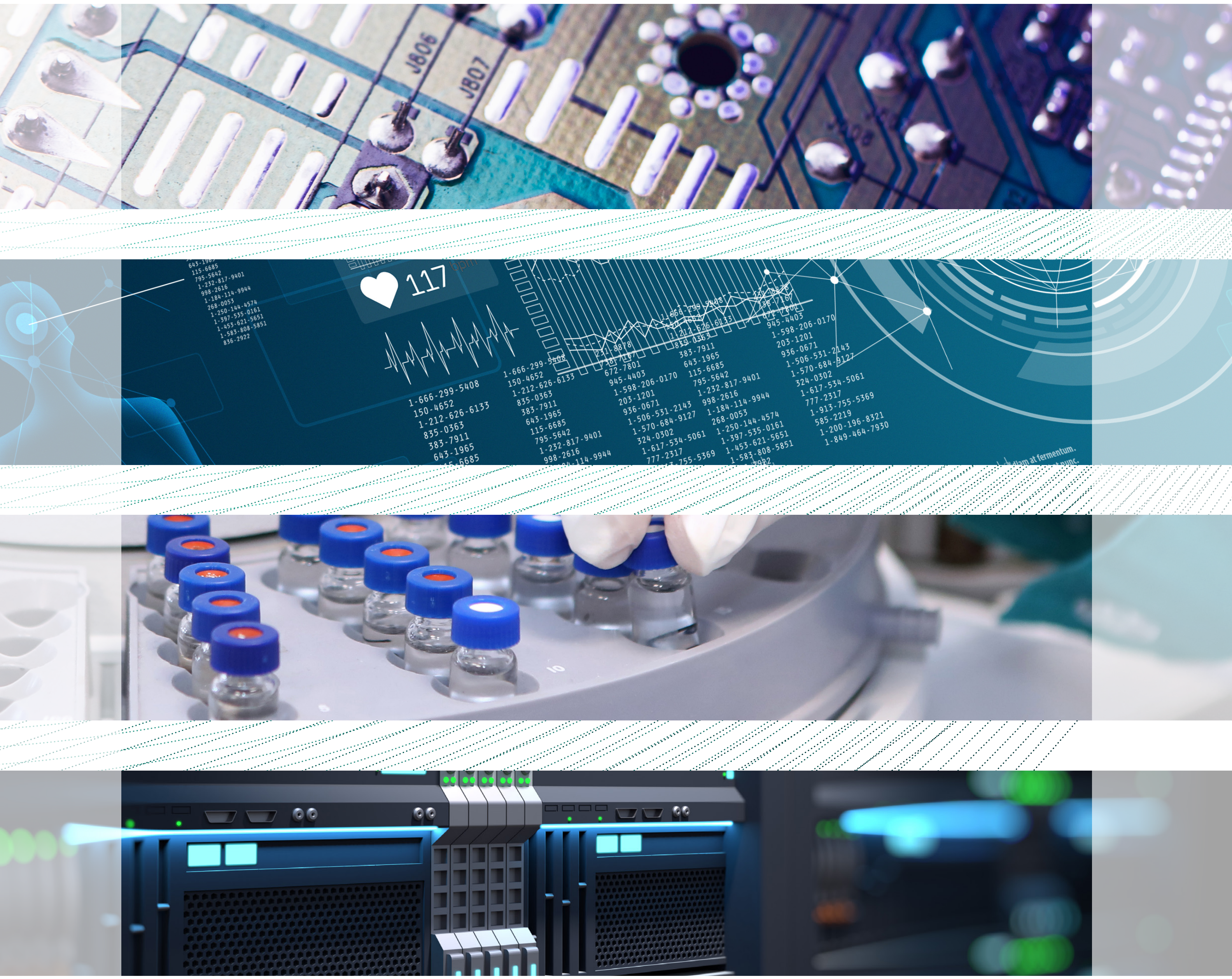
Mindteck

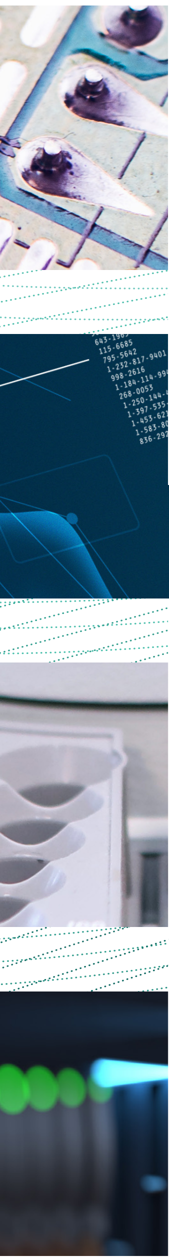


2019-20 Annual Report

Consolidated Financial Highlights

(Rs. in million)

	2019–20	2018–19	2017–18	2016–17	2015–16
Revenue	2,761	2,994	2,968	3,417	3,116
EBITDA	62	73	33	136	229
Profit Before Tax (PBT)	(31)	44	(1)	115	208
Profit After Tax (PAT)	(641)	27	(56)	93	259
Earnings Per Share (Basic EPS)	(25.71)	1.09	(2.26)	3.74	10.50



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LETTER TO SHAREHOLDERS

Yusuf Lanewala
Chairman

Anand Balakrishnan
Managing Director and CEO

Dear Shareholders,

We are pleased to present the financial statements for the fiscal year ended March 31, 2020.

Consolidated Revenue stood at Rs. 276.13 crores and Standalone Revenue stood at Rs. 92.31 crores, as against Rs. 299.41 crores and Rs. 107.63 crores respectively, for the previous year ended March 31, 2019.

During the year ended March 31, 2020, the Company made an impairment provision of Rs. 59.42 crores towards the carrying value of investment in Mindteck, Inc. and Mindteck Singapore Pte. Ltd., and one provision which is of exceptional nature on receivables and intangible assets under a service concession arrangement amounting to Rs. 1.59 crores. Additionally, there was a provision on Input Credit of Service Tax amounting to Rs. 1.80 crores.

As a result, Consolidated Net Loss of Rs. 64.80 crores and Standalone Net Loss of Rs. 59.24 crores included exceptional non-cash items of Rs. 59.42 crores and Rs. 56.66 crores primarily attributable to the goodwill impairment, respectively.

Standalone Profits Before Taxes and Exceptional Items stood at Rs. 1.12 crores.

An Exceptionally Challenging Year

During 2019-20, continued industry disruption, a ruthlessly competitive market, and increased margin compression were key deterrents to making progress. Our growth was further hindered towards the end of the year when the COVID-19 pandemic spread throughout the world. All of us witnessed how it brought the entire world to a standstill – several companies were forced to furlough their employees and project deliverables were put on hold due to economic constraints – and overall progress stagnated, paving way for unprecedented levels of uncertainty.

Like everyone around the world, we too experienced the initial shock. We are very proud to report, however, that the well-coordinated and determined effort on the part of many Mindteckers helped stabilise matters in a relatively short span of time. We prioritised the health and safety of our employees and activated existing risk measures to safeguard our systems, minimise operational disruption, and continue delivering upon our clients' requirements in the manner which they have come to expect.

Specifically, we took several steps to support our employees and customers alike:

- We built a sustainable remote work infrastructure to ensure employee safety and productivity.
- IT systems were strengthened for seamless and sustained project delivery.
- Internal and external communications were facilitated by means of secure video conferencing.
- Top management communicated continually with clients.
- Our employees-first approach led to the implementation of many employee engagement initiatives which were conducted by Human Resources, Department Managers and the Leadership Team.
- As an extension of our Learning and Development program, we curated a wide variety of online training and webinar sessions.

A Strong Foundation for ‘Recovery and Restart’

Unfortunately, as we write this letter, the great uncertainty surrounding COIVD-19 has not abated. Amidst all of the unknowns, one can surmise that its subsequent impact to the world at large will be lasting. Consequently, we will need to stay highly pro-active in addressing the volatile situation, all the while remaining resolute in pursuit of a future of predictable, profitable and sustainable growth.

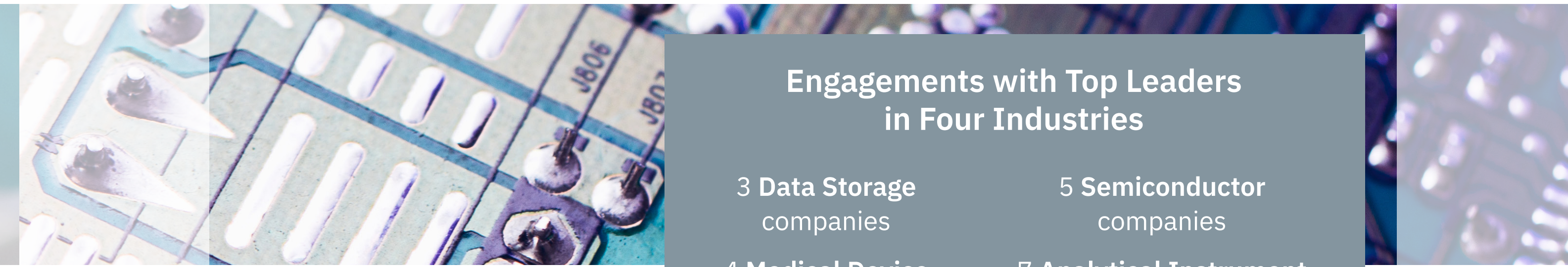
Despite underperforming this year, the Company has a sound capital structure, with a robust, zero-debt balance sheet supported by a healthy liquidity position. We are also fortunate to have cultivated advocacy and trust from an enviable roster of top-tier customers over the years. A less obvious strength but particularly noteworthy during this time is the durability of our highly coveted niche knowledge. We have been, and will continue to be, thankful that we have had the opportunity to have engaged with an aggregate of 19 top leaders in the analytical instrument, medical device, semiconductor and data storage industries around the globe. These industries will serve as underpinning to our focus during what has been coined the ‘recovery and restart’ phase.

Anchored by driving revenue in these industries, our efforts during this phase will be focused on leveraging our strong track record in embedded systems, enterprise applications and testing, as well as meeting increased demand for digital technologies. We also intend to make significant strides on other priorities, including improving delivery quality and recruiting efficiencies, as well as transitioning to a culture of performance.

The road ahead will require bold action, urgency and rigor. We stand single-mindedly committed to meet the challenges of this new environment until such time the new normal is established.

Key Project Highlights for 2019-20

We are pleased to report that over the course of the year multiple deals were won with both existing and new customers around the globe, and across several industries. Thirty new logos in all were added to our roster, including educational and financial institutions, top semiconductor manufacturers and technology companies.



Engagements with Top Leaders in Four Industries

3 **Data Storage** companies

5 **Semiconductor** companies

4 **Medical Device** companies

7 **Analytical Instrument** companies

In the IMEA region, we continued managing the smart classroom project we implemented in India in 2018, and added an entertainment conglomerate and a home automation solutions company to our customer roster. Furthermore, we:

- Won business from a leading governmental financial institution in India. The project encompasses application enhancement of a web-based annual performance appraisal to improve performance, usability and maintenance.

In the APAC region, we won more business from our existing customers, ranging from a leading automation company and a semiconductor company, to a storage consulting firm and a leading technology solutions provider. Other highlights for the region include:

- New clients – including a Singapore-based company specialising in IoT products, and the Singaporean subsidiary of a leading multinational conglomerate.
- Deepened our relationships with the world’s leading semicon¬ductor company as well as with a leading medical and vision care company.
- Associated with the information security division of a leading Singapore-based Information Communications Technologies (ICT) provider, encompassing design, functional testing, and prototyping of a portable USB 2.0 pluggable Wi-Fi device.

In the European region, we won new business with a leading German multinational conglomerate as well as with the IT Services division of an international financial services institution in Switzerland. In addition to this, we also:

- Set up a software support offshore team for a UK/Dubai-based Solar PV client. Our team is involved in the design, development, and maintenance of a set of telemetry services for reading remote generation/export meters and pyranometers, a back-end server component, a front-end web-based GUI, and a set of hybrid mobile applications for Android, iOS, and Windows platforms.
- Obtained project extensions with a Fortune 500 technology company in their Romanian and German centres of excellence.
- Extended partnership with a client, a large semiconductor organisation, for whom our services include wireless stack development and testing.
- Secured multiple extensions from our existing clients based in Germany.
- Expanded our 5-plus year partnership with a leading UK-based medical device company specialised in radiation therapy.

In the United States, we added a semiconductor equipment manufacturing innovator as our client and also deepened our relationships with existing data storage customers by supporting them on emerging areas of hyperconverged infrastructure and multi-cloud storage. Other highlights for the region include:

- Added two new data storage companies to our existing customer portfolio.

- Extended our multiple-year engagement with a Fortune 500 storage technology company for manual, automation and cloud testing.
- For a life sciences compliance client, we migrated a manual test environment to script-based automation which is helping to scale development and lower costs.
- We are developing and testing embedded system drivers for a leading life sciences client.
- Engaged with a large system integrator for a cloud application migration factory.
- Deepened relationship with three new groups of a leading existing storage customer.
- Started a multi-year cloud transition-based engagement with a leader in workforce management solutions.

Adding Value to our Solutions Portfolio

During 2019-20, we began several important initiatives to add value to our solutions portfolio.

- We enhanced our monitoring and sensing solutions to improve productivity, efficiency, and cost-optimisation, as well as to meet Industry 4.0 requirements.
- An IoT Gateway, one of the key components for connecting data streaming edge devices to cloud, is now offered as a solution component.
- More IoT-based smart solutions were developed, including Bluetooth Low Energy Asset Tracking for productivity enhancement, as well as Wireless and Digital Addressable Lighting Interface (DALI) controller solutions for smart lighting product manufacturers.
- We developed a consulting-led, end-to-end automated storage testing framework development methodology which provides our data storage clients with a customised project execution roadmap and an accurate budget forecast.
- For our data storage clients, outcome-based proof of concept projects in the AI/ML space have been identified and are likely to be executed next year.

