total outstanding dues of micro enterprises & small enterprises (refer note 3.20)	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		
- Inter-company payables	26,445,306	17,898,001
- Accrued expenses	19,533,890	9,259,361
- Others	43,404,612	62,084,395
Total	89,383,808	89,241,757

3.3.2 Other Current Liabilities

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Unearned income	9,274,357	3,446,234
Unpaid dividends	220,808	156,997
Other liabilities		
- Statutory liabilities	9,270,399	10,047,184
- Salary payable	3,808,347	1,261,975
Total	22,573,911	14,912,390

3.3.3 Short-term Provisions

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
- Compensated absences	1,259,891	842,335
- Bonus and incentives	24,050,667	15,678,543
Other provisions		
- Taxation	23,915,206	27,614,206
Proposed equity dividend	25,173,101	25,062,971
Tax on proposed equity dividend payable	5,124,651	5,102,231
Total	79,523,516	74,300,286

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 20,367,460 (previous year: Rs 16,364,981).

Defined benefit plans

The Company operates post-employment defined benefit plans that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is funded by the plan assets.

The following tables set out the status of the gratuity plan as required under AS-15 Employee Benefits:

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Obligations at beginning of the year	20,132,922	15,622,218	14,659,660	10,642,518	8,031,700
Service cost	4,978,526	5,403,165	2,630,457	4,720,513	4,506,137
Interest cost	1,392,321	1,152,619	1,210,496	792,985	643,842
Benefits paid	(2,953,205)	(1,915,706)	(2,773,358)	(1,335,731)	(1,037,925)
Actuarial (gain)/loss	(52,418)	(129,374)	(105,037)	(160,628)	(1,501,236)
Obligations at end of the year	23,498,146	20,132,922	15,622,218	14,659,660	10,642,518
Change in plan assets					
Plan assets at beginning of the year, at fair value	8,255,525	9,449,446	7,073,778	8,073,140	4,392,359
Expected return on plan assets	750,896	700,556	641,304	264,986	461,072
Actuarial gain/(loss)	41,277	21,229	(150,671)	71,383	57,634
Contributions	4,110,297	-	4,658,393	-	4,200,000
Benefits paid	(2,953,205)	(1,915,706)	(2,773,358)	(1,335,731)	(1,037,925)
Plan assets at end of the year, at fair value	10,204,790	8,255,525	9,449,446	7,073,778	8,073,140
Reconciliation of present value of the obligation and the fair value of the plan assets					
Present value of the defined benefit obligations at the end of the year	23,498,146	20,132,922	15,622,218	14,659,660	10,642,518
Fair value of plan assets at the end of the year	(10,204,790)	(8,255,525)	(9,449,446)	(7,073,778)	(8,073,140)
Liability recognized in the balance sheet	13,293,356	11,877,397	6,172,772	7,585,882	2,569,378
Current liability (within 12 months)	-	-	-	-	-
Non current liability	13,293,356	11,877,397	6,172,772	7,585,882	2,569,378
Liability recognized in the balance sheet	13,293,356	11,877,397	6,172,772	7,585,882	2,569,378

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

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Gratuity cost					
Service cost	4,978,526	5,403,165	2,630,457	4,720,513	4,506,137
Interest cost	1,392,321	1,152,619	1,210,496	792,985	643,842
Expected return on plan assets	(750,896)	(700,556)	(641,304)	(264,986)	(461,072)
Actuarial (gain)/loss	(93,695)	(150,603)	45,634	(232,011)	(1,558,870)
Net gratuity cost	5,526,256	5,704,625	3,245,283	5,016,501	3,130,037
Assumptions					
Interest rate	7.46% p.a.	7.86% p.a.	9.12% p.a.	7.95% p.a.	8.57% p.a.
Expected rate of return on plan assets	8.50% p.a.	8.25% 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.	10.00% p.a.	11.00% p.a.
Attrition rate	19.00% p.a.	20.00% p.a.	19.00% p.a.	19.00% p.a.	20.00% 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, 2015	Additions during the year	Deletions	As at March 31, 2016	As at April 1, 2015	Charge for the year	Adjusted to retained earnings (note below)	Deletions during the year	As at March 31, 2016	As at March 31, 2015
Tangible assets										
Computer equipment	46,672,621	261,479	439,509	46,494,591	28,000,018	10,077,666	-	439,509	37,638,175	18,672,603
Office equipment	14,517,605	4,463,666	575,463	18,405,808	9,994,523	1,984,534	-	550,861	11,428,196	4,523,082
Furniture and fixtures	12,574,316	145,030	-	12,719,346	10,911,419	619,868	-	-	11,531,287	1,662,897
Building-given under operating lease	10,156,520	-	-	10,156,520	2,657,241	165,099	-	-	2,822,340	7,499,279
Vehicles	-	589,401	-	589,401	-	271,283	-	-	271,283	-
Total (A)	83,921,062	5,459,576	1,014,972	88,365,666	51,563,201	13,118,450	-	990,370	63,691,281	32,357,861
Intangible assets, owned:										
Goodwill (arising on business acquisition)	7,000,000	-	-	7,000,000	7,000,000	-	-	-	7,000,000	-
Computer software	37,868,471	1,385,888	-	39,254,359	32,520,824	2,505,960	-	-	35,026,784	5,347,647
Total (B)	44,868,471	1,385,888	-	46,254,359	39,520,824	2,505,960	-	-	42,026,784	5,347,647
Total (A+B)	128,789,533	6,845,464	1,014,972	134,620,025	91,084,025	15,624,410	-	990,370	105,718,065	37,705,508
Previous year	114,349,208	14,440,325	-	128,789,533	73,559,357	16,604,116	920,552	-	91,084,025	40,789,851

Note: In April 2014, the Company 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, 2016	As at March 31, 2015
Trade investment		
Un-quoted equity shares, fully paid up (valued at cost)		
- Investment in subsidiaries	1,231,291,030	1,231,291,030
Total	1,231,291,030	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, 2016	As at March 31, 2015
500 (previous year 500) common stock of BHD 100 par value of Mindteck Middle East Ltd. S.P.C., Bahrain, fully paid	1,830,360	1,830,360
250,000 (previous year 250,000) common stock of MYR 1 par value of Mindteck Software Malaysia SDN. BHD, fully paid	3,016,212	3,016,212
1,310,500 (previous year 1,310,500) shares of SGD 1 par value of Mindteck Singapore Pte Ltd., fully paid	84,664,219	84,664,219
968,408 (previous year 968,408) ordinary shares of GBP 1 par value of Mindteck UK Limited, fully paid	14,804,544	14,804,544
2 (previous year 2) shares of USD 1 par value of Chendle Holdings Limited, fully paid	195,419,991	195,419,991
13,000 (previous year 13,000) common stock of USD 1 par value of Mindteck Inc, USA, fully paid	931,555,704	931,555,704
Total	1,231,291,030	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, 2016	As at March 31, 2015
Deferred tax liability		
Fixed assets	-	281,451
	-	281,451
Deferred tax asset		
Fixed assets	1,210,014	-
Provision for doubtful debts	1,817,710	83,416
Compensated absences	2,989,539	2,193,696
Gratuity	4,600,565	4,282,462
Others	3,209,675	584,202
	13,827,503	7,143,776
Deferred tax assets (net)	13,827,503	6,862,325

3.4.4 Long-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured considered good)</i>		
Advance tax and tax deducted at source	29,026,200	27,328,465
Taxes paid under protest	22,900,000	22,900,000
Service tax input credit	20,743,544	37,255,754
Security deposits	45,105,789	44,911,089
Loans and advances to related parties	40,113,982	57,623,093
<i>(Unsecured considered doubtful)</i>		
Security deposits	5,000,000	5,000,000
	162,889,515	195,018,401
Less: Provision for doubtful deposits	(5,000,000)	(5,000,000)
Total	157,889,515	190,018,401

3.4.5 Other Non-current Assets

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured considered good)</i>		
Deposit Accounts with Bank		
Non current portion of bank deposit*	3,019,255	369,647
Total	3,019,255	369,647

*Represents restricted bank balances of Rs. 3,019,255 (previous year: Rs. 369,647). 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, 2016	As at March 31, 2015
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- Considered good	188,339	134,725
- Considered doubtful	252,282	245,413
Less: Provision for doubtful debts	(252,282)	(245,413)
	188,339	134,725
Other debts		
- Considered good	143,566,780	186,293,494
Total	143,755,119	186,428,219

3.5.2 Cash and Bank Balances

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalent		
Balances with banks		
- Current accounts	33,735,389	26,753,648
- Deposit accounts	270,091,916	149,512,222
Cash on hand	11,664	22,351
Other bank balances		
- Unpaid dividend account	220,808	155,398
Total	304,059,777	176,443,619

3.5.3 Short-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured considered good)</i>		
Prepaid expenses	-	-
Service Tax input credit	17,140,427	17,768,644
VAT input credit	-	1,069,173
Employee advances	6,270,385	2,630,490
Supplier advances	564,561	2,333,484
Total	23,975,373	23,801,791