Improvement Steps

Over the course of the year, we took significant steps to improve our service delivery, build knowledge, and foster learning throughout Mindteck.

- **Increased delivery capacity:** With the opening of our new office amidst the growing landscape of Global In-house Centres (GICs) and several MNCs in Whitefield, Bengaluru, we substantially increased our delivery capacity. The facility has state-of-the-art infrastructure with seating for ambitious and talented application support, testing and development teams working primarily in storage and cloud technology. The office also accommodates the growing overflow of staff working on the data services and IoT teams.

- **Quality Assurance:** In a time when quality is more imperative than ever before, we are pleased to have had high and stable customer satisfaction reported from across geographies. Furthermore, in February 2020, we successfully completed recertification audits for ISO 27001:2013 (Information Security Standard) and ISO 13485:2016 (Medical Devices). This also included successful completion of surveillance audits for ISO 9001:2015 (Quality Management System) and ISO/IEC 20000-1:2011 (Information Technology Service Management System).
- **Realignment of teams:** Apart from strengthening our top leadership in the past year, we realigned certain teams to improve transparency, productive dialogue, cross-pollination of ideas, and collaboration. Along with new technologies, the Practices Group currently focuses on: Medical Devices and Analytical Instruments, Semiconductor and Storage, IoT and Electronic Design Services.
- **Employee upskilling and cross-skilling:** Since a learning culture is crucial in driving business impact, we ramped up continuous training for our technical teams in Advanced Python, DevOps, Azure, and other technologies.

Corporate Social Responsibility

We fulfilled our commitment to social responsibility this year by funding the purchase and installation of solar transformers and panels for uninterrupted power supply to Gandhi Old Age Home residents. We also contributed to the School Readiness Program for Early Childhood Education through Mantra Social Services.

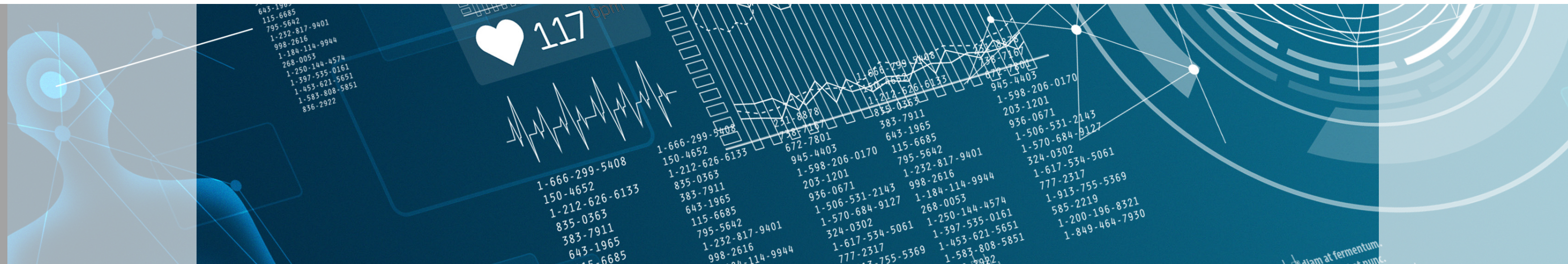
In Appreciation

On behalf of our fellow board members, we would like to pay a special tribute to our employees who are continuing to exhibit extraordinary commitment, teamwork and goodwill during this historic time. They have inspired us to grow and thrive in unity in spite of the challenges that have and will come our way. We would also like to express our most sincere thanks to our valued customers for their enduring patience, confidence, and trust. We are honoured by their loyalty and contribution to our longevity. Last but not least, we appreciate all of our shareholders for their continuing commitment and interest in our success.

We look forward to better reporting next year and thank all of you for your continued support as we navigate together during this difficult period.

Yusuf Lanewala
Chairman

Anand Balakrishnan
Managing Director and CEO



BOARD OF DIRECTORS

As under Mindteck's code of corporate governance, the Board of Directors guides the Company toward attainment of the highest levels of transparency, accountability, accessibility, and equity in all facets of its operations, and in all transactions with its stakeholders, including employees, clients, shareholders, suppliers, partners and alliances, supporting agencies, Government, and society at large.

Yusuf Lanewala
Chairman

Anand Balakrishnan
Managing Director and Chief Executive Officer

Meenaz Dhanani
Non-Executive Director

Jagdish Malkani
Independent Director

Prochie Mukherji
Independent Director

Guhan Subramaniam
Independent Director

Satish Menon
Independent Director

Subhash Bhushan Dhar
Independent Director

Sanjeev Kathpalia ceased to be Managing Director and CEO w.e.f. March 01, 2020 and resigned from the Company as a Non-Executive Director w.e.f. March 12, 2020

LEGAL AND COMPANY SECRETARY

Shivarama Adiga S.
Vice President

AUDITORS

S.R. Batliboi & Associates LLP

BANKERS

Axis Bank Limited
HDFC Bank Limited
YES Bank Limited
Citibank, N.A.
Standard Chartered Bank Limited

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

Universal Capital Securities Private Limited
21/25, Shakil Niwas, Opp. Sai Baba Temple
Mahakali Caves Road, Andheri (E)
Mumbai - 400 093, India
Tel: 022-28207203-05
Fax: 022-28207207

LEADERSHIP TEAM

Anand Balakrishnan
Managing Director and
Chief Executive Officer

Ramachandra Magadi
Chief Financial Officer

Meenaz Dhanani
President - Mindteck, Inc.
Director IT Talent - US Region

Jacob Pillay
Senior Vice President
Global Sales

Arup Banerjee
Senior Vice President
Global Delivery and Practices

Pradeep K
General Manager
Human Resources

Karen Stark
Senior Vice President
Marketing and Communications

PRACTICE TEAM

Dr. Venkata Krishnan
Medical Devices and
Analytical Instruments Solutions

Ratnakar Gandhe
Electronic Design Services
and IoT Solutions

Surjit Lahiri
Semiconductor and
Storage Solutions

Board's Report

To the Members,

The Directors hereby present the Twenty-Ninth Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2020. The Consolidated performance of the Company and its Subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS

(in Rs. Million)

	Standalone		Consolidated	
Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Revenue from operations	923.1	1,076.3	2,761.3	2,994.1
Other income	18.4	24.5	17.5	28.5
Employee benefits expense	662.4	656.3	1,992.4	2,028.1
Cost of technical sub-contractors	21.8	26.7	417.1	479.3
Other expenses	165.9	291.3	306.9	442.7
Profit before finance cost, depreciation, taxes, amortization	**91.4**	**126.5**	**62.4**	**72.5**
Finance cost	18.7	6.4	22.6	10.0
Depreciation and Amortization expense	61.5	17.4	70.4	18.9
Exceptional Item	599.3	-	610.1	-
Profit Before Tax	**(588.1)**	**102.7**	**(640.7)**	**43.6**
Tax expense	4.3	30.8	7.3	16.2
Profit After Tax	**(592.4)**	**71.9**	**(648.0)**	**27.4**
Paid-up Equity Share Capital	256.2	256.2	252.1	252.1
Earnings Per Share (EPS)	(23.12)	2.81	(25.71)	1.09

2. COMPANY AFFAIRS

Standalone

On a Standalone basis, your Company recorded revenue of Rs. 923.1 million, as against Rs. 1,076.3 million in the previous financial year. Mindteck's profit after tax stood at a loss of Rs. 592.4 million, as against a profit of Rs. 71.9 million in the previous financial year. At an operating margin level, Mindteck recorded EBITDA of Rs. 91.4 million (9.9%) during this financial year as against Rs. 126.5 million (11.75%) last year.

Consolidated

During the financial year under review, your Company recorded Consolidated revenue of Rs. 2,761.3 million as against Rs. 2,994.1 million in the previous financial year. Of the Consolidated revenue that was recorded, 57.14% is attributed to the US and the balance pertains to the rest of the world.

Mindteck's Consolidated profit after tax for the financial year stood at a loss of Rs. 648.0 million, as against net profit of Rs. 27.4 million in the corresponding previous financial year. During the year ended March 31, 2020, the Company recognised certain expenses such as impairment losses (non-cash) amounting to Rs. 594.2 million on goodwill of investment in Mindteck, Inc. and Mindteck Singapore Pte. Ltd., a provision on receivables and intangible assets under a service concession arrangement amounting to Rs. 15.9 million which are of exceptional nature, and also made a provision on Input Credit on Service Tax amounting to Rs. 18.0 million.

At an operating margin level, Mindteck recorded EBITDA of Rs. 62.4 million (2.26%) during this financial year as against Rs. 72.5 million (2.4%) last year.

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

3. DIVIDEND

The Board has not recommended any dividend for the year ended March 31, 2020.

4. BUSINESS FOCUS AND HIGHLIGHTS

Mindteck provides a unique blend of engineering value and technology know-how to a top-tier clientele of Fortune 1000 companies, start-ups, leading universities, and government entities around the globe. Since its establishment in 1991, the Company's niche knowledge and expertise has led to engagements with industry leaders, including the top 3 Storage companies, top 4 Medical Device companies, top 5 Semiconductor companies, and top 7 Analytical Instrument companies.

In recent past, the Company's legacy expertise in embedded systems, enterprise applications, testing, and IT workforce augmentation has been augmented by growing competencies in cloud, data services, and IoT.

Mindteck has a strong track record of supporting clients with knowledge that matters to maximise their R&D and technology investments and become future ready. The Company delivers on a variety of requirements, such as designing new products and reengineering older ones; fulfilling compliance requirements; conceptualising and developing test frameworks; automating and modernising systems; developing control and monitoring software; cloud migration and enablement of applications; data visualisation and analytics; wireless communications, and sourcing, deploying and retaining top-notch IT talent.

The Company's 'best-shore delivery model' provides clients with a mix of onsite, offshore, near-shore, offshore-onsite and other hybrid options across geographies for faster and more efficient service delivery.

Current global alliances include Intel IoT Solutions Alliance, IoT Global Network, Oracle Gold, Oracle Cloud, GE Digital Alliance, and the Smart Cities Council India. The Company is also one of the Founding Members of The Atlas of Economic Complexity, a visualisation tool for research developed by the Center for International Development (CID) at Harvard University.

In the Zinnov Zones ER&D Services Report 2019, Mindteck moved from Emerging Niche Player rank to Emerging Expansive Player. It was also rated an Expansive Small and Medium Enterprise Service Provider in terms of specialisation, scalability and client spread; an able service provider for large enterprises in the Enterprise Software Services segment; Niche and Emerging Player for services, such as Platform Engineering and Quality Assurance. Additionally, the Company moved to the Breakout zone in the Consumer Software Segment and in Medical Devices and Semiconductor Service verticals.

Cloud

Mindteck's cloud discipline covers an array of cloud-based IT services that deliver sustainable software solutions to optimise clients' investments, together with applications to help ensure reduced IT infrastructure costs and increased flexibility. The Company's cloud infrastructure expertise includes offerings that span across multiple cloud environments such as private, public and hybrid, and cloud interop solutions such as multi-cloud storage. Key focus areas include:

Hybrid Cloud Appliance: Custom stack that extends a client's local data centre to seamlessly connect with public cloud for on-demand dynamic provisioning of IT infrastructure resourced by leveraging existing investments made by the user, thus providing resource optimisation for better TCO and improved ROI.

Interoperable Cloud Storage: SNIA/CDMI standards-compliant solution that helps in building the right cloud storage strategy for business solutions that need high storage requirements without compromising on security, standards and performance requirements, while also addressing low-cost storage needs.

Business Data Analytics: Mindteck has built a solution hosted on Amazon EC2 that leverages cloud infrastructure to provide the best analytical solutions in terms of dashboard, custom reports, and data mining capabilities.

Cloud Migration: Services to move applications/ infrastructure and data to the cloud platform, e.g. Amazon Web Services (AWS), and Microsoft Azure.

Application Development and Deployment: At platform, such as Azure and AWS as IaaS.

IoT Framework: Developing a system to connect the interrelated computing devices, mechanical and digital machines and the ability to transfer data over a network to AWS and Azure.

Security and Compliance: Security and compliance for the health care domain.

Cloud Testing Competencies:

- *Application:* Testing on the whole cloud for system function validation, integration, regression testing, end-to-end business workflows, browser compatibility, as well as performance and scalability evaluation.
- *Network:* Testing different network bandwidths, protocols and successful transfer of data through network, cloud and network connectivity, latency and packet loss.
- *Infrastructure:* Testing for disaster recovery, backups and failure, availability, secure connection, and storage policies.
- *Performance and Scalability:* Testing multiple user actions and disruptions due to scaling; load and stress conditions with increased traffic; multi-tenancy; scalability under different conditions.
- *Security:* Testing for authorisation and authentication, data encryption, integrity, accessibility, security settings for firewall, VPN, among others.
- *Migration:* Data migration and live upgrade testing.

Highlights for 2019 are as follows:

- A multi-year, cloud transition-based engagement with a leader in workforce management solutions. The project requires a skilled team in cloud, modern application architecture and automation to improve performance and operational efficiency of the application prior to porting.
- Deployment of teams of technical engineers for a cloud application migration factory with a large system integrator across North America. The teams helped to scale, accelerate, and standardise the cloud migration and application transformation through a predefined and repeatable process.
- Deepened relationships with existing storage clients by supporting them in the areas of hyperconverged infrastructure and multi-cloud storage.

Data Services

Mindteck's data services discipline encompasses aggregation, visualisation and analytics. Features include advanced predictive and prescriptive analytics using technologies such as machine learning (ML) and artificial intelligence (AI); structured and unstructured data, standard and dynamic reporting: dashboards; multiple tools, including Power BI, Tableau, Pentaho, and Python.

Notable projects for the year are as follows:

- Collaborating on providing AI and big data solutions to a large technology company in the US.
- Provided Business Intelligence (BI) on growth, sales and revenue progress for various management divisions of a client that is a leader in analytical technologies.
- Developing solution accelerators and proof of concept projects in AI/ML for complex equipment data integration by semiconductor capital equipment companies and water fabrication plants.

Internet of Things (IoT)

Mindteck's IoT discipline encompasses connectivity hardware, including gateways; engineering, system integration and deployment services and consulting. Solution areas include:

- Building and energy management: lighting controller, thermostat, gateway, mobile application, energy analytics.
- Lighting, environmental sensors and controllers: wireless connectivity, stack support, environmental monitoring.
- Smart devices: streetlight control, vehicle parking, healthcare and energy.
- Industry 4.0: productivity improvement, asset tracking, monitoring and control for predictive analytics.

During 2019-20, the Company undertook several initiatives to fulfil Industry 4.0 requirements. These included providing monitoring and sensing solutions for improved productivity and efficiency, as well as cost reduction; also, the development of advanced mobile applications for connectivity to both IoT devices and the cloud. Additionally, the IoT gateway – one of the key components for connecting the data streaming edge devices to the cloud – is now being offered as a solution component with network and data security. Other solutions also include Bluetooth Low Energy (BLE) Asset Tracking for productivity enhancement, and Wireless and Digital Addressable Lighting Interface (DALI) controller solutions for smart lighting product manufacturers.

The Company is currently providing 24/7 global solutions and support for a large enterprise that delivers secure connectivity for mobile and IoT devices.

Product Engineering

Mindteck's end-to-end product engineering discipline encompasses core competencies in embedded design; application development, support and maintenance; product lifecycle management; system integration; reengineering, sustenance and optimisation; mobility. Product conceptualisations, feasibility studies and prototyping are also part of the solutions offering.

A pool of domain-specific trained engineers with the necessary skillsets work seamlessly as an extended engineering team to help maximise client teams' potential for new product development while also enhancing existing products.

Important projects for 2019-20 include:

- Collaborated with a long-standing client to create product engineering solutions for the debut of a new AV room product for a global leader in advanced workplace technology. The product provides integrators with high value plug and play capabilities for expanding classrooms and smaller meeting space business.
- Provided a team of engineers to build process equipment solutions to overcome technical and cost barriers for a customer in the semiconductor industry.
- Established a software support offshore team for a UK energy efficiency solutions company with a Dubai-based solar photovoltaic (PV) client. The engagement included the design, development, and maintenance of a set of telemetry services for reading remote generation/export meters and pyranometers, a back-end server component, a front-end web-based GUI, and a set of hybrid mobile applications for Android, iOS, and Windows platforms.
- Extended a five-plus year partnership with a leading UK medical device company in the area of radiation therapy.
- Developed multi-tenant platform solutions which extracts real-time data for integration and also is scalable to meet the high volume demand of mobile environments.
- Won a multi-year project with a unified workforce management solutions company to help drive automation on multiple platforms, port an existing application and improve its performance, as well as develop and implement modern application architecture.

Testing

Mindteck's hallmark end-to-end testing discipline encompasses manual black box testing, test automation, security/penetration tests, regression testing, performance testing, prototype testing, unit testing, multilingual and business/user acceptance testing.

Over the years, the Company has supported most clients with one or a multitude of test services specifically for web, mobile, embedded device and other applications; networks; hardware and firmware; databases; web services; cloud; connectivity; interoperability. Mindteck's niche knowledge for domain-specific testing, such as for data storage, is also a core strength.

Highlights for 2019-20 include:

- Three-year project for complete test framework development and product platform automated testing for a leading cloud software and hyperconverged infrastructure solutions client.

- Multiple-year engagement involving manual, automation and cloud testing for a Fortune 500 storage technology client.
- Developing and testing embedded system drivers for a leading life sciences client.
- Migrated a manual test environment to script-based automation to help a life sciences compliance client scale development and lower cost.
- Systemic and functional testing for a new, high-performance shared file service developed by a hybrid cloud data and management services client.

Change in Nature of Business

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

5. QUALITY

During the year, Mindteck's Quality Team took steps to strengthen the quality management framework by initiating a process transformation programme geared towards assuring consistent delivery of quality products and services in a timely manner. To date, there has been significant progress on the programme. Over 30 processes were transformed using Lean concepts, ETVX and Swim Charts, and more than 20 guidelines and 40-plus templates and forms were introduced. Aside from comporting with the latest international standards and frameworks, facilitates processes automation using contemporary tools, this programme will go a long way toward enhancing quality and increasing productivity.

The Company continues to assess its process effectiveness through reputed external audit firms. In February 2020, the British Standards Institution (BSI Group) conducted an External Recertification audit for ISO 27001:2013 (Information Security Standard) and ISO 13485:2016 (Medical Devices). Both certificates have since been received and are valid until 22 March 2023. As part of the assessment, ISO 9001:2015 and ISO/IEC 20000-1:2011 surveillance audits were also successfully completed.

Repeat business and consistently high and stable customer satisfaction reported across geographies remain a testament to the company's product and service quality. The journey shall continue with the same enthusiasm and rigor in the coming years, with a sharp focus on automation and breakthrough improvements to provide better value to our esteemed customers.

6. INFRASTRUCTURE

Mindteck has local offices in the US, Canada, UK, Singapore, Malaysia, Philippines, Bahrain, Germany, and India. The Company has two development centres equipped with R&D laboratories in India (Bengaluru and Kolkata). The infrastructure also includes space for workstations, conference rooms, meeting rooms, and a world-class communication system. In 2019, the Company opened a second office in the Whitefield area of Bengaluru. It has state-of-the-art infrastructure with seating for talented application support, testing and development teams working primarily in storage and cloud technology.

7. SUBSIDIARIES

On March 31, 2020, Mindteck had seven wholly-owned subsidiaries: Mindteck, Inc. (US), Mindteck Middle East Limited S.P.C. (Bahrain), Mindteck Software Malaysia SDN. BHD. (Malaysia), Mindteck Singapore Pte. Ltd. (Singapore), Mindteck (UK) Limited (UK), Chendle Holdings Limited (British Virgin Islands), and Hitech Parking Solutions Private Limited (India). Mindteck (UK) Limited has one subsidiary – Mindteck Germany GmbH (Germany), Mindteck Singapore Pte. Ltd. has one subsidiary – Mindteck Solutions Philippines, Inc. (Philippines), and Mindteck, Inc. has one subsidiary – Mindteck Canada, Inc. (Canada).

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 Auditors. The Consolidated Financials have been prepared and audited in strict compliance with the applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Financial Statement. Financial Highlights with the Indian rupee equivalent of the figures given in the foreign currency, along with the exchange rate as on closing day of the financial year, and the statement pursuant to Section 129 (3) of the Companies Act, 2013 in Form AOC-1, forms part of this Board's Report as ***Annexure-1.***

Further, the Company undertakes that the annual accounts of the Subsidiary Companies and the related detailed information will be made available to any investor seeking such information at any point of time. The annual accounts of the Subsidiary Companies and related information will also be kept for inspection by any investor at Mindteck's registered office. The soft copy of accounts is available on the Investors section of Company's website www.mindteck.com. The Holding, as well as Subsidiary Companies, regularly file the applicable data to various regulators and government authorities, as and when required.

None of the Subsidiaries, Joint Ventures or Associate Companies, except Mindteck Netherlands B.V. (Netherlands), a subsidiary of Mindteck (UK) Limited, ceased during the year.

8. RELATED PARTY TRANSACTIONS

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

During the financial year, your Company entered into urgent non-material legal services matters with CounsePro Compliance at which a Partner is a relative of an Independent Director of the Company.

9. LITIGATION

No material litigation was outstanding as on March 31, 2020. The Company has one recovery suit filed in the year 2013 in connection with advance payment made for office premises not occupied by the Company.

10. CHANGES TO SHARE CAPITAL

The Company has not issued any Equity Shares during FY 2019-20. Hence, there was no change in the Share Capital compared to the previous financial year. The issued, subscribed and paid up Equity Share Capital was Rs. 25,62,18,980 as on March 31, 2020.

11. 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.

12. 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.

13. TRANSFER TO RESERVES

During the financial year, the Company did not transfer any amount to its reserves.

14. DIRECTORS

As per Section 152 of the Companies Act, 2013, 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 Annexure to the Notice of the Annual General Meeting. Ms. Prochie Sanat Mukherji, an Independent Director of the Company, was appointed for five (5) years effective from April 28, 2015 and her term ended on April 27, 2020. The Board of Directors have re-appointed Ms. Prochie Sanat Mukherji who fulfils the requisite criteria of an Independent Director for a second term of five (5) years effective from April 28, 2020 as recommended by the Nomination and Remuneration Committee, and subject to the approval of the Members of the Company in the ensuing Annual General Meeting.

Mr. Anand Balakrishnan was appointed as an Additional Director on February 14, 2020 and was subsequently elevated to the position of Managing Director and Chief Executive Officer with effect from March 01, 2020 for a period of three (3) years. The Resolution seeking the approval of Members for appointment and payment of remuneration to Mr. Anand Balakrishnan as Managing Director and Chief Executive Officer forms part of the Notice for the 29th Annual General Meeting. A brief resume of Mr. Anand Balakrishnan is included in the Notice for the Annual General Meeting.

During FY 2019-20, Mr. Sanjeev Kathpalia ceased to be Managing Director and Chief Executive Officer upon completion of his tenure w.e.f. March 01, 2020. He continued to be a Non-Executive Director until his resignation from the Company on March 12, 2020. The Board places on record its sincere gratitude for his fruitful association with the Company.

Declarations by Independent Directors

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

Board Evaluation

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

Board Diversity

The Company places great emphasis on the principle of diversity, including gender diversity. Diversity throughout the organisation makes great business sense. The Company maintains that appointments to the Board should be based on merit, as well as complement and expand the skills, knowledge and experience of the Board as a whole.

Policy on Directors' Appointment and Remuneration

Mindteck has an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on date, the Board consists of eight Directors, one of whom is Managing Director and CEO; two are Non-Executive; and five are Independent Directors, including one woman Director. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, is provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, and uploaded on the Company's website (www.mindteck.com). We affirm that the remuneration paid to the Directors is as per the requirements of the Companies Act, 2013.

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 two meetings was within the limit prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vigil Mechanism/Whistleblower Policy

The Company has established a Whistleblower Policy for Directors, Employees and other Stakeholders to report their genuine concern, and the said policy is attached as per ***Annexure-3***.

Constitution of Internal Compliance Committee

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

15. AUDITORS

Statutory Auditor

At the 26th Annual General Meeting held on August 11, 2017, Members of the Company appointed Statutory Auditor, S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), Bengaluru for a period of five (5) years, who shall hold the office up to the conclusion of the 31st Annual General Meeting. During the year, the Statutory Auditor confirmed its eligibility and independence criteria to hold office.

Secretarial Auditor

CS S Kannan, a Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for FY 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for FY 2019-20 forms part of this Board's Report as ***Annexure-4***.

Cost Auditor

The maintenance of cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable to the Company, and accordingly such accounts and records are not maintained.

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

16. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is attached as ***Annexure-5*** to this Board's Report.

17. SIGNIFICANT AND MATERIAL ORDERS

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

18. INTERNAL FINANCIAL CONTROL

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

19. INDEPENDENT DIRECTORS FAMILIARISATION PROGRAMME

Mindteck has an established familiarisation programme for its Independent Directors. The business heads, Managing Director and CEO, Delivery Head, Chief Financial Officer and the Company Secretary make presentations on business models, nature of industry and its dynamism, the roles, responsibilities and liabilities of Independent Directors. Further, updates on business, statutory law and industry are made available to Independent Directors – especially to the Audit Committee members on an ongoing basis by internal teams, and Statutory and Internal Auditors on a quarterly basis.

20. PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as ***Annexure-6*** to this Board's Report.

The list of employees who were employed throughout the financial year and in receipt of remuneration of Rs. 102 lakhs or more, or employed for part of the year and in receipt of Rs. 8.50 lakhs or more per month, and the List of Top 10 employees under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are on the following page.

Top 10 employees of the Company based upon the remuneration drawn during FY 2019-20

Employee Name	Designation	Remuneration Received (in Rs.)	Nature of Employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age	Last Employment	Percentage of Equity shares held by the employee in the Company	Any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
Sanjeev Kathpalia(1)	Managing Director and CEO	1,14,03,150	Contractual	B.Tech (IIT), MBA (IIM)	38	01-Mar-17	67	Senior Advisor to the Prime Minister (Republic of Turkey)	0.03%	NO
Anand Balakrishnan(2)	Managing Director and CEO	96,44,219	Contractual	CA and CPA	27	30-Jan-19	47	Wipro GE Healthcare Private Limited	0.03%	NO
Surjit Lahiri	Vice President - Technology	48,20,379	Employee	B. Tech	28	29-Mar-05	50	Novellus India Pvt Ltd	0.03%	NO
Santhosh Sampige Nagaraj(3)	Senior Vice President – Sales	44,31,504	Employee	BE	22	25-Jun-18	46	Trianz Inc.	NIL	NO
Arup Banerjee	Senior Vice President – Global Delivery and Practices	45,93,480	Employee	BE and M. Tech	31	08-Jul-11	54	Wipro Limited	0.04%	NO
Prashanth Idgunji(4)	Chief Financial Officer	44,93,175	Employee	CA and CPA	33	28-Aug-17	55	Liquid Hub India Private Limited	NIL	NO
Shivarama Adiga S.	Vice President – Legal and Company Secretary	42,92,140	Employee	C.S, M.Com and LLB	42	18-Mar-13	61	Diligent Media Corporation Limited	0.03%	NO
Shreerama Muniyoor(5)	Senior Vice President – Delivery	39,81,886	Employee	MSc	23	25-Jun-18	49	Mindtree Limited	NIL	NO
Shanthala Parampalli(6)	Practice Head – RPA & AI	36,54,605	Employee	PGD (Software Engineering)	27	25-Jun-18	51	Epsilon	NIL	NO
Ramachandra M S(7)	Chief Financial Officer	32,03,591	Employee	CA and DipIFR	14	01-Jul-19	41	Spera Management Group	NIL	NO

(1) Part of the year; ceased to be Managing Director and CEO w.e.f. March 01, 2020.
(2) Appointed as Managing Director and CEO w.e.f. March 01, 2020.
(3) Part of the year; resigned on March 27, 2020.
(4) Part of the year; resigned on July 29, 2019.
(5) Part of the year; resigned on February 24, 2020.
(6) Part of the year; resigned on March 13, 2020.
(7) Part of the year; appointed as VP-Finance on July 01, 2019 and elevated to Chief Financial Officer w.e.f. March 01, 2020.