3.5.4 Other Current Assets

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled revenue (unsecured, considered good)	13,181,816	7,823,797
Claimable expenses	1,318,185	885,539
Due from related parties [refer note 3.17(e)]	8,835,461	4,154,449
Accrued Interest	5,198,970	570,737
Prepaid expenses	6,572,241	6,063,251
Total	35,106,673	19,497,773

3.6 Other Income

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income	19,642,406	5,883,143
Rental income	2,268,504	2,418,528
Profit on sales of fixed assets, net	95,968	-
Other non-operating income	125,000	112,000
Total	22,131,878	8,413,671

3.7 Employee Benefits Expense

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and wages	474,674,138	360,455,944
Contribution to provident and other funds	25,670,759	22,731,402
Staff welfare expenses	12,395,937	10,417,163
Total	512,740,834	393,604,509

3.8 Finance Costs

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	-	273,878
Bank charges	495,103	99,705
Total	495,103	373,583

3.9 Other Expenses

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Rent	59,719,394	57,762,591
Hiring charges	2,831,681	2,890,435
Travel expenses	9,895,273	10,703,799
Foreign exchange loss, net	2,740,139	7,721,624
Power and fuel	13,335,196	14,111,625
Communication expenses	5,952,693	7,760,045
Professional charges	12,445,361	12,119,421
Repairs and maintenance-building	109,544	525,474
Repairs and maintenance-others	16,668,672	10,819,738
Project supply and services	57,514,152	53,780,358
Rates and taxes	4,617,097	1,114,025
Insurance	1,449,151	1,627,929
Remuneration to auditors (Refer note 3.19)	2,123,208	2,643,278
Membership and subscription	3,761,894	3,138,792
Printing and stationery	1,515,256	1,081,665
Recruitment expenses	3,563,717	4,688,567
Contribution towards Corporate Social Responsibility	2,750,000	1,690,000
Miscellaneous expenses	6,594,454	5,865,065
Total	207,586,882	200,044,431

3.10 Contingent Liabilities and Commitments

- Corporate Guarantee of Rs 132,511,600 i.e. USD 2 million (previous year: Rs 125,396,000 i.e. USD 2 million) has been provided by the Company in favour of a banking institution in the United States of America with respect to the extension of credit facilities by the banking institution to Mindteck Inc., a wholly owned subsidiary of the Company.
- Income tax matters of the Company aggregating to Rs 123,117,414 (previous year: Rs 135,694,569) 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. 8,868,660 (previous year Rs 3,554,053 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, 2016	Year ended March 31, 2015
The Company did not have any imports during the year.	-	-
Total	-	-

3.13 Expenditure in Foreign Currency

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Travel expenses	851,112	2,450,551
Communication expenses	402,224	2,934,329
Other Expenses (professional and other charges)	19,297,216	4,975,954
Membership and subscription	-	608,668
Project supply and services	290,818	166,893
Total	20,841,370	11,136,395

3.14 Earnings in Foreign Currency

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Export of software services	524,747,888	619,900,799
IT-enabled services	41,199,837	32,460,793
Total	565,947,725	652,361,592

3.15 Segmental Reporting

The Company's operations predominantly relate to providing software and IT-enabled services which constitute the Company's two primary business segments. The Company considers the business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments is categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

Segment assets excluding trade receivables have not been identified to any reportable segment, as these are used interchangeably between segments and hence Management believes that it is currently not practical to provide segment disclosures relating to total carrying amount of segment assets, liabilities and fixed assets, since a meaningful segregation is not possible.

Business segments

Amount in Rs.

Statement of profit and loss for the year ended March 31, 2016	Software services	IT-enabled services	TOTAL
Revenues	825,262,269	41,199,837	866,462,106
Operating expenses, net	443,219,343	23,122,578	466,341,921
Segmental operating income	382,042,926	18,077,259	400,120,185
Unallocable expenses			286,549,941
Interest expense			495,103
Other income			22,131,878
Net profit before taxes			135,207,019
Income taxes			(53,191,022)
Net profit after taxes			82,015,997

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
Segmental operating income	390,323,512	14,474,856	404,798,368
Unallocable expenses			234,811,112
Interest expense			373,583
Other income			8,413,671
Net profit before taxes			178,027,344
Income taxes			(63,214,519)
Net profit after taxes			114,812,825

Segment assets

Amount in Rs.

Segment assets for the year ended March 31, 2016	Software services	IT-enabled services	TOTAL
Trade receivables	138,899,365	4,855,754	143,755,119
Unallocable	-	-	1,798,071,086
Total	138,899,365	4,855,754	1,941,826,205

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
Total	183,977,094	2,451,125	1,872,418,312

Geographical segments

Amount in Rs.

Revenue	Year ended March 31, 2016	Year ended March 31, 2015
USA	446,968,600	522,670,383
Europe	109,208,968	101,737,818
India	300,514,381	149,337,640
Rest of the world	9,770,157	27,953,391
Total	866,462,106	801,699,232

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, 2016 amounted to Rs Nil (previous year Rs 50,358,399).

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

Amount in Rs.

Minimum lease payments	As at March 31, 2016	As at March 31, 2015
Payable - not later than one year	-	39,078,644
Payable - later than one year and not later than five years	-	111,667,097

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, 2016 amounted to Rs 59,719,394 (previous year Rs 7,404,192).

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 S.P.C., Kingdom of Bahrain

Mindteck UK Limited, United Kingdom

Mindteck Singapore Pte. Limited, Singapore

Mindteck Solutions Philippines Inc.

Mindteck Netherlands BV, Netherlands

Mindteck Germany GmbH, Germany

Chendle Holdings Ltd, BVI

(iii) Mindteck Employees Welfare Trust

b) Key Managerial Personnel

Yusuf Lanewala	Managing Director
Meenaz Dhanani	Executive Director
Anand Balakrishnan	Chief Financial Officer
Avneet Gupta	Chief Operating Officer
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, 2016	For the year ended March 31, 2015
(i)	Income from software and IT-enabled services:		
	Mindteck Inc., USA	449,092,810	522,670,383
	Mindteck UK Limited	107,928,954	101,737,818
	Mindteck Singapore Pte. Limited	7,390,870	23,285,042
	Mindteck Middle East Limited S.P.C.	297,994	1,711,335
	Mindteck Software Malaysia SDN. BHD	-	2,957,014
	Mindteck Germany GmbH	1,237,097	-
	TOTAL	565,947,725	652,361,592
(ii)	Reimbursement of expenses incurred on behalf of:		
	Mindteck Inc., USA	31,850,508	22,742,214
	Mindteck UK Limited	7,071,896	5,890,468
	Mindteck Singapore Pte. Limited	3,824,158	1,340,521
	Mindteck Middle East Limited S.P.C.	2,230,647	1,637,402
	Mindteck Software Malaysia SDN. BHD	3,200,621	1,189,034
	Mindteck Germany GmbH	4,981,011	-
	TOTAL	53,158,841	32,799,639
(iii)	Reimbursement of expenses incurred by:		
	Mindteck Inc., USA	23,810,285	13,262,142
	Mindteck UK Limited	3,076,771	135,116
	Mindteck Singapore Pte. Limited	505,240	31,897
	Mindteck Software Malaysia SDN. BHD	45,530	67,370
	TOTAL	27,437,826	13,496,525

During the year, Mindteck Singapore Pte. Limited and Mindteck Software Malaysia SDN. BHD has repaid the loan to Mindteck (India) Limited amounting Rs. 9,893,464 and Rs. 7,605,647 respectively. The balance of loan due from Mindteck Singapore Pte. Limited and Mindteck Software Malaysia SDN. BHD as at 31 March 2016 is Nil (31 March 2015 Rs. 17,489,111). During the year, Mindteck (India) Limited, received interest on loan from Mindteck Singapore Pte. Limited and Mindteck Software Malaysia SDN. BHD amounting to Rs. 1,053,641 and Rs. 528,145 respectively. Loan to Mindteck Employees Welfare Trust as at 31 March 2016 is Rs. 40,113,982 (31 March 2015 Rs. 40,123,982)

(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, 2016	For the year ended March 31, 2015
(i)	Remuneration to Key Managerial Personnel	23,982,434	17,714,384
(ii)	Directors' sitting fees	1,060,000	1,020,000

(e) The balances receivable from and payable to related parties are as follows:

Amount in Rs.