List of employees who were employed throughout the financial year and in receipt of remuneration of Rs. 102 lakhs or more, or employed for part of the year and in receipt of Rs. 8.50 lakhs or more per month

Employee Name	Designation	Remuneration Received (in Rs.)	Nature of Employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age	Last Employment	Percentage of Equity shares held by the employee in the Company	Any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager
Sanjeev Kathpalia(1)	Managing Director and CEO	1,14,03,150	Contractual	B.Tech (IIT), MBA (IIM)	38	01-Mar-17	67	Senior Advisor to the Prime Minister (Republic of Turkey)	0.03%	NO
Anand Balakrishnan(2)	Managing Director and CEO	96,44,219	Contractual	CA and CPA	27	30-Jan-19	47	Wipro GE Healthcare Private Limited	0.03%	NO

(1) Part of the year; ceased to be Managing Director and CEO w.e.f. March 01, 2020.

(2) Appointed as Managing Director and CEO w.e.f. March 01, 2020.

21. COMMITTEES OF THE BOARD

Currently, the Board has four Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Stakeholders Relationship Committee.

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

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Audit Committee	Mr. Jagdish Dayal Malkani – Chairman Mr. Satish Menon – Member Mr. Guhan Subramaniam – Member Mr. Meenaz Dhanani – Member	▪ 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 Policy for Directors, Employees and other Stakeholders to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Business Conduct and Ethics. The Whistleblower Policy is attached as ***Annexure-3*** to this Board's Report. ▪ In accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policies on related party transactions and material subsidiaries. The policies, including the Whistleblower Policy, are available on the Company's website.
Nomination and Remuneration Committee	Ms. Prochie Sanat Mukherji – Chairperson Mr. Yusuf Lanewala – Member Mr. Meenaz Dhanani – Member Mr. Subhash Bhushan Dhar – Member	▪ The Committee oversees and administers executive compensation, operating under a written charter adopted by the Board of Directors. ▪ The Committee has designed and continuously reviews the compensation program for the Managing Director and senior executives to align both short-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 it operates in order to attract and retain the best talent. The Committee intends to have a combination of stock options and performance-based stocks to align senior employee compensation. ▪ The Nomination and Remuneration Committee has framed the Nomination and Remuneration policy. A copy of the policy is uploaded on the Company's website *(Weblink: https://www.mindteck.com/assets/investor_pdf/Nomination_Remuneration_Policy.pdf).*

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Corporate Social Responsibility Committee	Mr. Yusuf Lanewala – Chairman Ms. Prochie Sanat Mukherji – Member Mr. Subhash Bhushan Dhar – Member	▪ The Board has laid out the Company's policy on Corporate Social Responsibility (CSR). The CSR activities of the Company are carried out as per the instructions of the Committee. ▪ The Company allocates 2% of its average net profits of three years immediately preceding the financial year for CSR activities to various beneficiaries. ▪ Financial data pertaining to the Company's CSR activities to various beneficiaries for the FY 2019-20 is attached under the prescribed format in Annexure -7 to the Board's Report. ▪ The contents of the CSR policy are available on the Company's website *(Weblink: https://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf)*
Stakeholders Relationship Committee	Mr. Meenaz Dhanani – Chairman Mr. Yusuf Lanewala – Member Mr. Subhash Bhushan Dhar – Member Ms. Prochie Sanat Mukherji – Member	▪ The Committee reviews and ensures redressal of investor grievances. ▪ The Committee notes all investors grievances and takes suitable action accordingly.

22. RISK MANAGEMENT

The Company has a robust Enterprise Risk Management (ERM) framework to identify and evaluate business risk opportunities. This framework seeks to create transparency, minimise adverse impact on 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.

23. CORPORATE GOVERNANCE REPORT

Mindteck recognises 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. Mindteck adheres to the standards set by SEBI for Corporate Governance practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a report on Corporate Governance pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report in ***Annexure-8.*** The details of the Directors' remuneration are disclosed in Para VI of ***Annexure-5*** of this Report.

24. MANAGEMENT DISCUSSION AND ANALYSIS

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

25. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policy as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently. Judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and of the loss 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.

26. CSR INITIATIVES

We Care is Mindteck's brand experience framework which encompasses honouring the Company's commitments and making a lasting difference internally throughout the organisation, as well as externally to clients, partners and communities. The cornerstones of the framework are Knowledge, Opportunity, Advocacy, Inclusion, Goodwill and Respect.

Care is rooted in the ways the Company engages and enables, and fundamental to building and nurturing relationships, championing others, as well as stewarding community causes. We Care Ambassadors represent the Company's brand and, in concert with others in the Company, work to ensure a positive experience. This includes, but is not limited to, fostering a caring culture and business approach.

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

Core pillars of Mindteck's CSR 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 organisations that embrace the interests and values of the communities we serve, builds stronger communities and makes business sense.

During FY 2019-20, more than 2% of Mindteck's previous three years' average net profits were allocated towards the following India initiatives:

Gandhi Old Age Home: Mindteck purchased and installed a solar transformer and panel to provide residents uninterrupted power supply.

Mantra Social Services: As in the past, Mindteck contributed towards the 'School Readiness Program' for Early Childhood Education (ECE).

27. MINDTECK EMPLOYEES STOCK OPTION SCHEMES

Mindteck believes in the policy of enabling Mindteckers 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: 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, 2020, under this Scheme, the Company granted 50,000 options on August 13, 2019 at an exercise price of Rs. 36.40 per share to an eligible employee. There has been no variation in the terms of ESOP Scheme during the year.

b. Mindteck Employees Stock Option Scheme 2008

No options were granted under this Scheme. There has been no variation in the terms of the ESOP Scheme during the year.

c. Mindteck Employees Stock Option Scheme 2014

No options were granted under this Scheme. There has been no variation in the terms of ESOP Scheme during the year.

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: https://www.mindteck.com/assets/investor_pdf/Disclosures-pursuant-to-SEBI-Regulations-2014.pdf)*

28. 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, 2020, the said Trust holds 4,16,000 shares of the Company and has not yet transferred any shares to the Company's employees under the said scheme.

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

Particulars that are required to be disclosed under Sub-Section (3)(m) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are set out in ***Annexure-9*** included in this Report.

30. 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

Yusuf Lanewala
Chairman
(DIN: 01770426)

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

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 Singapore Pte. Ltd.	Mindteck (UK) Limited	Mindteck, Inc.	Chendle Holdings Ltd.	Mindteck Solutions Philippines, Inc.	Mindteck Canada, Inc.	Hitech Parking Solutions Private Limited
Sl. No.	1	2	3	5	6	7	8	9	10	11
Reporting Period	01-04-19 to 31-03-20	01-04-19 to 31-03-20	01-04-19 to 31-03-20	01-04-19 to 31-03-20	01-04-19 to 31-03-20	01-04-19 to 31-03-20	01-04-19 to 31-03-20	01-04-19 to 31-03-20	01-04-19 to 31-03-20	01-04-19 to 31-03-20
Reporting Currency	EUR	MYR	BHD	SGD	GBP	USD	USD	PHP	CAD	INR
Exchange Rate	82.806	17.532	201.626	52.949	93.539	75.383	75.383	1.485	53.135	1.000
Share Capital	20,70,150	43,83,000	1,00,81,300	6,93,89,665	9,05,83,916	61,91,57,743	3,76,91,500	1,41,58,833	1,13,77,213	10,00,000
Reserves & Surplus	(5,15,44,748)	6,69,50,728	(1,41,95,075)	4,12,42,241	(7,29,43,489)	(23,33,73,631)	-	(1,41,58,833)	21,33,583	(82,659)
Total Assets	2,93,78,600	9,22,29,768	3,34,16,888	14,64,79,914	5,60,91,597	58,50,05,162	3,76,91,500	1,14,605	2,90,89,234	10,00,041
Total Liabilities	7,88,53,198	2,08,96,040	3,75,30,664	3,58,48,009	3,84,51,170	19,92,21,055	-	1,14,605	1,55,78,438	82,700
Investments	-	-	-	-	-	1,26,38,186	3,76,91,500	-	-	-
Turnover	9,73,72,518	15,84,62,310	7,90,53,588	24,07,49,773	18,62,95,657	1,59,69,73,591	-	-	8,48,78,680	-
Profit before taxation	(97,87,379)	99,40,697	15,84,156	99,86,506	(9,02,532)	(21,31,86,090)	-	-	29,82,297	(47,600)
Provision for taxation	-	25,92,790	-	2,06,877	-	(3,58,32,467)	-	-	7,71,717	-
Profit after taxation	(97,87,379)	73,47,908	15,84,156	97,79,629	(9,02,532)	(17,73,53,623)	-	-	22,10,579	(47,600)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of Shareholding	100	100	100	100	100	100	100	99.99	100	99.99

Note: Mindteck Netherlands BV closed during the financial year.

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

Annexure-2

PARTICULARS OF CONTRACTS/ARRANGEMENTS/TRANSACTIONS MADE WITH 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/transactions 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 an arm's length basis
There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at an arm's length basis
The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2020 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	Buy & Sale of service/ Cross charge transactions	01-04-2008 - ongoing	42,80,61,993	NA	63,98,808
Mindteck Software Malaysia SDN. BHD., Malaysia	Subsidiary	Sale of service/Cross charge transactions	01-04-2009 - ongoing	1,19,92,133	NA	19,747
Mindteck Middle East Limited S.P.C., Kingdom of Bahrain	Subsidiary	Sale of service/Cross charge transactions	01-04-2009 - ongoing	18,18,766	NA	3,79,866
Mindteck (UK) Limited, United Kingdom	Subsidiary	Sale of service/Cross charge transactions	01-04-2008 - ongoing	14,42,61,293	NA	9,14,430
Mindteck Singapore Pte. Limited, Singapore	Subsidiary	Buy & Sale of service/ Cross charge transactions	01-04-2009 - ongoing	2,75,58,292	NA	24,98,840
Chendle Holdings Ltd, BVI	Subsidiary	NIL	NIL	NA	NA	NA
Hitech Parking Solutions Private Limited, India	Subsidiary	NIL	NIL	NA	NA	NA
Mindteck Germany GmbH, Germany	Step-Subsidiary	Sale of service/Cross charge transactions	01-04-2008 - ongoing	1,05,47,174	NA	44,24,319
Mindteck Solutions Philippines, Inc., Philippines	Step-Subsidiary	NIL	NIL	NA	NA	NA
Mindteck Canada, Inc., Canada	Step-Subsidiary	NIL	NIL	NA	NA	NA

*Based on TP Agreements.

Note: Mindteck Netherlands BV closed during the financial year.

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

Annexure-3

WHISTLEBLOWER POLICY/VIGIL MECHANISM

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

The policy is provided herewith pursuant to Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 a or an employee discovers information which he/she believes to be a serious malpractice, impropriety, abuse or wrongdoing within the organization, especially at the higher levels, then he/she should be able to disclose or report this information internally without fear of reprisal.

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

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

In addition to the Listing Agreement, Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates all listed 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 Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. **"Alleged Wrongful Conduct"** - wrongful conduct shall mean and includes, but is not limited to:

- Corporate Governance
- Related Party Transactions
- Misappropriation of funds
- Noncompliance to the law of the land or violation of law
- Concealing legal mandatory disclosures
- Breach of fiduciary responsibilities
- Infringement of Company Code of Conduct
- Breach of integrity and ethics policy
- Prohibitive Insider Trading Code of the Company
- Financial Irregularities
- Infringement and misuse of Intellectual Property
- Leak of Unpublished Price Sensitive Information in any manner

c. **"Code"** - means Company Code of Conduct.

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

e. **"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. **"Person"** - means any former or current employees, vendors, consultants and any other person(s) who is affiliated with the Company.

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

h. **"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.

i. **"Whistleblower"** - means any person 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 'Alleged 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.
- Leak of Unpublished Price Sensitive Information in any manner.
- 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 May 28, 2019.

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, and 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.

- 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/her 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 below:

Chairman of Audit Committee
Mindteck (India) Limited
A.M.R. Tech Park, Block-1, 3rd Floor
#664, 23/24, Hosur Main Road, Bommanahalli
Bengaluru - 560068
Email: auditcommitteeCM@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. The Chairman of the Audit Committee may discretionally, consider involving any investigators for the purpose of investigation.

c. The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act was committed.

d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

e. Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

f. Subject shall co-operate with the Chairman of the Audit Committee or any of the Investigators during the 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 has 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 are 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

However, no such amendment or modification will be binding on the persons unless the same is notified on the website of the Company.

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

Annexure-4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH, 31, 2020

{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
A M R Tech Park, Block 1
3rd Floor, No. 664, 23/24
Hosur Main Road
Bommanahalli
BANGALORE – 560068

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") for the period from 1st April 2019 to 31st March 2020. 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.

It is pertinent to note here that in view of the Covid-19 situation and prevailing lockdown, it was not possible for the undersigned to visit the office of Mindteck (India) Limited for physical verification of the documents, records, registers, minutes and such other related testimonials. In most of the cases, the Company officials had made arrangements to provide scanned copies of the desired documents and records. Hence, the Secretarial Audit could be conducted only based on the scanned documents provided and on the oral/verbal and electronic exchange of information by the officials of the Company. We were also largely dependent on the documents filed online with the Stock Exchanges with which the shares of the company are listed and also the filings made with the Ministry of Corporate Affairs and the Registrar of Companies, Karnataka.

Based on my verification of the documents provided by the company as stated above and also the information provided by the Company and its officers 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 2020 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 scanned documents and other records provided by the Company for the financial year ended on 31st March 2020 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as amended up to the date of audit:-:
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018;
   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
6. The Company has identified the following laws as applicable to them:
   (i) Employees Provident Fund and Miscellaneous Provisions Act, 1952
   (ii) Employees State Insurance Act, 1948
   (iii) Environment Protection Act, 1986 and other applicable environmental laws
   (iv) Indian Contract Act, 1872
   (v) Income Tax Act, 1961 and other related laws
   (vi) Payment of Bonus Act, 1965
   (vii) Payment of Gratuity Act, 1972 and such other applicable labour laws.
   (viii) The Information Technology Act, 2000
   (ix) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
   (x) The Central Goods and Service Tax Act, 2017, IGST and relevant State GST Acts.

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable as on the date of my audit

b. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has listed its securities with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the shares of the Company are traded at both the Stock Exchanges.

During the period under the review the Company has generally 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 Public / Rights issue of shares/debentures/sweat equity by the Company.

(vii) During the period under review, the Company has NOT allotted any equity shares through various ESOP Schemes to its employees and Directors.

(viii) During the audit period, there were no instances of:

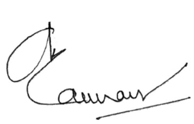
a) Redemption/Buy-back of securities

b) Merger/amalgamation/reconstruction etc.,

c) Foreign technical collaborations.

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

For S KANNAN AND ASSOCIATES



S Kannan
Company Secretary
FCS No. 6261/C P No.: 13016
Firm No. S2017KR473100
UDIN No. F006261B000322533

Place: Bangalore
Date: 6th May 2020

Annexure-A

To,
The Members,
Mindteck (India) Limited
A M R Tech Park, Block 1
3rd Floor, No. 664, 23/24
Hosur Main Road
Bommanahalli
BANGALORE – 560068.

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

a. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.

b. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

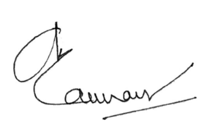
d. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

f. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws & Environment laws and Data protection policy.

g. We further report that the Compliance by the Company of applicable financial laws like Direct and Indirect tax laws, the correctness and appropriateness of financial records and Books of Accounts of the Company have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For S KANNAN AND ASSOCIATES



S Kannan
Company Secretary
FCS No. 6261/C P No.: 13016
Firm No. S2017KR473100
UDIN No. F006261B000322533

Place: Bangalore
Date: 6th May 2020

Annexure-5

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2020

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

I. REGISTRATION AND 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 and contact details	A.M.R. Tech Park, Block 1, 3rd Floor, #664, 23/24 Hosur Main Road, Bommanahalli, Bengaluru - 560068 Contact Name: Shivarama Adiga S. Designation: Vice President, Legal and Company Secretary Tel: 080-4154 8013
6	Whether listed Company	Yes
7	Name, Address and 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 and IT Enabled Services	62-620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Embtech Holdings Ltd. 4th Floor, IBL House, Caudan Port Louis Republic of Mauritius	OC98004605	Holding	64.13	2(46)
2	Mindteck, Inc. 150 Corporate Centre Drive, Suite 200 Camp Hill, PA 17011, US	0100683427	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	49063-1	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-U	Subsidiary	100	2(87)
5	Mindteck Singapore Pte. Ltd. 7B Keppel Road, #05-09 PSA Tanjong Pagar Complex Singapore-089055	199904845D	Subsidiary	100	2(87)
6	Mindteck (UK) Ltd. 4 Imperial Place, Maxwell Road Borehamwood Hertfordshire WD6 1JN, United Kingdom	3051828	Subsidiary	100	2(87)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
7	Chendle Holdings Ltd. Mill Mall Suite 6, Wickhams Cay PO Box 308 Road Town, Tortola, British Virgin Islands	494087	Subsidiary	100	2(87)
8	Hitech Parking Solutions Private Limited A.M.R. Tech park, Block 1, 3rd Floor #664, 23/24, Hosur Main Road Bommanahalli Bengaluru 560068, India	U72900KA2018PTC111136	Subsidiary	99.99	2(87)
9	Mindteck Germany GmbH Herriotstrasse-1, 60528 Frankfurt am Main, Germany	HRB 82178	Step-Subsidiary	100	2(87)
10	Mindteck Solutions Philippines, Inc. U802 BSA Twin Towers, Bank Drive Ortigas Center, Mandaluyong 1550 Metro Manila, Philippines	CS201604851	Step-Subsidiary	99.99	2(87)
11	Mindteck Canada, Inc. 2-215 Traders Boulevard E. Mississauga Ontario L4Z 3K5	1057627-1	Step-Subsidiary	100	2(87)

Note:

1. The Company holds 100% shareholding in Mindteck, Inc., US, along with Chendle Holdings Limited.
2. Mindteck Netherlands BV closed during the financial year.

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-2019] Demat	Physical	Total	% of Total Shares	No. of Shares held at the end of the year [As on 31-March-2020] Demat	Physical	Total	% of Total Shares	% Change during the year
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.	1,64,31,604	-	1,64,31,604	64.13%	1,64,31,604	-	1,64,31,604	64.13%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (A)(2)	1,64,31,604	-	1,64,31,604	64.13%	1,64,31,604	-	1,64,31,604	64.13%	0.00%
TOTAL (A)	**1,64,31,604**	**-**	**1,64,31,604**	**64.13%**	**1,64,31,604**	**-**	**1,64,31,604**	**64.13%**	0.00%
B. Public									
(1) Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks/FI	-	25	25	0.00%	-	25	25	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	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	2,75,712	1,262	2,76,974	1.08%	2,22,378	1,262	2,23,640	0.87%	(0.22%)
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	24,90,223	1,26,722	26,16,945	10.21%	2,84,256	1,22,422	29,71,678	11.60%	1.38%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	11,27,544	-	11,27,544	4.40%	11,56,708	-	11,56,708	4.51%	0.11%
c) Others (specify)									
Non-Resident Indians	4,39,854	17,000	4,56,854	1.78%	4,40,584	17,000	4,57,584	1.79%	0.01%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	5,45,987	1,000	5,46,987	2.13%	5,45,987	1,000	5,46,987	2.14%	0.01%
Clearing Members	97,721	-	97,721	0.38%	21,495	-	21,495	0.08%	(0.30%)
Trusts	12,23,148	-	12,23,148	4.77%	12,23,148	-	12,23,148	4.77%	0.00%
Foreign Bodies	24,77,732	64,299	25,42,031	9.92%	21,92,036	64,299	22,56,335	8.81%	(1.12%)
LLP\Partnership Firm	488	-	488	0.00%	2	-	2	0.00%	0.00%
NBFC Registered with RBI	608	-	608	0.00%	-	-	-	0.00%	0.00%
HUF	2,63,764	-	2,63,764	1.03%	2,95,637	-	2,95,637	1.15%	0.13%
Directors and Relatives	37,205	-	37,205	0.15%	37,055	-	37,055	0.15%	0.00%
Sub-total (B)(2)	89,79,986	2,10,283	91,90,269	35.87%	89,84,286	2,05,983	91,90,269	35.87%	0.00%
Total Public (B)	**89,79,986**	**2,10,308**	**91,90,294**	**35.87%**	**89,84,286**	**2,06,008**	**91,90,294**	**35.87%**	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	**2,54,11,590**	**2,10,308**	**2,56,21,898**	**100%**	**2,54,15,890**	**2,06,008**	**2,56,21,898**	**100%**	0.00%

(ii) Shareholding of Promoter

		Shareholding at the beginning of the year			Shareholding at the end of the year			
Sl. No.	**Shareholder's Name**	**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**	**% change in shareholding during the year**
1	EMBTECH HOLDINGS LIMITED	1,64,31,604	64.13%	NIL	1,64,31,604	64.13%	NIL	0.00%

(iii) Change in Promoters' Shareholding

				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Sl. No.	**Particulars**	**Date**	**Reason**	**No. of Shares**	**% of total Shares**	**No. of Shares**	**% of total Shares**
1	At the beginning of the year			1,64,31,604	64.13%	1,64,31,604	64.13%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,64,31,604	64.13%	1,64,31,604	64.13%

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

				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Sl. No.	**For each of the Top 10 shareholders**	**Date**	**Reason**	**No. of Shares**	**% of total Shares**	**No. of Shares**	**% of total Shares**
1	Name: FIRST ASIAN INVESTMENTS SA						
	At the beginning of the year			13,90,569	5.43%	13,90,569	5.43%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			13,90,569	5.43%	13,90,569	5.43%
2	Name: RAVI PRASAD THANTRY						
	At the beginning of the year			8,07,148	3.15%	8,07,148	3.15%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			8,07,148	3.15%	8,07,148	3.15%
3	Name: BANCO EFISA S.A.						
	At the beginning of the year			8,01,467	3.13%	8,01,467	3.13%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			8,01,467	3.13%	8,01,467	3.13%
4	Name: ABDOOL MAGID K						
	At the beginning of the year			4,27,744	1.67%	4,27,744	1.67%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			4,27,744	1.67%	4,27,744	1.67%
5	Name: MINDTECK EMPLOYEES WELFARE TRUST						
	At the beginning of the year			4,16,000	1.62%	4,16,000	1.62%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			4,16,000	1.62%	4,16,000	1.62%
6	Name: MAHESH THARANI						
	At the beginning of the year			2,00,971	0.78%	2,00,971	0.78%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,00,971	0.78%	2,00,971	0.78%

7	Name: JM FINANCIALS SERVICES LIMITED						
	At the beginning of the year			1,34,778	0.53%	1,34,778	0.53%
	Changes during the year	31-05-2019	Sale	(7,001)	(0.03%)	1,27,777	0.50%
	Changes during the year	07-06-2019	Sale	(3,229)	(0.01%)	1,24,548	0.49%
	Changes during the year	02-08-2019	Sale	(17,040)	(0.07%)	1,07,508	0.42%
	Changes during the year	13-09-2019	Purchase	5,000	0.02%	1,12,508	0.44%
	Changes during the year	20-09-2019	Sale	(5,000)	(0.02%)	1,07,508	0.42%
	Changes during the year	30-09-2019	Sale	(6,384)	(0.02%)	1,01,124	0.39%
	Changes during the year	04-10-2019	Purchase	50	0.00%	1,01,174	0.39%
	Changes during the year	11-10-2019	Sale	(50)	0.00%	1,01,124	0.39%
	Changes during the year	10-01-2020	Purchase	7,000	0.03%	1,08,124	0.42%
	Changes during the year	17-01-2020	Sale	(7,150)	(0.03%)	1,00,974	0.39%
	Changes during the year	31-01-2020	Purchase	1	0.00%	1,00,975	0.39%
	Changes during the year	07-02-2020	Purchase	199	0.00%	1,01,174	0.39%
	Changes during the year	14-02-2020	Sale	(200)	0.00%	1,00,974	0.39%
	Changes during the year	06-03-2020	Purchase	2,000	0.01%	1,02,974	0.40%
	Changes during the year	20-03-2020	Purchase	100	0.00%	1,03,074	0.40%
	Changes during the year	31-03-2020	Sale	(100)	0.00%	1,02,974	0.40%
	At the end of the year			1,02,974	0.40%	1,02,974	0.40%
8	Name: BASSAM MAHMOUD K JABR						
	At the beginning of the year			82,583	0.32%	82,583	0.32%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			82,583	0.32%	82,583	0.32%
9	Name: GOPAL DHALUMAL						
	At the beginning of the year			77,159	0.30%	77,159	0.30%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			77,159	0.30%	77,159	0.30%
10	Name: ASHOK KUMAR JAIN						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	07-06-2019	Purchase	30,061	0.12%	30,061	0.12%
	Changes during the year	14-06-2019	Sale	(4,731)	(0.02%)	25,330	0.10%
	Changes during the year	12-07-2019	Purchase	7,941	0.03%	33,271	0.13%
	Changes during the year	13-09-2019	Purchase	16,318	0.06%	49,589	0.19%
	Changes during the year	20-09-2019	Purchase	16,319	0.06%	65,908	0.26%
	Changes during the year	30-09-2019	Purchase	3,329	0.01%	69,237	0.27%
	At the end of the year			69,237	0.27%	69,237	0.27%

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Director 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			29,705	0.12%	29,705	0.12%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			29,705	0.12%	29,705	0.12%
2	Name: ANAND BALAKRISHNAN						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	20-03-2020	Purchase	7,350	0.03%	7,350	0.03%
	At the end of the year			7,350	0.03%	7,350	0.03%
3	Name: MEENAZ DHANANI						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
4	Name: JAGDISH DAYAL 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%
5	Name: PROCHIE SANAT 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%
6	Name: GUHAN SUBRAMANIAM						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	Name: SATISH 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%
8	Name: SUBHASH BHUSHAN DHAR						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
9	Name: RAMACHANDRA M S						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
10	Name: SHIVARAMA ADIGA S.						
	At the beginning of the year			8,215	0.03%	8,215	0.03%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			8,215	0.03%	8,215	0.03%