Sl. No.	Transaction/nature of relationship	Subsidiaries (including step-subsiidiaries)	
		As at March 31, 2016	As at March 31, 2015
(i)	Balance (due to)/due from:		
	A) Amounts receivable:		
	Mindteck Inc., USA	51,043,223	58,003,676
	Mindteck UK Limited	8,204,506	19,449,544
	Mindteck Singapore Pte. Limited	1,455,426	12,886,326
	Mindteck Software Malaysia SDN. BHD	-	355,866
	Mindteck Middle East Limited S.P.C.	257,936	-
	Mindteck Germany GmbH	121,579	-
	TOTAL	61,082,670	90,695,412
	B) Advances:		
	Mindteck Inc., USA	2,411,866	1,441,115
	Mindteck UK Limited	526,932	1,458,854
	Mindteck Singapore Pte. Limited	313,522	413,609
	Mindteck Middle East Limited S.P.C.	1,093,287	447,668
	Mindteck Software Malaysia SDN. BHD	410,057	393,203
	Mindteck Germany GmbH	4,079,797	-
	TOTAL	8,835,461	4,154,449
	C) Amounts payable:		
	Mindteck Inc., USA	23,315,295	17,169,068
	Mindteck UK Limited	2,993,371	418,584
	Mindteck Singapore Pte. Limited	85,749	(140,982)
	Mindteck Middle East Limited S.P.C.	-	314,092
	Mindteck Software Malaysia SDN. BHD	50,891	137,239
	TOTAL	26,445,306	17,898,001

3.18 Earnings Per Share ('EPS')

The computation of earnings per share is set out below:

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after taxation (Rs)	82,015,997	82,015,997	114,812,825	114,812,825
Shares				
Weighted average number of equity shares out-standing during the year	25,062,971	25,099,858	24,980,071	25,020,232
Weighted average number of equity shares resulting from assumed exercise of employee stock options	36,887	499,342	40,161	262,660
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	25,099,858	25,702,078	25,020,232	25,385,770

3.19 Auditor's Remuneration

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Audit fees	1,750,000	1,750,000
Tax audit fee	75,000	75,000
Other services	200,000	700,000
Reimbursement of expenses	98,208	118,278
Total	2,123,208	2,643,278

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, 2016 has been made in the financials statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
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 period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of this allowance of a deductible expenditure under section 23 of this Act.	-	-

3.21 Unhedged foreign currency exposure

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Amount (Rs.)	Amount (Foreign currency)	Amount (Rs.)	Amount (Foreign currency)
Trade receivables for services rendered	51,697,963	USD 780,278	58,410,464	USD 931,920
	8,177,141	GBP 85,886	19,423,525	GBP 208,873
	257,936	BHD 1,457	-	-
	949,630	SGD 19,320	12,886,326	SGD 282,440
Advances recoverable	4,770,704	USD 72,004	4,154,449	USD 66,282
	4,064,757	EUR 54,020		
Trade payables for services availed	29,055,491	USD 438,520	17,983,546	USD 286,916
	-	-	144,000	GBP 1,549
	50,892	MYR 3,000	66,739	MYR 3,949
	85,749	SGD 1,745	171,375	SGD 3,756

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
DIN - 01770426

Javed Gaya
Director
DIN - 01481518

Anand Balakrishnan
Chief Financial Officer

Shivarama Adiga S.
Company Secretary

Place: Bengaluru
Date: May 20, 2016

Place: Bengaluru
Date: May 20, 2016

Independent Auditor's Report

To the Members of Mindteck (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mindteck (India) Limited ("the Holding Company") and its subsidiaries including step subsidiaries (collectively referred to as "the Group"), comprising the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2016, 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 2016, 2% of the aggregate of total income from operations and other income and 3% of the net increase in cash and cash equivalents for the year ended 31 March 2016, 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.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable, that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with 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 2016 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 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 3.10 to the consolidated financial statements;
- b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; 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

Bengaluru, May 20, 2016

Annexure A to the Independent Auditor's report of even date on the consolidated financial statements of Mindteck (India) Limited

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

We have audited the internal financial controls over financial reporting of Mindteck (India) Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. The Group does not have any Indian subsidiaries or associates or jointly controlled companies.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **B S R & Company**

Chartered Accountants

Firm Registration No. 128032W



Vineet Dhawan

Partner

Membership No. 092084

Bengaluru, May 20, 2016

Consolidated Balance Sheet as at March 31, 2016

Amount in Rs.

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3.1.1	247,571,010	246,469,710
Reserves and surplus	3.1.2	1,637,701,603	1,381,216,007
		1,885,272,613	1,627,685,717
Share application money pending allotment	3.1.1 (b)	7,565,656	7,565,656
Non-current liabilities			
Other long-term liabilities	3.2.1	2,021,179	3,739,925
Long-term provisions	3.2.2	53,926,642	44,907,358
		55,947,821	48,647,283
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises & small enterprises	3.3.1	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises	3.3.1	163,081,819	206,522,833
Other current liabilities	3.3.2	109,335,326	110,908,993
Short-term provisions	3.3.3	91,933,675	190,820,687
		364,350,820	508,252,513
		2,313,136,910	2,192,151,169
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	3.4.1	26,094,797	37,903,017
Intangible fixed assets	3.4.1	882,090,956	881,325,178
Deferred tax assets (net)	3.4.2	13,827,503	6,862,325
Long-term loans and advances	3.4.3	127,270,254	142,158,222
Other non-current assets	3.4.4	3,019,255	369,647
		1,052,302,765	1,068,618,389
Current assets			
Trade receivables	3.5.1	579,955,945	616,944,696
Cash and bank balances	3.5.2	505,408,372	343,935,725
Short-term loans and advances	3.5.3	24,794,981	27,367,436
Other current assets	3.5.4	150,674,847	135,284,923
		1,260,834,145	1,123,532,780
		2,313,136,910	2,192,151,169

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

DIN - 01770426

Javed Gaya

Director

DIN - 01481518

Anand Balakrishnan

Chief Financial Officer

Shivarama Adiga S.

Company Secretary

Place: Bengaluru

Date: May 20, 2016

Place: Bengaluru

Date: May 20, 2016

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2016

Amount in Rs.

	Note	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from operations		3,116,296,709	3,191,477,778
Other income	3.6	22,408,422	9,091,449
Total revenues		3,138,705,131	3,200,569,227
Expenses			
Employee benefits expense	3.7	1,984,940,586	1,864,366,743
Cost of technical sub-contractors		570,022,096	695,387,437
Finance costs	3.8	3,235,858	3,099,338
Depreciation and amortization expense	3.4.1	18,182,565	19,551,302
Other expenses	3.9	354,506,264	340,052,768
Total expenses		2,930,887,369	2,922,457,588
Profit before tax		207,817,762	278,111,639
Tax credit / (expense)			
Current tax (Refer note 3.11)		50,491,241	(87,960,870)
Tax expense relating to earlier years		(6,000,000)	-
Deferred tax credit		6,965,178	1,808,848
Profit after tax		259,274,181	191,959,617
Earnings per equity share			
Equity shares of par value Rs.10/- each			
Basic		10.50	7.80
Diluted		10.25	7.69
Weighted average number of equity shares used in computing earnings per share			
Basic	3.15	24,683,858	24,604,232
Diluted	3.15	25,286,078	24,969,770
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
DIN - 01770426

Javed Gaya
Director
DIN - 01481518

Anand Balakrishnan
Chief Financial Officer

Shivarama Adiga S.
Company Secretary

Place: Bengaluru
Date: May 20, 2016

Place: Bengaluru
Date: May 20, 2016

Consolidated Cash Flow Statement for the Year Ended March 31, 2016

Amount in Rs.

	Year ended March 31, 2016	Year ended March 31, 2015
Cash flow from operating activities		
Profit before taxation	207,817,762	278,111,639
Adjustments:		
Depreciation and amortisation	18,182,565	19,551,302
Interest expense	136,976	407,986
Interest income	(18,073,303)	(5,930,677)
Unrealised exchange differences	(287,686)	562,313
Profit on sale of fixed assets	(95,968)	(8,669)
Provision for doubtful debts and advances	-	166,502
Operating profit before working capital changes	207,680,346	292,860,396
Changes in trade receivables	64,916,265	(43,651,636)
Changes in loans and advances and other assets	19,322,431	(1,511,336)
Changes in current liabilities and provisions	(48,773,348)	44,172,377
Cash generated from operations before taxes	243,145,694	291,869,801
Income taxes paid, net	(63,632,462)	(62,219,087)
Net cash provided by operating activities	179,513,232	229,650,714
Cash flow from investing activities		
Purchase of fixed assets	(4,941,251)	(19,419,288)
Proceeds from sale of fixed assets	120,570	8,669
Interest received	13,445,079	5,930,677
Net cash provided by / (used in) investing activities	8,624,398	(13,479,942)
Cash flow from financing activities		
Proceeds from issue of equity shares	3,922,555	1,501,205
Interest paid	(136,976)	(407,986)
Dividends paid (including distribution tax)	(29,687,318)	(28,796,212)
Net cash used in financing activities	(25,901,739)	(27,702,993)
Net increase in cash and cash equivalents	162,235,891	188,467,779
Cash and cash equivalents at the beginning of the year	343,935,725	153,950,371
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(763,244)	1,517,575
Cash and cash equivalents at the end of the year*	505,408,372	343,935,725

Cash and cash equivalents at the end of the year include unpaid dividend account aggregating to Rs 220,808 (previous year Rs 155,398).

*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
DIN - 01770426

Javed Gaya
Director
DIN - 01481518

Anand Balakrishnan
Chief Financial Officer

Shivarama Adiga S.
Company Secretary

Place: Bengaluru
Date: May 20, 2016

Place: Bengaluru
Date: May 20, 2016

Notes to the Consolidated Financial Statements for the Year Ended March 31, 2016

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 fourteen offices across India, the United States, United Kingdom, Netherlands, Germany, Bahrain, Singapore, Philippines and Malaysia.

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

List of subsidiaries with percentage holding as on March 31, 2016

Subsidiaries	Country of incorporation and other particulars	Percentage of ultimate holding (%)
Chendle Holdings Limited ('Chendle')	A subsidiary of Mindteck from April 1, 2008, incorporated under the laws of British Virgin Islands	100
Mindteck UK Limited ('Mindteck UK')	A subsidiary of Mindteck from April 1, 2008, incorporated under the laws of the United Kingdom	100
Mindteck Netherlands BV ('Mindteck Netherlands')	A subsidiary of Mindteck UK from October 17, 2008, incorporated under the laws of Netherlands	100
Mindteck Germany GmbH ('Mindteck Germany')	A subsidiary of Mindteck UK from April 2, 2008, incorporated under the laws of Germany	100
Mindteck Singapore Pte Ltd. ('Mindteck Singapore')	A subsidiary of Mindteck from April 1, 2008, incorporated under the laws of Singapore	100
Mindteck Inc.	A subsidiary of Mindteck incorporated under the laws of the Commonwealth of Pennsylvania, USA	100
Mindteck Software Malaysia SDN. BHD ('Mindteck Malaysia')	A subsidiary of Mindteck incorporated under the laws of Malaysia	100
Mindteck Middle East Ltd S.P.C., Kingdom of Bahrain ('Mindteck Middle East')	A subsidiary of Mindteck incorporated under the laws of the Kingdom of Bahrain	100
Mindteck Solutions Philippines Inc. (Mindteck Philippines)	A subsidiary of Mindteck Singapore Pte Ltd. from March 8, 2016, incorporated under the laws of Philippines	100

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

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

2.2 Principles of consolidation

The consolidated financial statements include the financial statements of Mindteck and its subsidiaries, which are more than 50% owned or controlled. The financial statements of the parent company and its majority owned/controlled subsidiaries have been combined on a line-by-line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/transactions and the resultant unrealized gain/loss from the date the parent company acquired these subsidiaries.

The consolidated financial statements are prepared using uniform accounting policies in use at the Group.

2.3 Use of estimates

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

2.4 Fixed assets and depreciation

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

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired on or after April 1, 2001 are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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

Depreciation / amortization is provided on the straight-line method. The rates specified under Schedule II of the Companies Act, 2013 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset, or of the remaining useful life on a subsequent review, is shorter than that envisaged in the aforesaid Schedule, depreciation / amortization is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, the management has estimated the useful life of fixed assets as follows:

Asset classification	Useful life
Computer equipment	3 years
Computer software	3 Years
Office equipment	3 to 5 years
Furniture and fixtures	5 to 7 years
Vehicles	5 to 6 years
Buildings	58 years

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

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

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, 2016	As at March 31, 2015
Authorised		
Equity shares		
28,000,000 (previous year 28,000,000) equity shares of Rs 10 each	280,000,000	280,000,000
Preference shares		
500,000 (previous year 500,000) cumulative, non-convertible, redeemable preference shares of Rs 100 each	50,000,000	50,000,000
	330,000,000	330,000,000
Issued, subscribed and paid-up capital		
Equity shares		
25,173,101 (previous year 25,062,971) equity shares of Rs 10 each fully paid-up	251,731,010	250,629,710
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)	(4,160,000)	(4,160,000)
	247,571,010	246,469,710

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, 2016		As at March 31, 2015	
	Numbers	Amount	Numbers	Amount
Equity Shares				
Shares outstanding at the beginning of the year (after reduction of equity shares held by Mindteck Employees Welfare Trust)	24,646,971	246,469,710	24,564,071	245,640,710
Add: shares issued during the year on exercise of employee stock options/ restricted shares	110,130	1,101,300	82,900	829,000
Shares outstanding at the end of the year	24,757,101	247,571,010	24,646,971	246,469,710

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 20, 2016 have recommended dividend of 10% (Re 1 per equity share of par value Rs 10 each) for the year ended March 31, 2016. (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, 2016	As at March 31, 2015
Embtech Holdings Limited, Holding Company	16,431,604	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, 2016		As at March 31, 2015	
		No. of shares	%	No. of shares	%
1	Embtech Holdings Limited	16,431,604	65.27%	16,169,857	64.52%
2	First Asian Investments S.A	1,390,569	5.52%	1,390,569	5.55%

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, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
Class of shares	Equity	Equity	Equity	Equity	Equity
No of shares	-	-	-	-	-

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, 2016, the Company has granted 69,900 options on May 29, 2015 at an exercise price of Rs 79.95 per share, 48,600 options on August 10, 2015 at an exercise price of Rs 81.00 per share, 27,600 options on November 13, 2015 at an exercise price of Rs. 130.80 per share and 11,700 options @ Rs. 81.60 per share on February 12, 2016.

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

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	219,700	36.79	214,000	17.20
Granted during the year	157,800	89.29	156,900	50.19
Exercised during the year on exercise of employee stock options/ restricted shares	44,900	24.20	82,900	18.11
Lapsed during the year	50,100	58.77	68,300	28.88
Options outstanding at the end of the year	282,500	63.17	219,700	36.79
Options exercisable at the end of the year	82,700	35.22	66,300	17.71

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, 2016, the Company has granted 10,500 options on November 13, 2015 at an exercise price of Rs 130.80 per share.

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

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Options outstanding at the beginning of the year	569,250	38.94	-	-
Granted during the year	10,500	130.80	611,750	39.27
Exercised during the year on exercise of employee stock options/ restricted	65,230	43.60	-	-
Lapsed during the year	31,834	46.34	42,500	43.60
Options outstanding at the end of the year	482,686	39.83	569,250	38.94
Options exercisable at the end of the year	115,353	35.94	-	-

d) *Mindteck Employee Stock Option Scheme 2014*

During the year ended March 31, 2015, the Company introduced 'Mindteck Employees Stock Option Scheme 2014' ('the Option Scheme 2014') for the benefit of the employees, as approved by the Board of Directors in its meeting held on May 29, 2014 and the shareholders meeting held on August 14, 2014. The Option Scheme 2014 provides for the creation and issue of 2,500,000 options that would eventually convert into equity shares of Rs 10 each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee. No options have been granted under the option scheme 2014.

The weighted average remaining contractual life of the options outstanding as at March 31, 2016 is 5.92 years (previous year 6.61 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, 2016 would have been Rs 258,544,707 (previous year profit of Rs 189,811,852) i.e. lower by Rs 729,474 (previous year profit lower by Rs 2,147,765) and the basic and diluted EPS for the year would have been Rs 10.47 and Rs 10.22 (previous year Rs 7.71 and Rs 7.60 respectively).

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options has been calculated using Black- Scholes option pricing model, considering the expected term of the options to be 4 years, an expected dividend yield of 5- 10% on the underlying equity shares, volatility in the share price of 40-100% and a risk free rate of 7-9.5%. The Company's calculations are based on a single option valuation approach. The expected volatility is based on historical volatility of the share price during the period after eliminating abnormal price fluctuations.

3.1.2 Reserves and Surplus

Particulars	Amount in Rs.	
	As at March 31, 2016	As at March 31, 2015
Capital reserve	86,726,769	86,726,769
Securities premium reserve		
Opening balance	993,494,847	1,029,062,642
Less: Premium on equity shares held by the Mindteck Employees Welfare Trust [refer note 3.1.1(a)]	-	(36,240,000)
	993,494,847	992,822,642
Add: Additions during the year on exercise of employee stock options/restricted shares	2,821,255	672,205
	996,316,102	993,494,847
Surplus (Balance in the statement of profit and loss)		
Opening balance	393,809,828	232,534,514
Add: Amount transferred from statement of profit and loss	259,274,181	191,959,617
Appropriations/Reductions:		
Dividend proposed	(24,758,701)	(24,659,371)
Dividend distribution tax	(5,124,977)	(5,104,380)
Depreciation adjusted against opening retained earnings (refer note 3.4.1)	-	(920,552)
	623,200,331	393,809,828
Foreign currency translation reserve		
Opening balance	58,669,570	57,048,229
Additions during the period	24,273,838	1,621,341
	82,943,408	58,669,570
Adjustment on amalgamation of foreign subsidiaries		
[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)
Total	1,637,701,603	1,381,216,007

3.2.1 Other Long-term Liabilities

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Rent equalisation reserve	-	1,718,746
Rental deposit	2,021,179	2,021,179
Total	2,021,179	3,739,925

3.2.2 Long-term Provisions

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
- Gratuity (Refer note 3.3.4)	13,293,356	11,877,397
- Compensated absences	40,633,286	33,029,961
Total	53,926,642	44,907,358

3.3.1 Trade Payables

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Total outstanding dues of micro enterprises & small enterprises (refer note 3.18)	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		
Accrued expenses	73,448,736	76,826,149
Others	89,633,083	129,696,684
Total	163,081,819	206,522,833

3.3.2 Other Current Liabilities

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Unearned income	10,158,460	14,354,850
Unpaid dividends	220,808	156,997
Other liabilities		
- Statutory liabilities	36,132,325	34,975,869
- Salary payable	62,823,733	61,421,277
Total	109,335,326	110,908,993

3.3.3 Short-term Provisions

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
- Compensated absences	2,449,249	3,507,187
- Bonus and incentives	32,084,730	24,438,927
Other provisions		
- Taxation	27,101,944	132,709,371
Proposed equity dividend	25,173,101	25,062,971
Tax on proposed equity dividend payable	5,124,651	5,102,231
Total	91,933,675	190,820,687

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 20,367,460 (previous year: Rs 16,364,981).