V. INDEBTEDNESS

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

Amount in 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)	**NIL**	**NIL**	**NIL**	**NIL**
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	NIL	NIL	NIL	NIL
Net Change	**NIL**	**NIL**	**NIL**	**NIL**
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)	**NIL**	**NIL**	**NIL**	**NIL**

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	Name of MD/WTD/ Manager	Total Amount (Rs.)
	Name	**Sanjeev Kathpalia**	**Anand Balakrishnan**	
	Designation	Managing Director and CEO*	Managing Director and CEO*	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,14,03,150	10,35,886	1,24,39,036
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-		-
2	Stock Option	5,00,000	1,00,000	6,00,000
3	Sweat Equity	-		-
4	Commission			
	- as % of profit	-		-
	- others, specify	-		-
5	Others, please specify	-		-
	Total (A)	1,14,03,150	10,35,886	1,24,39,036
	Ceiling as per the Act	NIL	NIL	NIL

* Mr. Sanjeev Kathpalia ceased to be Managing Director and CEO w.e.f. March 01, 2020. Mr. Anand Balakrishnan was appointed as Managing Director and CEO w.e.f. March 01, 2020. The above remuneration paid to Mr. Anand Balakrishnan is from the date of appointment as Managing Director and CEO.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount (Rs.)
		Yusuf Lanewala	Meenaz Dhanani	Jagdish Dayal Malkani	Prochie Sanat Mukherji	Guhan Subramaniam	Satish Menon	Subhash Bhushan Dhar	
1	Independent Directors								
	Fee for attending Board Committee Meetings	-	-	7,00,000	5,00,000	7,00,000	7,00,000	7,00,000	33,00,000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-			-
	Total (1)	**-**	**-**	**7,00,000**	**5,00,000**	**7,00,000**	**7,00,000**	**7,00,000**	**33,00,000**
2	Other Non-Executive Directors								
	Fee for attending Board Committee Meetings	7,00,000	`-	-	-	-	-	-	7,00,000
	Commission	-	-	-	-	-	-		-
	Others (for Professional Services)	-	-	-	-	-	-		-
	Total (2)	**7,00,000**	**`-**	**-**	**-**	**-**	**-**	**-**	**7,00,000**
	Total (B)=(1+2)	**7,00,000**	**`-**	**7,00,000**	**5,00,000**	**7,00,000**	**7,00,000**	**7,00,000**	**40,00,000**
	Total Managerial Remuneration	-	-	-	-	-	-	-	1,64,39,036
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	NIL

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel						Total Amount (Rs.)
	Name	Sanjeev Kathpalia	Anand Balakrishnan	Prashanth Idgunji	Anand Balakrishnan	Ramachandra M S	Shivarama Adiga S.	
	Designation	CEO*	CEO*	CFO**	CFO***	CFO**	CS	
1	Gross Salary							
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	44,93,175	54,78,501	3,47,575	42,92,140	1,46,11,391
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	1,00,000	-	50,000	5,600	1,55,600
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission		-	-	-			
	- as % of profit	-	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-	-
	Total	**-**	**-**	**44,93,175**	**54,78,501**	**3,47,575**	**42,92,140**	**1,46,11,391**

* The remuneration paid to Mr. Sanjeev Kathpalia and Mr. Anand Balakrishnan for the position held by them as Managing Director and CEO is furnished under Table VI A above

** Mr. Prashanth Idgunji ceased to be Chief Financial Officer w.e.f. July 29, 2019. Mr. Ramachandra M S was appointed as Chief Financial Officer w.e.f. March 01, 2020. The above remuneration paid to Mr. Ramachandra M S is from the date of appointment as Chief Financial Officer.

*** Mr. Anand Balakrishnan was appointed as Interim Chief Financial Officer w.ef August 13, 2019 and ceased to be Interim Chief Financial Officer w.ef March 01, 2020

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

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

Annexure-6

DETAILS OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

Name of the Director	Ratio to the Median
Yusuf Lanewala	1.30
Sanjeev Kathpalia	25.23
Anand Balakrishnan	21.19
Meenaz Dhanani	NIL
Guhan Subramaniam	1.52
Jagdish Dayal Malkani	1.74
Prochie Sanat Mukherji	1.08
Satish Menon	1.52
Subhash Bhushan Dhar	1.52

(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;

Name of the Director & KMP	% increase
Yusuf Lanewala	75%
Sanjeev Kathpalia	NIL
Anand Balakrishnan	30.43%*
Meenaz Dhanani	NIL
Guhan Subramaniam	250%
Jagdish Dayal Malkani	75%
Prochie Sanat Mukherji	66.67%
Satish Menon	75%
Subhash Bhushan Dhar	133.33%
Prashanth Idgunji, CFO	NIL**
Ramachandra M S, CFO	5.86%
Shivarama Adiga S., CS	7.35%

(iii) The percentage increase in the median remuneration of employees in the financial year;	2.52%
(iv) The number of permanent employees on the rolls of Company;	The total number of Mindteck permanent employees as on March 31, 2020 was 625.
(v) 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;	Average percentage increase was 5% for all the employees and for managerial personnel in the FY 2019-20. Remuneration increase is based on merit performance of individual employees and market benchmark data.
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes – the remuneration is as per the Nomination and Remuneration policy of the Company.

* Mr. Anand Balakrishnan, Managing Director and CEO, has deferred the increase in remuneration up to the first half year for FY 2020-21 on a voluntary basis.

** Mr. Prashanth Idgunji, CFO, resigned from the Company w.e.f. July 29, 2019.

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

Annexure-7

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

1	A brief outline of the Company's CSR Policy, including an overview of projects or programs proposed to be undertaken and a reference to the Weblink to the CSR Policy and projects or programs.	The Company laid down its focus on the following CSR activities in line with the statute governing CSR, and for the benefit of the public: ▪ 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 the Companies Act, 2013 and approved by the Board from time to time. *(Weblink: https://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf)*
2	Composition of CSR Committee	Yusuf Lanewala – Chairman (Committee Chairman) Prochie Sanat Mukherji – Independent Director (Member) Subhash Bhushan Dhar – Independent Director (Member)
3	Average net profit of the Company for last three financial years	Rs. 7,58,08,726
4	Prescribed CSR expenditure (2% of the average net profit as computed above)	Rs. 15,16,175
5	Details of CSR expenditure during the financial year Total amount to be spent for the financial year: Rs. 15,16,175 Amount spent: Rs. 15,20,000 Amount unspent: NIL	▪ *Gandhi Old Age Home:* Purchase and installation of solar transformer and panel for uninterrupted power supply to the residents. ▪ *Mantra Social Services:* 'School Readiness Program' in Early Childhood Education

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 were undertaken	Amount outlay (budget) project or program wise (Rs.)	Amount Spent on the Projects or Programs (i) Direct expenditure on Projects or Programs (ii) Overheads	Cumulative Expenditure up-to the reporting period (Rs.)	Amount Spent: Direct or through implementation agency
1	Gandhi Old Age Home	Purchase and Installation of solar transformer and panel for uninterrupted power supply to the residents of the Old Age Home	Bengaluru, Karnataka	5,20,000	Direct Expenditure on project	5,20,000	Through Gandhi Old Age Home
2	Mantra Social Services	'School Readiness Program' in Early Childhood Education	Bengaluru, Karnataka	10,00,000	Direct Expenditure on project	10,00,000	Through Mantra Social Services

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

for and on behalf of the Board of Directors

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

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

Annexure-8

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Mindteck (India) Limited
A M R Tech Park, Block 1
3rd Floor, No. 664, 23/24
Hosur Main Road
Bommanahalli
BANGALORE – 560068

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

I, S Kannan, Company Secretary, have examined all the relevant records of Mindteck (India) Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from 1st April 2019 to 31st March 2020.

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

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

For S KANNAN AND ASSOCIATES

S KANNAN
Company Secretary
FCS No. 6261/C P No.: 13016
Firm No.: S2017KR473100
UDIN No.: F006261B000322555

Place: Bangalore
Date: 6th May, 2020

Annexure-9

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) Mindteck has deployed an LED-based smart lighting system at the Bengaluru location which is helping in curtailing lighting energy consumption.

(ii) Mindteck has deployed bio-urinal mats for reduction in water and energy consumption in the toilets.

(iii) Steps taken by the Company for utilizing alternate source of energy:

- Monitors are turned off by 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 the 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 minimised by altering the exhaust system.
- Within the premises, diesel generator sets are used only in case of extreme necessity, and these are well maintained to increase efficiency, resulting in less wastage of fuel.
- The water pipes have been resized to reduce water consumption.

Waste Management:

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

- The Company operates on a '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 all cartons, boxes, and packing materials.
- Separate dustbins are used to segregate bio-degradable and non-biodegradable waste to effectively process this disposal mechanism.
- Food waste is processed by organic manure manufacturers.
- STP is set up in the premises to ensure the usage of treated water for common area cleaning and gardening.
- All e-waste is disposed and recycled through e-waste recycling agencies.

2. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Technology Absorption:

(i) The efforts made towards technology absorption:

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

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

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

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

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

Amount in Rs.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Earnings	60,42,15,279	64,56,19,884
Expenditure	2,17,75,849	1,57,33,547

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

Corporate Governance Report

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

The Securities and Exchange Board of India (SEBI) implemented SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as SEBI (LODR)] effective from December 01, 2015, as amended from time to time, 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. SEBI (LODR) is aligned with the provisions of the Companies Act, 2013, as amended from time to time, and is aimed to encourage companies to adopt best Corporate Governance practices.

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

1. 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, supporting agencies, Government, and society at large.

The Management aims to achieve its objective of increasing stakeholders' value while consistently observing the norms laid down in the Code of Corporate Governance. The Management has institutionalised Corporate Governance at all levels within the Company in order to ensure transparency, good practices, accountability and a systems-driven style of functioning.

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, as amended from time to time, 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.

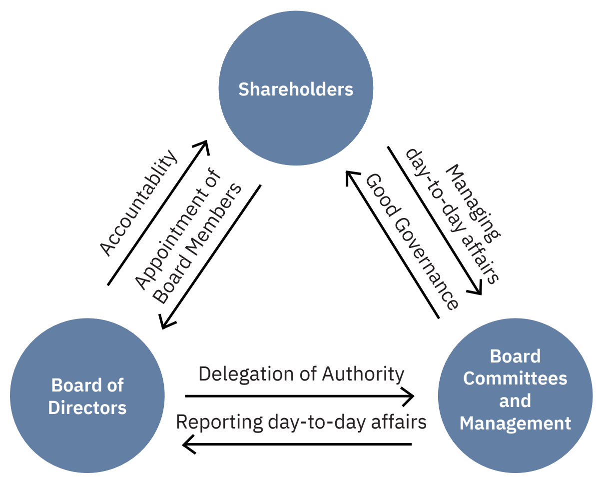
(vi) Timely and balanced disclosure of all material information concerning the Company to its stakeholders.

(vii) A system to ensure compliance with applicable laws in countries where 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.

2. 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 maximising returns to all stakeholders.

(ii) The Board is responsible for the overall vision, strategy and good Corporate Governance. The Board and Committees ensure accountability and transparency in the affairs of the Company, to the Stakeholders, by directing and controlling the management activities.

(iii) The Managing Director and CEO, along with Senior Management, are responsible for setting up business targets and day-to-day management of the Company in line with the objectives and principles set by the Board.

A. GOVERNANCE BY THE BOARD OF DIRECTORS

Composition:

The Board is at the core of the Corporate Governance practice and oversees how the Management serves and protects the long-term interests of all stakeholders of the Company. The Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors, including a woman Director, with considerable experience in their respective fields to maintain the independence of the Board and to separate the functions of the Board from the Management of the Company. There is a clear demarcation in the roles and responsibilities of the Chairman, Managing Director and CEO, and the Board. The Board of Directors of the Company have the requisite core skills, expertise and competencies, as identified by them, for the nature of business and industry for its effective functioning, with expertise in Information Technology, Finance, Sales & Marketing, Legal, Corporate Governance, Management, Human Resources, as well as knowledge of global market conditions.

Table 01: Specific Core Skills, Expertise and Competencies of the Board of Directors:

Name of the Director	Technology	Sales and Marketing	Finance	Legal	Corporate Governance	Management	Human Resource	Global Business
Mr. Yusuf Lanewala	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes
Mr. Anand Balakrishnan (1)	-	Yes	Yes	-	Yes	Yes	-	-
Mr. Sanjeev Kathpalia (2)	-	-	-	-	Yes	Yes	-	Yes
Mr. Meenaz Dhanani	-	Yes	Yes	-	Yes	Yes	-	Yes
Mr. Jagdish Dayal Malkani	-	-	Yes	-	Yes	Yes	-	-
Ms. Prochie Sanat Mukherji	-	-	-	Yes	Yes	Yes	Yes	-
Mr. Guhan Subramaniam	-	Yes	Yes	-	Yes	Yes	Yes	-
Mr. Satish Menon	-	-	-	Yes	Yes	Yes	-	-
Mr. Subhash Bhushan Dhar	Yes	Yes	-	-	Yes	Yes	Yes	Yes

(1) Mr. Anand Balakrishnan was appointed as an Additional Director w.e.f. February 14, 2020 and was subsequently elevated to the position of Managing Director and CEO effective from March 01, 2020 for a period of three (3) years, subject to approval by the Shareholders at the ensuing Annual General Meeting.

(2) Mr. Sanjeev Kathpalia ceased to be the Managing Director and CEO of the Company w.e.f. March 01, 2020 and subsequently resigned from the Board w.e.f. March 12, 2020.