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, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Obligations at beginning of the year	20,132,922	15,622,218	14,659,660	10,642,518	8,031,700
Service cost	4,978,526	5,403,165	2,630,457	4,720,513	4,506,137
Interest cost	1,392,321	1,152,619	1,210,496	792,985	643,842
Benefits paid	(2,953,205)	(1,915,706)	(2,773,358)	(1,335,731)	(1,037,925)
Actuarial (gain)/loss	(52,418)	(129,374)	(105,037)	(160,628)	(1,501,236)
Obligations at end of the year	23,498,146	20,132,922	15,622,218	14,659,660	10,642,518
Change in plan assets					
Plan assets at beginning of the year, at fair value	8,255,525	9,449,446	7,073,778	8,073,140	4,392,359
Expected return on plan assets	750,896	700,556	641,304	264,986	461,072
Actuarial gain/(loss)	41,277	21,229	(150,671)	71,383	57,634
Contributions	4,110,297	-	4,658,393	-	4,200,000
Benefits paid	(2,953,205)	(1,915,706)	(2,773,358)	(1,335,731)	(1,037,925)
Plan assets at end of the year, at fair value	10,204,790	8,255,525	9,449,446	7,073,778	8,073,140
Reconciliation of present value of the obligation and the fair value of the plan assets					
Present value of the defined benefit obligations at the end of the year	23,498,146	20,132,922	15,622,218	14,659,660	10,642,518
Fair value of plan assets at the end of the year	(10,204,790)	(8,255,525)	(9,449,446)	(7,073,778)	(8,073,140)
Liability recognized in the balance sheet	13,293,356	11,877,397	6,172,772	7,585,882	2,569,378

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

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Gratuity cost					
Service cost	4,978,526	5,403,165	2,630,457	4,720,513	4,506,137
Interest cost	1,392,321	1,152,619	1,210,496	792,985	643,842
Expected return on plan assets	(750,896)	(700,556)	(641,304)	(264,986)	(461,072)
Actuarial (gain)/loss	(93,695)	(150,603)	45,634	(232,011)	(1,558,870)
Net gratuity cost	5,526,256	5,704,625	3,245,283	5,016,501	3,130,037
Assumptions					
Interest rate	7.46% p.a.	7.86% p.a.	9.12% p.a.	7.95% p.a.	8.57% p.a.
Expected rate of return on plan assets	8.50% p.a.	8.25% 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.	10.00% p.a.	11.00% p.a.
Attrition rate	19.00% p.a.	20.00% p.a.	19.00% p.a.	19.00% p.a.	20.00% 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, 2015	Additions	Deletions	Foreign exchange difference ^	As at March 31, 2016	As at April 1, 2015	Charge for the year	Adjusted to retained earnings (note below)	Deletions	Foreign exchange difference ^	As at March 31, 2016	As at March 31, 2015
Tangible assets												
Computer equipment	77,109,277	639,496	439,509	1,596,502	78,905,766	54,769,160	12,040,232	-	439,509	1,381,175	67,751,058	22,340,117
Office equipment	15,655,949	1,314,431	575,463	84,978	16,479,895	11,112,801	2,088,879	-	550,861	78,434	12,729,253	4,543,148
Furniture and fixtures	40,332,310	1,012,035	-	1,555,647	42,899,992	36,811,836	1,111,112	-	-	1,439,894	39,362,842	3,520,474
Vehicles	1,003,290	589,401	-	58,698	1,651,389	1,003,290	271,283	-	-	58,698	1,333,271	318,118
Building - Asset given under operating lease	10,156,520	-	-	-	10,156,520	2,657,242	165,099	-	-	-	2,822,341	7,499,278
Total (A)	144,257,346	3,555,363	1,014,972	3,295,825	150,093,562	106,354,329	15,676,605	-	990,370	2,958,201	123,998,765	37,903,017
Intangible assets, owned:												
Goodwill (arising on business acquisition)	879,523,177	-	-	1,885,850	881,409,027	7,000,000	-	-	-	-	7,000,000	874,409,027
Computer software	46,508,375	1,385,888	-	336,998	48,231,261	37,706,374	2,505,960	-	-	336,998	40,549,332	7,681,929
Total (B)	926,031,552	1,385,888	-	2,222,848	929,640,288	44,706,374	2,505,960	-	-	336,998	47,549,332	882,090,956
Total (A+B)	1,070,288,898	4,941,251	1,014,972	5,518,673	1,079,733,850	151,060,703	18,182,565	-	990,370	3,295,199	171,548,097	919,228,195
Previous year	1,045,794,519	24,530,751	181,797	145,425	1,070,288,898	129,698,649	19,551,302	920,552	181,797	1,071,997	151,060,703	919,228,195

Note: In April 2014, the Company 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 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, 2016	As at March 31, 2015
Deferred tax liability		
Fixed assets	-	281,451
	-	281,451
Deferred tax asset		
Fixed assets	1,210,014	-
Provision for doubtful debts	1,817,710	83,416
Compensated absences	2,989,539	2,193,696
Gratuity	4,600,565	4,282,462
Others	3,209,675	584,202
	13,827,503	7,143,776
Deferred tax assets (net)	13,827,503	6,862,325

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, 2016	As at March 31, 2015
<i>(Unsecured considered good)</i>		
Advance tax and tax deducted at source (net of provision for income tax)	32,109,276	29,593,000
Taxes paid under protest	22,900,000	22,900,000
Service tax input credit	20,743,544	37,255,754
Security deposits	51,517,434	52,409,468
<i>(Unsecured considered doubtful)</i>		
Security deposits	5,000,000	5,000,000
	132,270,254	147,158,222
Less: Provision for doubtful deposits	(5,000,000)	(5,000,000)
Total	127,270,254	142,158,222

3.4.4 Other Non-current Assets

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured, considered good)</i>		
Deposit Accounts with Bank*	3,019,255	369,647
Total	3,019,255	369,647

* Represents restricted bank balances of Rs. 3,019,255 (previous year: Rs. 369,647). 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, 2016	As at March 31, 2015
<i>(Unsecured)</i>		
Debts overdue for a period exceeding six months		
- Considered good	9,128,770	6,384,231
- Considered doubtful	9,757,805	9,241,331
Less: Provision for doubtful debts	(9,757,805)	(9,241,331)
	9,128,770	6,384,231
Other debts		
- Considered good	570,827,175	610,560,465
Total	579,955,945	616,944,696

3.5.2 Cash and Bank Balances

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalent		
Balances with banks		
- Current accounts	231,348,817	191,437,951
- Deposit accounts	273,544,154	152,094,949
Cash on hand	294,593	247,427
Other bank balances		
- Unpaid dividend accounts	220,808	155,398
Total	505,408,372	343,935,725

3.5.3 Short-term Loans and Advances

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
<i>(Unsecured considered good)</i>		
Service Tax input credit	17,140,427	17,768,644
VAT input credit	-	1,069,173
Employee advances	6,882,033	5,926,000
Supplier advances	772,521	2,603,619
Total	24,794,981	27,367,436

3.5.4 Other Current Assets

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled revenue	129,942,428	122,608,007
Claimable expenses	2,960,361	277,492
Accrued interest	5,198,961	570,737
Prepaid expenses	12,573,097	11,828,687
Total	150,674,847	135,284,923

3.6 Other Income

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income	18,073,303	5,930,677
Rental income	2,268,504	2,418,528
Profit on sale of fixed assets, net	95,968	8,669
Other non-operating income	1,970,647	733,575
Total	22,408,422	9,091,449

3.7 Employee Benefits Expense

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and wages	1,794,385,554	1,674,589,066
Contribution to provident and other funds	114,560,171	116,266,837
Staff welfare expenses	75,994,861	73,510,840
Total	1,984,940,586	1,864,366,743

3.8 Finance Costs

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	136,976	407,986
Bank charges	3,098,882	2,691,352
Total	3,235,858	3,099,338

3.9 Other Expenses

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Rent	82,250,159	84,711,601
Hiring charges	3,045,590	2,923,353
Travel expenses	37,878,541	32,959,125
Foreign exchange loss, net	3,803,968	8,545,314
Power and fuel	13,612,149	14,457,109
Communication expenses	16,910,192	17,456,184
Professional charges	51,727,716	46,834,719
Repairs and maintenance-building	109,544	525,474
Repairs and maintenance-others	18,506,341	14,754,984
Project supply and services	57,959,059	54,574,471
Rates and taxes	6,586,791	3,574,932
Insurance	3,820,157	4,194,756
Remuneration to auditors (Refer note 3.16)	3,875,518	4,503,109
Membership and subscription	29,576,017	32,510,737
Printing and stationery	3,328,300	2,767,237
Recruitment expenses	10,977,007	6,438,992
Provision for doubtful debts, net	-	166,502
Contribution towards Corporate Social Responsibility	2,750,000	1,690,000
Miscellaneous expenses	7,789,215	6,464,169
Total	354,506,264	340,052,768

3.10 Contingent Liabilities and Commitments

- Corporate Guarantee of Rs 132,511,600 i.e. USD 2 million (previous year: Rs 125,396,000 i.e. USD 2 million) has been provided by the Company in favour of a banking institution in the United States of America with respect to the extension of credit facilities by the banking institution to Mindteck Inc., a wholly owned subsidiary of the Company.
- Income tax matters of the Company aggregating to Rs 123,117,414 (previous year: Rs 135,694,569) 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. 8,868,660 (previous year Rs 3,554,053 from Axis Bank) against the bank guarantees provided to Customs and Excise Departments for Software Technology Park of India (STPI) bonding facilities.

3.11

During the year ended 31 March 2016, provisions relating to Net Operating Losses (NOL) pertaining to Mindteck Inc., a subsidiary company were reversed due to expiry of the Statute of Limitations. Current tax credit for the year includes Rs. 115,128,357 representing reversal of these provision

3.12 Segmental Reporting

The Group's operations predominantly relate to providing software services to external customers and providing IT-enabled services to consolidated subsidiaries within the Group. The Group considers business segment as the primary segment and geographical segment based on the location of customers as the secondary segment.

Since IT-enabled services are rendered to subsidiaries which are consolidated, the disclosure of a separate IT-enabled services segment as a separate primary segment is not applicable. The Group is therefore considered to constitute a single primary business segment and accordingly primary segment disclosures have not been presented.

The accounting principles consistently used in the preparation of the consolidated financial statements are also consistently applied to record income and expenditure in individual segments.

Geographical segments

Amount in Rs.

Revenue	Year ended March 31, 2016	Year ended March 31, 2015
USA	2,128,082,550	2,442,463,138
India	300,514,381	149,337,640
Rest of the world	687,699,778	599,677,000
Total	3,116,296,709	3,191,477,778

Carrying amount of segment assets by location of assets	As at March 31, 2016	As at March 31, 2015
USA	597,079,839	594,165,233
India	599,659,116	485,158,859
Rest of the world	268,265,149	240,303,900
Unallocated corporate asset - Goodwill on consolidation	848,132,806	872,523,177
Total	2,313,136,910	2,192,151,169

Cost to acquire tangible and intangible fixed assets by location of assets	Year ended March 31, 2016	Year ended March 31, 2015
USA	655,370	8,692,738
India	3,538,655	14,440,325
Rest of the world	747,226	1,397,688
Total	4,941,251	24,530,751

3.13 Lease Transactions

The Group leases office and residential facilities and certain equipment under operating lease arrangements.

Lease rental expense for office facilities under non-cancellable operating leases during the year ended March 31, 2016 amounted to Rs Nil (previous year Rs. 67,477,523).

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

Amount in Rs.

Minimum lease payments	As at March 31, 2016	As at March 31, 2015
Payable - not later than one year	-	49,767,590
Payable - later than one year and not later than five years	-	158,674,201

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, 2016 amounted to Rs 82,250,159 (previous year Rs 17,234,078).

3.14 Related Party Transactions

Name of the related party	Nature of relationship
Transcompany Ltd., British Virgin Islands (BVI)	Ultimate holding company
Vanguard Investments Ltd., BVI	Intermediary holding company
Mindteck Holdings Ltd., BVI	Intermediary holding company
Business Holdings Ltd., BVI	Intermediary holding company
Garrington Investments Ltd., BVI	Intermediary holding company
Infotech Ventures Ltd	Subsidiary of intermediary holding company
Embtech Holdings Ltd., Mauritius	Holding company
Mindteck Employees Welfare Trust	Controlled Trust
Key managerial personnel	
Yusuf Lanewala	Managing Director
Meenaz Dhanani	Executive Director
Anand Balakrishnan	Chief Financial Officer
Avneet Gupta	Chief Operating Officer
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, 2016	For the year ended March 31, 2015
(i) Remuneration to key managerial personnel	23,982,434	28,303,811
(ii) Directors' sitting fees	1,060,000	1,020,000

The balances receivable from and payable to related parties as at March 31, 2016 and as at March 31, 2015 are Nil.

3.15 Earnings Per Share ('EPS')

The computation of earnings per share is set out below:

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Profit after taxation (Rs)	259,274,181	259,274,181	191,959,617	191,959,617
Shares				
Weighted average number of equity shares outstanding during the year	24,646,971	24,683,858	24,564,071	24,604,232
Weighted average number of equity shares resulting from assumed exercise of employee stock options	36,887	499,342	40,161	262,660
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	24,683,858	25,286,078	24,604,232	24,969,770

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.

3.16 Auditor's Remuneration

Amount in Rs.

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Audit fees	1,750,000	1,750,000
Tax audit fee	75,000	75,000
Other services	1,950,000	2,450,000
Reimbursement of expenses	100,518	228,109
Total	3,875,518	4,503,109

3.17 Unhedged Foreign Currency Exposure

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Amount (Rs.)	Amount (Foreign currency)	Amount (Rs.)	Amount (Foreign currency)
Trade receivables for services rendered	4,010,560	EUR 53,292	421,747	EUR 6,200
	-	-	672,805	CHF 10,348
	983,036	USD 14,835	887,409	USD 14,175
Trade payables for services availed	-	-	1,577	EUR 23
	3,174,949	USD 47,894	155,302	USD 2,478

3.18 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 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, 2016	As at March 31, 2015
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 period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of this allowance of a deductible expenditure under Section 23 of this Act.	-	-

3.19 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
DIN - 01770426

Javed Gaya
Director
DIN - 01481518

Anand Balakrishnan
Chief Financial Officer

Shivarama Adiga S.
Company Secretary

Place: Bengaluru
Date: May 20, 2016

Place: Bengaluru
Date: May 20, 2016

Notice of Annual General Meeting

(CIN: L30007KA1991PLC039702)

NOTICE is hereby given that the TWENTY-FIFTH ANNUAL GENERAL MEETING of the Members of Mindteck (India) Limited will be held on Thursday, August 11, 2016 at 12:00 Noon at Hotel Woodlands, "Sri Krishna Hall", No-5, Rajaram Mohan Roy Road, Bengaluru-560 025, to transact the following business:

As Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, 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, 2016.
3. To appoint a Director in place of Mr. Yusuf Lanewala, 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 read with 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 Mr. Guhan Subramaniam (DIN-00131687), 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 May 20, 2016 and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013, from a member signifying his intention to propose Mr. Guhan Subramaniam (DIN-00131687), as a candidate for the office of Independent Director of the Company.

RESOLVED FURTHER THAT Mr. Guhan Subramaniam (DIN-00131687), an existing Additional Independent Director of the Company, who has submitted a declaration

that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, who is eligible for appointment, be and is hereby appointed as an Independent Director for the term of five years from May 20, 2016 up to May 19, 2021.

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 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 Mr. Meenaz Dhanani (DIN-06705048), a Non-Resident, appointed as an Executive Director by the members of the Company on August 14, 2014 be and is hereby re-appointed as an Executive Director of the Company pursuant to Article 132 of Articles of Association of the Company and the provisions of Sections 196, 197 read with Schedule V of Companies Act, 2013 and all other applicable Acts, Rules and Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Listing Agreement and subject to such statutory approvals, terms and conditions as may be stipulated by the members in the general meeting and the Central Government while granting approvals in that behalf, from October 04, 2016, for a period of three years subject to the conditions specified in Part I (e) of Schedule V of the Companies Act, 2013, on the terms and conditions without any payment of remuneration by the Company and his remuneration be directly paid by Company's wholly owned subsidiary, Mindteck Inc., US as stipulated in employment agreement and as recommended by the Nomination and Remuneration Committee of the Board, and agreed upon between the Board of Directors and Mr. Meenaz Dhanani with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointee.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorized to take such steps, actions and do things, deeds, matters including the filing of necessary forms with Ministry of Corporate Affairs and obtaining necessary approvals from Central Government as may be required or are necessary so as to give proper effect to this Resolution."