As at March 31, 2020, the Company had eight Directors, of which five Directors were Independent, as defined in the Companies Act, 2013 and SEBI (LODR). The Chairman of the Company, a Non-Executive Director, conducts all the Board Meetings and Shareholders' Meetings. The Managing Director and CEO manages the day-to-day affairs of the Company. The Board periodically evaluates the need for change in its composition and size. None of the Directors of the Company are related inter se.

No Directors of the Company held directorships for more than the statutory limit as prescribed under the Companies Act, 2013 and SEBI (LODR), and none of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all companies in which they are Directors. None of the Directors of the Company held directorships in any other listed companies.

Table 02: Directorship, Designation, Shareholding and Committee Membership of the Board of Directors:

Name of the Director	Designation and Category	Age	Equity Shareholding (as on March 31, 2020)	No. of Directorship*		No. of Committees**	
				Public	Private	Chairman	Member
Mr. Yusuf Lanewala	Non-Executive Chairman	66	29,705 shares	-	1	-	-
Mr. Sanjeev Kathpalia (1)	Non-Executive Director	67	7,500 shares	-	4	-	-
Mr. Anand Balakrishnan (2)	Managing Director and Chief Executive Officer	47	7,350 shares	-	1	-	-
Mr. Meenaz Dhanani	Non-Executive Director	63	NIL	-	-	-	-
Mr. Jagdish Dayal Malkani	Independent Director	64	NIL	-	4	-	-
Ms. Prochie Sanat Mukherji	Independent Director	71	NIL	-	-	-	-
Mr. Guhan Subramaniam	Independent Director	66	NIL	-	1	-	-
Mr. Satish Menon	Independent Director	62	NIL	-	-	-	-
Mr. Subhash Bhushan Dhar	Independent Director	54	NIL	-	2	-	-

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

** Only membership in Audit Committee and Stakeholders Relationship Committee is taken into consideration, excluding Mindteck (India) Limited.

(1) Mr. Sanjeev Kathpalia ceased to be the Managing Director and CEO of the Company w.e.f. March 01, 2020 and subsequently resigned from the Board w.e.f. March 12, 2020.

(2) Mr. Anand Balakrishnan was appointed as an Additional Director w.e.f. February 14, 2020 and was subsequently elevated to the position of Managing Director and CEO effective from March 01, 2020 for a period of three (3) years, subject to approval by the Shareholders at the ensuing Annual General Meeting.

Broad Definition of Independent Directors:

The Company has defined the independence as stipulated under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR). Accordingly, an Independent Director means a person who is not an officer or employee of the Company or its subsidiaries, or any other individual having a material pecuniary relationship or transactions with the Company which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. At the time of their appointment, all the Independent Directors furnished to the Company a declaration that they qualify the test of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR), and annually certify 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 pecuniary relationship or transactions with the Company, or served on the Board of the Company for more than ten years. In the opinion of the Board, all Independent Directors are independent of the Management and fulfil the conditions specified in SEBI (LODR).

Pursuant to Regulation 25(3) of SEBI (LODR), the Independent Directors of the Company met twice in FY 2019-20: May 28, 2019 and February 14, 2020.

Independent Directors Familiarisation Programme:

Mindteck has a well-established familiarisation programme for its Independent Directors. The Managing Director and CEO, Business Heads, Delivery Head, Chief Financial Officer and the Company Secretary make presentations on business models, nature of industry and its dynamism, and the roles, responsibilities and liabilities of Independent Directors. Further, business, statutory law and industry updates are made available to Independent Directors, especially to the Audit Committee Members, on an ongoing basis by internal teams, and by Statutory and Internal Auditors on a quarterly basis. *(Weblink: https://www.mindteck.com/assets/investor_pdf/IDFP050515.pdf)*

Board Meetings:

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

The Board met four times in FY 2019-20: May 28, 2019, August 13, 2019, November 13, 2019 and February 14, 2020.

Sitting Fees:

The Company paid sitting fees of Rs. 1,00,000 each to its Non-Executive Directors, including Independent Directors, for attending meetings of the Board, Audit Committee and Nomination & Remuneration Committee, effective from August 09, 2019. Previously, the Company had paid sitting fees of Rs. 1,00,000 for attending Board meetings only.

Table 03: Directors' Attendance and Sitting Fee Paid Details:

Name of the Director	No. of Board Meetings during FY 2019-20		Whether attended last AGM held on August 14, 2019	Sitting fees for Board and Committee meetings (in Rs.)
	Held	Attended		
Mr. Yusuf Lanewala	4	4	Yes	7,00,000
Mr. Sanjeev Kathpalia (1)	4	4	Yes	NIL
Mr. Anand Balakrishnan (2)	4	1	Yes	NIL
Mr. Meenaz Dhanani	4	1	No	NIL
Mr. Jagdish Dayal Malkani	4	4	Yes	7,00,000
Ms. Prochie Sanat Mukherji	4	3	Yes	5,00,000
Mr. Guhan Subramaniam	4	4	Yes	7,00,000
Mr. Satish Menon	4	4	Yes	7,00,000
Mr. Subhash Bhushan Dhar	4	4	Yes	7,00,000

(1) Mr. Sanjeev Kathpalia ceased to be the Managing Director and CEO of the Company w.e.f. March 01, 2020 and subsequently resigned from the Board w.e.f. March 12, 2020.

(2) Mr. Anand Balakrishnan was appointed as an Additional Director w.e.f. February 14, 2020 and was subsequently elevated to the position of Managing Director and Chief Executive Officer effective from March 01, 2020 for a period of three (3) years, subject to approval by the Shareholders at the ensuing Annual General Meeting.

Non-Executive/Independent Directors' remuneration:

The remuneration paid to Non-Executive/Independent Directors is fixed by the Board of Directors and is within the limits prescribed under the Companies Act, 2013. The remuneration paid to Non-Executive/Independent Directors of the Company pertaining to FY 2019-20 is annexed to the Board's Report ***Annexure-5***. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Mr. Meenaz Dhanani, a Non-Executive Director of the Company, was not paid any remuneration by the Company but a remuneration of USD 191,268 per annum was paid by the Company's wholly-owned subsidiary, Mindteck, Inc., US.

None of the Non-Executive/Independent Directors held shares or any convertible instruments in the Company, except Mr. Yusuf Lanewala, Non-Executive Chairman, who held 29,705 equity shares as on March 31, 2020. Mr. Yusuf Lanewala holds 1,00,000 stock options issued at Rs. 90.75 per share on August 10, 2016, and Mr. Meenaz Dhanani, Non-Executive Director, holds 1,00,000 stock options issued at Rs. 90.75 per share on August 10, 2016. Both grants of stock options are not issued at discount and shall vest one-third on the completion of every year from the date of grant. The said stock options can be exercisable for a maximum period of 60 months from the date of vesting. Mr. Sanjeev Kathpalia ceased be Managing Director and Chief Executive Officer of the Company w.e.f. March 01, 2020 and was designated as a Non-Executive Director. He subsequently resigned from the Company w.e.f. March 12, 2020. Mr. Kathpalia was granted 2,50,000 stock options at Rs. 78.10 on March 30, 2017 and 2,50,000 stock options at Rs. 81.30 on April 10, 2017 under the Mindteck Employees Stock Option Scheme 2014, which were not issued at a discount. Subsequent to his resignation, the entire 5,00,000 stock options were forfeited.

The criteria for making payments to Non-Executive/ Independent Directors is as per the Nomination and Remuneration Policy adopted by the Company which is displayed on the website of the Company. *(Weblink: https://www.mindteck.com/assets/investor_pdf/Nomination_Remuneration_Policy.pdf)*

Remuneration to Managing Director and CEO:

The criteria for making payment to the Managing Director and CEO is as per the Nomination and Remuneration Policy adopted by the Company which is displayed on the website of the Company. *(Weblink: https://www.mindteck.com/assets/investor_pdf/Nomination_Remuneration_Policy.pdf)*

The Company had executed a formal service contract with Mr. Sanjeev Kathpalia, Managing Director and CEO, with a notice period of 90 days.

The detailed remuneration of Mr. Sanjeev Kathpalia, Managing Director and CEO was as under:

Gross Salary: Fixed Salary: Rs. 1,25,00,000/- p.a.
Variable Salary: Rs. 55,00,000/- p.a.

Stock Options: 5,00,000

Mr. Sanjeev Kathpalia ceased be Managing Director and CEO of the Company w.e.f. March 01, 2020 and was designated as a Non-Executive Director. He subsequently resigned from the Company w.e.f. March 12, 2020.

Mr. Anand Balakrishnan was appointed as an Additional Director of the Company w.e.f. February 14, 2020 and was subsequently elevated to the position of Managing Director and CEO w.e.f. March 01, 2020. The Company has executed a formal service contract with Mr. Anand Balakrishnan, Managing Director and CEO, with a notice period of 90 days.

The detailed remuneration of Mr. Anand Balakrishnan, Managing Director and CEO, is as under:

Gross Salary: Fixed Salary: Rs. 1,25,00,000/- p.a.
Variable Salary: Rs. 25,00,000/- p.a.

The above mentioned remuneration is subject to approval of the Members in the ensuing Annual General Meeting. Mr. Anand Balakrishnan was granted 1,00,000 stock options at Rs. 34.70 on February 26, 2019 under the Mindteck Employees Stock Option Scheme 2014 and it was not issued at discount. The grant of stock options shall vest one-third on the completion of every year from the date of grant. The said stock options can be exercisable for a maximum period of 60 months from the date of vesting.

Proceedings of Board Meetings:

The agenda items for the Board meetings are decided in advance in consultation with heads of various functions, the Chairman, and the Managing Director and CEO. Every Board Member can suggest additional items for inclusion in the agenda. Functional heads, who can provide additional insights into the items discussed in the Board Meetings, are also invited for the discussion. A report on the action items is placed before the Board at its succeeding meeting.

Information and updates to Board of Directors:

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

- Annual operating plans, budgets, and any updates.
- Capital budgets and any updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of the Audit Committee and other Committees of the Board of Directors.
- 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 that are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue involving possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development on Human Resources/Industrial Relations matters, such as signing of wage agreements, implementation of Voluntary Retirement Scheme, etc.

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

All the information to be provided to the Board as per Part A of Schedule II of SEBI (LODR) has been made available to the Board. The Company's Board reviews and takes on record the statutory compliance reports submitted by the Company's Management on a quarterly basis. In case of business exigencies, resolutions of the Board are passed by circulation. In addition to the above, the Company has complied with 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 meeting. Draft minutes are circulated to all the Members of the Board/Committees for their comments. The minutes are entered in the minutes book and signed as per Secretarial Standard-1.

Post-meeting follow up mechanism:
The important decisions taken at the Board/Committee meetings are communicated promptly to the concerned departments/divisions and Stock Exchanges wherever and whenever necessary to comply with 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 Social Responsibility Committee

(I) Audit Committee

The Company's Board has constituted an Audit Committee pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR).

(a) Composition and Meetings of the Committee:

Meeting: The Audit Committee Meeting was conducted four times during the year on May 28, 2019, August 13, 2019, November 13, 2019 and February 14, 2020. The approved minutes of the meetings were placed before the Board at the succeeding Board Meeting for information.

Table 04: Composition and attendance details of Audit Committee meetings held during the year:

Members	No. of meetings Held	No. of meetings Attended
Mr. Jagdish Dayal Malkani, Chairman	4	4
Mr. Guhan Subramaniam	4	4
Mr. Sanjeev Kathpalia (1)	4	1
Mr. Satish Menon	4	4
Mr. Meenaz Dhanani (2)	4	0

(1) Mr. Sanjeev Kathpalia ceased to be a Member w.e.f. August 09, 2019

(2) Mr. Meenaz Dhanani was inducted as a Member w.e.f. August 09, 2019

Mr. Shivarama Adiga S., Company Secretary, acted as Secretary for all of the Audit Committee meetings held in FY 2019-20.

(b) Powers:

Powers of the Audit Committee include:

(i) To investigate any activity within its terms of reference.

(ii) To seek information from any employee.

(iii) To obtain outside legal or other professional advice, if considered necessary.

(iv) To secure attendance of outsiders with relevant expertise, if considered necessary.

(c) Role and Responsibilities:

(i) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(ii) To recommend appointment, remuneration and terms of appointment of auditors of the Company.

(iii) To approve payment to the Statutory Auditor for any other services rendered by them.

(iv) To review, with the Management, the annual financial statements and the auditor's report thereon before submission to the Board for approval, with particular reference to:

- matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by Management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;

- disclosure of any Related Party Transactions;
- modified opinion(s) in the draft audit report.

(v) To review, with the Management, the quarterly financial statements before submission to the Board for approval.

(vi) To review, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency that monitors the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

(vii) To review and monitor the auditor's independence, performance and effectiveness of the audit process.

(viii) To approve or subsequently modify transactions of the Company with related parties.

(ix) To scrutinise inter-corporate loans and investments.

(x) To carry out valuation of undertakings or assets of the Company, whenever it is necessary.

(xi) To evaluate internal financial controls and risk management systems.

(xii) To review with the Management, performance of Statutory and Internal Auditors, and adequacy of internal control systems.

(xiii) To review the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(xiv) To discuss with the Internal Auditor, any significant findings and follow up thereon.

(xv) To review the findings of any internal investigations by the Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and report the matter to the Board.

(xvi) To discuss with the Statutory Auditor before the audit commences, the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.

(xvii) To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(xviii) To review the functioning of the whistleblower mechanism.

(xix) To approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate.

(xx) To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

(xxi) To review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments.

(xxii) The Audit Committee mandatorily reviews the following information:

1. Management Discussion and Analysis of financial condition, and results of operations;
2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditor;
4. Internal Audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
    a. Quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (LODR).
    b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, in terms of Regulation 32(7) of SEBI (LODR).