Registered Office:
Prestige Atlanta
No.10, Industrial Layout
7th Main, 80 Feet Road
3rd Block, Koramangala
Bengaluru-560 034, India
Date: May 20, 2016

**BY ORDER OF THE BOARD
for Mindteck (India) Limited**

Shivarama Adiga S.
Vice President,
Legal and Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the Company. A person can act as a proxy for not more than 50 members and holding not more than 10% of the total share capital. Proxies, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
2. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business is annexed hereto.
3. Corporate members intending to depute their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting, as well as for exercising e-voting.
4. A blank Attendance Slip is annexed to this Annual Report. Members/proxies are requested to fill in their particulars on the attendance slip, affix their signature in the appropriate place and hand it to Company's officials/Registrar at the entrance of the meeting venue.
5. Pursuant to Section 91 of Companies Act, 2013 the Register of Members and Share Transfer Register shall remain closed from August 05, 2016 to August 11, 2016 (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, 2016.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the registered office of the Company.
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their updated e-mail IDs, Bank details, Electronic Clearing Services (ECS) or (NECS) compliant bank account numbers, mandates, nominations, power of attorney, change of address, change of name, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records that will help the Company and its RTA to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to their RTA, Universal Capital Securities Private Limited at 21/25, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093. Contact No. 022-2820 7203-05, Fax No. 022 -2820 7207. Attached please find a format to update your Electronic Clearing Services (ECS) and 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 UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED IN THIS REGARD.
11. Members intending to seek explanation/clarification/copy of any document at the meeting about the information contained in the Annual Report are requested to inform the Company at least a week in advance of their intention to do so, in order to make relevant information available, if the Chairman permits such information to be furnished.
12. 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 has been transferred to the "Investor Education and Protection Fund" (IEPF) constituted by the Central Government. During the financial year 2015-16 the Company has transferred a sum of Rs. 46,093 as Unclaimed Dividend to the IEPF pertaining to the financial year 2007-08.
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. Pursuant to Schedule VII read with Regulation 40 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory to furnish a PAN card copy of both transferor and transferee for the registration of transfer of shares in physical form with the Company's RTA.
15. As per Section 101 and 136 read with applicable rules of the Companies Act, 2013 in addition to the Ministry of Corporate Affairs Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, a 'Green Initiative in Corporate Governance' has allowed companies to 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 Reports were sent may write to the Company Secretary for a physical copy if needed. Members requiring any information or copies of financials of Subsidiary may write to the Company Secretary or inspect the same on the website of the Company under the Investors Section.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Members are provided with the facility to cast their vote electronically through the

e-voting services provided by NSDL on all resolutions set forth in this Notice. The instructions for e-voting are as under:

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

- i. Open the 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 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 Monday, August 08, 2016 (9.00 a.m.) and ends on Wednesday,

August 10, 2016 (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, 2016 (**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, 2016 (**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, 2016 (**Cut-off Date**) may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or **shivarama.adiga@mindteck.com**. However, if you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- iv. Mr. Gopalakrishnaraj H H., Practicing Company Secretary (Membership No. FCS 5654), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members, who do not have access to the e-voting process) in a fair and transparent manner.
- v. The Scrutinizer shall, within a period not exceeding 24 hours from the conclusion of the Annual General Meeting, unblock all the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. Members who do not have access to the e-voting facility may send a duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company - Mr. Gopalakrishnaraj H H., Practicing Company Secretary (Membership No. FCS 5654) at the Registered Office of the Company not later than Wednesday, August 10, 2016 (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 Wednesday, August 10, 2016 (5.00 p.m.).
- viii. Any Ballot Form received after this date shall be treated as invalid.
- ix. A Member may opt for only one mode of voting—either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- x. The results declared, along with the Scrutinizer's Report, shall be placed on the Company's website (**www.mindteck.com**) and on the website of NSDL (**www.evoting.nsdl.com**) within 48 hours of the passing of the resolutions at the Twenty-Fifth AGM of the Company on August 11, 2016 and communicated to the Stock Exchange, where the shares of the Company are listed.

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

Item No. 5: Appointment of Mr. Guhan Subramaniam as an Independent Director.

Mr. Guhan Subramaniam (DIN-00131687) was appointed as an Additional Independent Director of the Company with effect from May 20, 2016, pursuant to Section 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, Mr. Guhan Subramaniam, 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 Mr. Guhan Subramaniam for the office of Independent Director.

Mr. Guhan Subramaniam, an Independent Director of the Company, has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Director fulfills the conditions specified in the Companies Act, 2013 and Rules framed there under as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is Independent of the management.

The Company has received from Mr. Guhan Subramaniam a consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub section (2) of Section 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 working hours on any working day, excluding Saturday and Sunday.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Guhan Subramaniam and his relatives, are in any way concerned or interested in the resolution set out at Item No. 5 of the Notice.

The Board recommends the resolution for the approval of the members.

Item No. 6: Re-appointment and Payment of Remuneration to Mr. Meenaz Dhanani as an Executive Director of the Company

Mr. Meenaz Dhanani (DIN-06705048), a Non-Resident was appointed as an Executive Director by the members of the Company for period of three years and the term would expire on October 03, 2016.

The Company has received from Mr. Meenaz Dhanani written intimation in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Companies Act, 2013 for re-appointment as an Executive Director. The Board has recommended the re-appointment of Mr. Meenaz Dhanani as an Executive Director of the Company for a

period of three years commencing from October 04, 2016 subject to the approval of shareholders in the ensuing AGM and the Central Government for the re-appointment.

The major terms and conditions of his appointment are as follows:

- A. **Term of appointment:** From October 04, 2016 to October 03, 2019.
- B. **Compensation:** Mr. Meenaz Dhanani will not draw any remuneration from Mindteck (India) Limited as its Executive Director. However, he will be drawing remuneration from its wholly owned subsidiary, Mindteck Inc., US.

The Compensation payable by Mindteck Inc., US is as under:

Base salary: USD 1,91,268 per annum, payable at bimonthly intervals and other benefits as per the Company policy.

Saving and retirement plans: As per the existing policy including Stock Options of the Company.

Insurance: Medical and Dental Policies/programs.

Other Benefits: Paid Vacation as per existing Company policy.

- C. **The period of notice of termination:** 60 Days.
- D. The intention of the Company for the re-appointment of Mr. Meenaz Dhanani is to manage and control the Company's business and operations with the aim of securing significant, sustained increase in the value of the Company for its shareholders. He is entrusted with substantial powers of management of the operations, performance and all other areas of Mindteck and its US subsidiary, subject to the superintendence, control and direction of the Chairman of the Board.

The resolution seeks the approval of the members in terms of Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 for the re-appointment of Mr. Meenaz Dhanani for a period of three years from October 04, 2016.

The copies of relevant resolutions of the Board with respect to the re-appointment is available for inspection by the members at the registered office of the Company during working hours on any working day till the date of the Annual General Meeting.

Details of Mr. Meenaz Dhanani, pursuant to the requirement of the Listing Agreement with the Stock Exchange, relating to Corporate Governance, are given in the Annexure to this notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, except Mr. Meenaz Dhanani and his relatives in the resolution set out at Item No. 6 of the Notice.

The Board recommends the resolution for the approval of the members.

Registered Office:

Prestige Atlanta
No.10, Industrial Layout
7th Main, 80 Feet Road
3rd Block, Koramangala
Bengaluru-560 034, India
Date: May 20, 2016

BY ORDER OF THE BOARD for Mindteck (India) Limited

Shivarama Adiga S.
Vice President,
Legal and Company Secretary

Annexure to the Notice

INFORMATION PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING APPOINTMENT AND RE- APPOINTMENT OF DIRECTOR

Name of the Director	Mr. Yusuf Lanewala	Mr. Guhan Subramaniam	Mr. Meenaz Dhanani
Date of Appointment/Last Re-appointment	April 01, 2014	May 20, 2016	October 04, 2013
Brief Resume and nature of expertise in specific functional areas	<p>Yusuf Lanewala is a seasoned IT Strategy and Management professional with 35 years of global industry experience. Since starting his professional career in the Management Consulting Division of Price Waterhouse, Mr. Lanewala has held leadership positions with several leading IT services companies. Most recently, he served as CEO for Malomatia QSC, a 100% subsidiary of the Qatar's Supreme Council of Information and Communications Technology (ictQatar), which provides domain-specific enterprise IT solutions to the Government, Education and Healthcare sectors. As an Independent Consultant, Mr. Lanewala has advised several IT services companies in business strategy, and also consulted for several leading financial institutions in areas such as IT selection and deployment of systems for core banking, anti-money laundering, business intelligence, card management as well as channel management, including ATM deployment, internet and mobile banking. Mr. Lanewala was a board member of an IT services subsidiary set up by The Saraswat Cooperative Bank, a leading bank in India. He has been closely involved with various industry associations. He is also one of the Founding Directors of The Business Process Council, an organization created to collect, produce and enhance a common body of knowledge of business processes to help the industry achieve productivity faster and boost the career prospects of professionals. Mr. Lanewala has a Bachelor of Commerce degree from St. Xavier's College, Kolkata and an MBA from the State University of New York. He also attended an Executive Education Program in Change Management at the Harvard Business School.</p>	<p>Guhan Subramaniam is an independent professional consultant who advises select enterprises on growth strategies and capital infusion. Earlier in his career, Guhan was Managing Partner at IL&FS Private Equity, one of the largest private equity fund managers in India. Guhan's experience spans over 38 years in advisory and consulting services, private equity investments and multi-functional, multi-industry operations roles predominantly in information technology and software solutions. He held senior management and leadership positions with leading corporations in India, with a successful career extending across functions such as business planning, strategy, sales, marketing, business development, human resources development and operations. He was also an active participating member on the Boards of 14 companies, including three listed on Indian stock exchanges. Guhan received a bachelor's degree in Economics from Nowrosjee Wadia College of the University of Pune (India). He also completed a postgraduate programme in Business Management at the university's Symbiosis Institute of Management.</p>	<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>
List of other Listed Companies in which Directorship is held	NIL	NIL	NIL
Chairman/Member of the Committee(s) of Board of Directors of other Listed Companies in which he is a Director	NIL	NIL	NIL
Shareholding/ Stock Options in the Company	200,000 Stock Options	NIL	NIL
Relationship with other Directors of the Company	NIL	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.

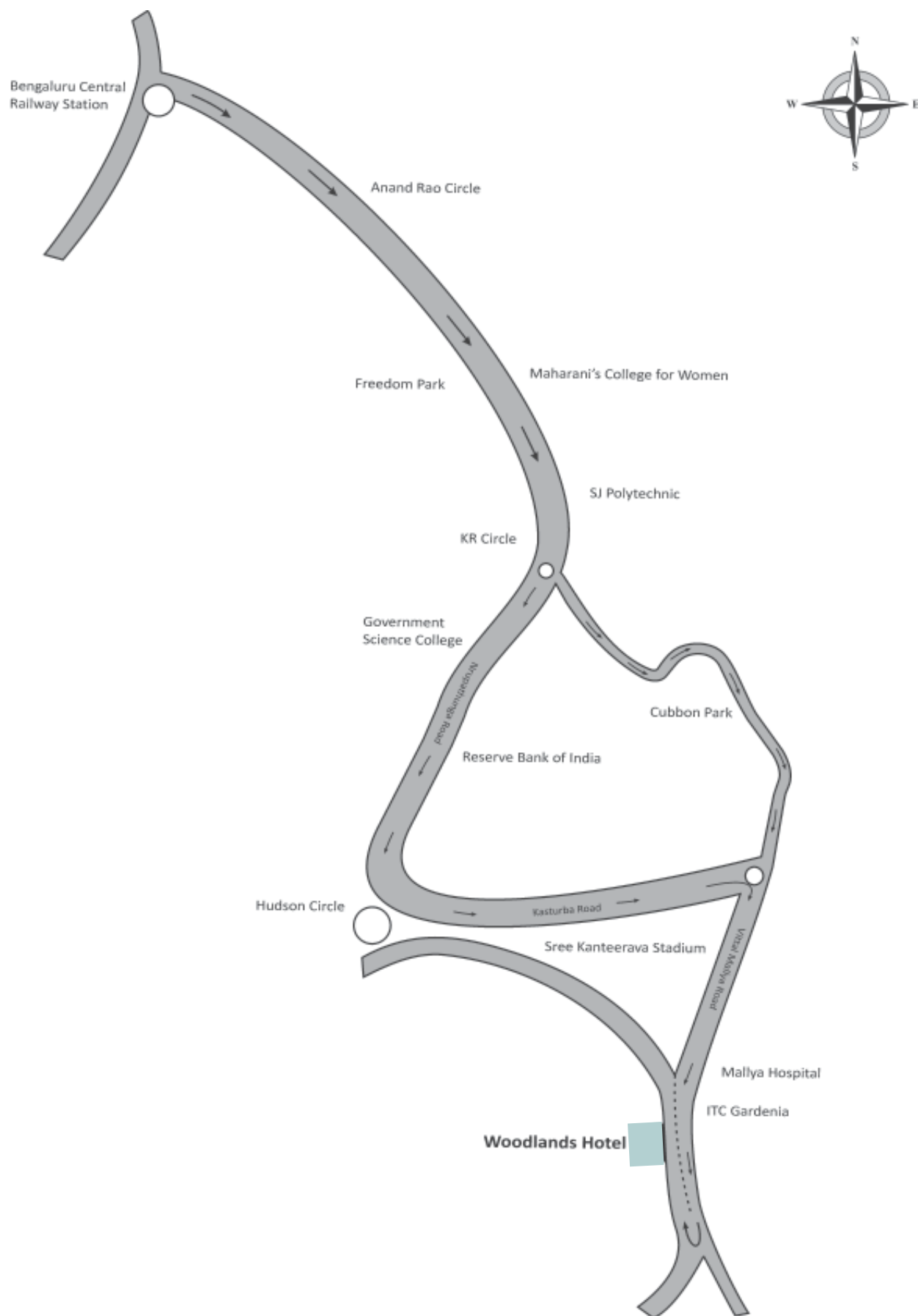
I hereby record my presence at the **TWENTY-FIFTH ANNUAL GENERAL MEETING** of the Company at Hotel Woodlands, "Sri Krishna Hall", No. 5, Rajaram Mohan Roy Road Bengaluru-560 025, India on Thursday August 11, 2016 at 12:00 Noon.

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-Fifth Annual General Meeting of the Company to be held on Thursday, August 11, 2016 at 12:00 Noon in Hotel Woodlands, "Sri Krishna Hall" No. 5, Rajaram Mohan Roy Road, Bengaluru-560 025, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	(Please mention no. of shares)	For	Against
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, 2016 together with the Reports of the Directors and Auditor's thereon.			
2	To declare dividend of Re. 1/- Per Equity Share for the financial year ended March 31, 2016.			
3	To appoint Mr. Yusuf Lanewala, 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 for FY 2016-17.			
Special business				
5	To approve the appointment of Mr. Guhan Subramaniam as an Independent Director			
6	To approve the re-appointment of Mr. Meenaz Dhanani as an Executive Director			

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 RTA (**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
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, 2016 together with the Reports of the Directors and Auditor's thereon.			
2	To declare dividend of Re. 1/- Per Equity Share for the financial year ended March 31, 2016.			
3	To appoint Mr. Yusuf Lanewala, 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 for FY 2016-17.			
Special business				
5	To approve the appointment of Mr. Guhan Subramaniam as an Independent Director			
6	To approve the re-appointment of Mr. Meenaz Dhanani as an Executive Director			

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

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 : / /2016

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

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)

--	--	--	--	--	--	--	--	--

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: __/__/2016

Name : _____

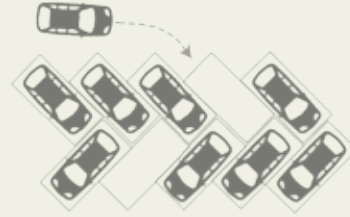
Address: _____

Note:

1. This form should be submitted to Mindteck (India) Limited at the address given above to reach them **on or before** August 15, 2016 for the receipt of dividend declared, if any, for the financial year 2015-16.
2. This form is meant for shareholders holding shares in physical mode.
3. Shareholders holding shares in Demat mode should register their ECS particulars with their Depository Participants (DPs).

Mindteck in Emerging Smart Technologies

Smart Parking Systems
Vehicle Tracking System
Smart Fleet Management



Smart Metering Systems
Smart Distribution and Monitoring Systems

Remote Patient Monitoring
Wearables and mHealth



Smart Street Lighting Solutions
Building Energy Efficiency and Facility Management

Citizen Portals
Dashboards, Analytics



Mindteck Global Locations

INDIA, MIDDLE EAST

Bengaluru (Global Headquarters)
Prestige Atlanta Building
#10, Industrial Layout
7th Main, 80 Feet Road
3rd Block, Koramangala
Bengaluru 560034
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
Tel: 91 33 2367 4337/8
Fax: 91 33 2367 4336

Mumbai
Office # 1228
Levels Ground & 1 Trade Centre
Bandra Kurla Complex, Bandra (E)
Mumbai, Maharashtra 400 051
Tel: +91 22 6162 3101

Bahrain
Office #44, 3rd Floor
Suhail Center, Building 81
Road 1702, Block 317
Diplomatic Area, PO Box 10795
Manama - Kingdom of Bahrain
Tel: 973 1753 4469
Fax: 973 1753 6332

UNITED STATES

Pennsylvania (US Headquarters)
150 Corporate Center Drive
Suite 200
Camp Hill, PA 17011
Tel: 1 717 732 2211
Fax: 1 717 732 2927

New Jersey
379 Thornall Street
6th Floor
Edison, NJ 08837
Tel: 1 732 828 1792
Fax: 1 732 296 7173

California
39899 Balentine Drive
Suite 175
Newark, CA 94560
Tel: 1 510 490 1905
Fax: 1 510 490 1915

Texas
17304 Preston Road
Suite 325
Dallas, TX 75252
Tel: 1 888 459 2632
Fax: 1 888 467 0768

Ohio
8044 Montgomery Road
Suite 700
Cincinnati, OH 45236
Tel: 1 513-313-2140

Missouri
CityPlace Drive
Suite 200
St. Louis, MO 63141

EUROPE

United Kingdom
4 Imperial Place
Maxwell Road, Borehamwood
Hertfordshire WD6 1JN
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