(II) Nomination and Remuneration Committee

(a) Composition and Meetings of the Committee:

Meeting: The Nomination and Remuneration Committee held four meetings during the year: May 28, 2019, August 13, 2019, November 13, 2019 and February 14, 2020.

Table 05: Composition and attendance details of Nomination and Remuneration Committee meetings held during the year:

	No. of meetings	
Members	**Held**	**Attended**
Ms. Prochie Sanat Mukherji, Chairperson	4	3
Mr. Guhan Subramaniam (1)	4	1
Mr. Jagdish Dayal Malkani (2)	4	1
Mr. Subhash Bhushan Dhar	4	4
Mr. Yusuf Lanewala (3)	4	3
Mr. Meenaz Dhanani (4)	4	0

(1) Mr. Guhan Subramaniam ceased to be a Member w.e.f. August 09, 2019

(2) Mr. Jagdish Dayal Malkani ceased to be a Member w.e.f. August 09, 2019

(3) Mr. Yusuf Lanewala was inducted as a Member w.e.f. August 09, 2019

(4) Mr. Meenaz Dhanani was inducted as a Member w.e.f. August 09, 2019

(b) Roles and Responsibilities:

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 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, Executive Directors, Non-Executive Directors and Key Managerial Personnel of the Company under the Companies Act, 2013 and SEBI (LODR).

(iii) To establish and administer employee compensation and benefit plans.

(iv) 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, etc.

(v) To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.

(vi) To devise a policy on diversity of the Board of Directors.

(vii) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria that is laid down, and recommend to the Board of Directors their appointment and removal.

(viii) To decide whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

(ix) To recommend to the Board, all remuneration whatever form, payable to Senior Management.

(c) The Nomination and Remuneration policy is displayed on the Company's website.

(Weblink: https://www.mindteck.com/assets/investor_pdf/Nomination_Remuneration_Policy.pdf)

(d) Performance Evaluation Criteria for Board of Directors

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

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

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

(III) Stakeholders Relationship Committee

(a) Composition and Meetings of the Committee:

Meeting: During the year, the Stakeholders Relationship Committee met once on February 14, 2020.

Table 06: Composition and attendance details of Stakeholders Relationship Committee Meetings held during the year:

	No. of meetings	
Members	Held	Attended
Mr. Meenaz Dhanani, Chairman (1)	1	-
Mr. Subhash Bhushan Dhar (2)	1	1
Mr. Yusuf Lanewala(3)	1	1
Mr. Sanjeev Kathpalia (4)	1	-
Ms. Prochie Sanat Mukherji (5)	1	-
Mr. Satish Menon (6)	1	-

(1) Mr. Meenaz Dhanani was appointed as the Chairman of the Committee w.e.f. August 09, 2019
(2) Mr. Subhash Bhushan Dhar was inducted as a Member w.e.f. August 09, 2019
(3) Mr. Yusuf Lanewala was inducted as a Member w.e.f. August 09, 2019
(4) Mr. Sanjeev Kathpalia ceased to be a Member w.e.f. August 09, 2019
(5) Ms. Prochie Sanat Mukherji was inducted as a Member w.e.f. August 09, 2019
(6) Mr. Satish Menon ceased to be a Member w.e.f. August 09, 2019

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

(b) Roles and Responsibilities:

The role of the Committee shall include the following:

(i) To resolve the grievances of the Shareholders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

(ii) To review measures taken for effective exercise of voting rights by shareholders.

(iii) To review the adherence of service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(iv) To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensure timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Table 07: Report of Investor complaints received and resolved during year ended March 31, 2020:

	No. of cases outstanding as on April 01, 2019	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2020
No. of Investor Issues	1	1	2	0
No. of Legal Cases	NIL	NIL	NIL	NIL

There were no cases which were not resolved to the satisfaction of the shareholders.

(IV) Corporate Social Responsibility Committee

(a) Composition and Meetings of the Committee:

Meeting: During the year, the Committee did not meet, however, it passed two Circular Resolutions.

Table 08: Composition of Corporate Social Responsibility Committee:

Members
Mr. Yusuf Lanewala, Chairman
Mr. Satish Menon (1)
Mr. Sanjeev Kathpalia (2)
Ms. Prochie Sanat Mukherji (3)
Mr. Subhash Bhushan Dhar (4)

(1) Mr. Satish Menon ceased to be a Member w.e.f. August 09, 2019
(2) Mr. Sanjeev Kathpalia ceased to be a Member w.e.f. March 12, 2020, as he resigned from the Board
(3) Ms. Prochie Sanat Mukherji was inducted as a Member w.e.f. August 09, 2019
(4) Mr. Subhash Bhushan Dhar was inducted as a Member w.e.f. August 09, 2019

(b) Objective:

To formulate and manage CSR activities as 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) To 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) To recommend appropriate targeted CSR funding to the Board.

(iii) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

(iv) To formulate a transparent monitoring mechanism for implementation of CSR projects/programs/activities.

(v) To monitor the implementation of CSR activities on a quarterly basis.

(vi) To approve such projects/programs/activities as approved by the Central Government.

C. GOVERNANCE BY MANAGEMENT

Related Party Transactions:

During FY 2019-20, there were no materially significant Related Party Transactions 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 an arm's length basis are separately shown in the Annexure to Board's Report and Note 41 of Notes to Accounts of the Standalone Financial Statements as at March 31, 2020. The Company's Related Party Transactions Policy is displayed on its website. *(Weblink: https://www.mindteck.com/assets/investor_pdf/RPT_Policy.pdf)*

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

No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital market during the last three years.

Certificate on Corporate Governance:

As required under Schedule V (E) of SEBI (LODR), the Certificate is obtained from a Practicing Company Secretary and is also annexed to the Board's Report as ***Annexure-8.***

Certificate on Qualification of Directors:

As required under Point 10(i) of Schedule V(C) of SEBI (LODR), a Certificate is obtained from a Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Authority, and is annexed to this Corporate Governance Report.

CEO and CFO Certificate:

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

Code of Business Conduct and Ethics:

In compliance with the Companies Act, 2013 and SEBI (LODR), the Company has adopted a Code of Business Conduct and Ethics for all employees and 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 Company's website. *(Weblink: https://www.mindteck.com/assets/investor_pdf/Mindteck-Code-of-Business-Conduct-and-Ethics-v3.pdf)*

Compliance with Laws:

The Company believes in commitment to values and compliance of laws which are the hallmarks of good Corporate Governance. Legal Compliance Management in the Company transcends to compliances as a yardstick to measure and manage business risks to maximise 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 subsidiary. Hitech Parking Solutions Private Limited is an unlisted wholly-owned Indian subsidiary of the Company. The statement pertaining to all Subsidiaries of the Company forms part of the Board's Report as ***Annexure-1.***

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 ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year. *(Weblink: https://www.mindteck.com/assets/investor_pdf/Material_Subsidiaries_Policy(1).pdf)*

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:

- The Company has moved towards a regime of financial statements with an Unmodified Audit Report.
- Internal Auditor directly reports to the Audit Committee.
- Separate posts of Chairperson and CEO.
- The Company shares the Financial Results on a quarterly basis to all the shareholders immediately after the Board Meeting by email.

Policies and Best Practices:

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

Code of Practices and Procedures for Fair Disclosure:

Pursuant to Regulation 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.

Code of Conduct for Prohibition of Insider Trading:

Pursuant to Regulation 9 of Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated the "Mindteck Code of Conduct to Regulate, Monitor and Report Trading by Insiders" from using unpublished price sensitive information to their advantage. The Company Secretary of the Company is the Compliance Officer for the purpose of this Code of Conduct and maintains a record of the Designated Persons including the maintenance of structured digital database as per the recent amendment. No Insider of the Company has violated this Code and no unpublished price sensitive information has been communicated or used by them.

Whistleblower Policy:

The Company has adopted a Whistleblower Policy and has established the necessary vigil mechanism in line with the Companies Act, 2013 and SEBI (LODR), for persons to report concerns, alleged wrongful conduct, including unethical behavior, financial irregularities, misuse or leak of unpublished price sensitive information, sexual harassment, infringement and misuse of Intellectual

Property. It also provides protection against victimisation of persons who avail this mechanism, and also allows them direct access to the Chairman of the Audit Committee. No employees have been denied access to the Chairman of the Audit Committee. The policy is displayed on the website of the Company. *(Weblink: https://www.mindteck.com/assets/investor_pdf/Whistle_Blower_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 the Company and its subsidiaries. This policy is displayed on the website of the Company. *(Weblink: https://www.mindteck.com/assets/investor_pdf/Policy-for-Determining-Material-Information.pdf)*

Document Retention and Archival Policy:

The Company has adopted a Document Retention and Archival Policy as per SEBI (LODR). This Policy, deals with the retention and archival of all important corporate records of the Company. All employees are mandated to fully comply with this policy which is displayed on the website of the Company. *(Weblink: https://www.mindteck.com/pdf/policies/Document-Retention-and-Archival-Policy.pdf)*

Statutory Auditor's Fees:

The total fees paid by the Company to the Statutory Auditor and all its entities in the network firms/entities of the Statutory Auditor, for all the services provided to the Company and its subsidiaries, on a consolidated basis is as under:

Table 09: Details of total fees paid to Statutory Auditor and its network firms/entities during FY 2019-20:

Amount in Rs.

Description	Amount	Out-of-pocket Expenses	Total
Payment to S.R. Batliboi & Associates LLP			
Audit Fees	2,900,000	362,383	3,262,383
Tax Audit	100,000	6,532	106,532
Certification and Annual Performance Report	300,000	19,573	319,573
US GAAP audit	700,000	68,561	768,561
Total	**4,000,000**	**457,049**	**4,457,049**

Sexual Harassment Complaints:

The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is as under:

Table 10: Report of Sexual Harassment Complaints received and disposed of during year ended March 31, 2020:

	No.of Complaints Outstanding as on April 01, 2019	No. of cases received during the year	No. of cases Resolved during the year	Pending as on March 31, 2020
No. of Complaints	NIL	NIL	NIL	NIL

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 produce the audit report for each Quarter before the Audit Committee.

SOFTWARE DEVELOPMENT CENTERS

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

Kolkata, India:
Millennium Towers
Unit: T-29C, Tower II, Level IX, Plot No. 62, Block DN
Sector V, Salt Lake, Kolkata-700091, India

INVESTOR CONTACTS

Registered Office Address for correspondence:
Mindteck (India) Limited
A.M.R. Tech Park, Block-1, 3rd Floor
#664, 23/24, Hosur Main Road
Bommanahalli, Bengaluru-560068, India
Tel: 91 80 4154 8000
Fax: 91 80 4112 5813

For additional information on the Company, please visit www.mindteck.com

For queries relating to financial statements:
Mr. Ramachandra M S
Chief Financial Officer
Tel: 91 80 4154 8000, Ext. 8169
Email: ram.magadi@mindteck.com

For queries relating to shares/dividend/compliance:
Mr. Shivarama Adiga S.
Vice President, Legal and Company Secretary
Tel: 91 80 4154 8000, Ext. 8013
Email: shivarama.adiga@mindteck.com

Address of Registrar and Transfer Agent:
Universal Capital Securities Private Limited
21/25, Shakil Niwas, Opp. Satya Saibaba Temple
Mahakali Caves Road, Andheri (East)
Mumbai-400093, India
Contact: Mr. Santosh Gamare
Tel: 91 22 2820 7203-05
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-400051, India
Tel: 91 22 2644 9000/4045 9000
Email: sebi@sebi.gov.in

Registrar of Companies, Karnataka
'E' Wing, 2nd Floor
Kendriya Sadana, Koramangala
Bengaluru-560034, India
Tel: 91 80 2563 3105/2553 7449
Email: roc.bangalore@mca.gov.in

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001, India
Phone: 91 22 2272 1233/4, 91 22 6654 5695
Email: corp.comm@bseindia.com

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai-400051, India
Tel: 91 22 2659 8100-14/022 2659 8191
Email: ignse@nse.co.in; gifaq@nse.co.in

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-400013, India
Tel: 91 22 2499 4200
Email: info@nsdl.co.in

Central Depository Services (India) Limited
Unit No. A-2501, Marathon Futurex
Mafatlal Mills Compound, N.M. Joshi Marg
Lower Parel (E) Mumbai-400013, India
Tel: 91 22 2305 8640/8624
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):

The AGM for the FY2019-20 is scheduled for Friday, August 14, 2020 at 3:00 P.M. through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

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

Date of AGM	Time of AGM	Location
August 11, 2017	12:00 Noon	Hotel Woodlands, "Sri Krishna Hall" No-5, Rajaram Mohan Roy Road, Bengaluru-560025
September 28, 2018	12:00 Noon	Hotel Paraag, #3, Rajbhavan Road, Bengaluru-560001
August 14, 2019	12:00 Noon	Hotel Paraag, #3, Rajbhavan Road, Bengaluru-560001

Table 12: List of Special Resolutions passed by the Company at Annual General Meetings during last three years:

August 11, 2017	▪ To approve the appointment and payment of remuneration to Mr. Sanjeev Kathpalia as Managing Director and CEO. ▪ To approve the Alteration of Articles of Association of the Company. ▪ Preferential Issue of 64,299 Equity Shares to Black Horse Limited (Erstwhile Investor of Chendle Holdings Limited).
September 28, 2018	▪ No Special Resolutions were passed.
August 14, 2019	▪ To re-appoint Mr. Jagdish Dayal Malkani as an Independent Director of the Company.

No resolutions were passed through postal ballot during FY 2019-20.

Financial Year:
April 01, 2019 to March 31, 2020

Book Closure dates for the forthcoming AGM:
August 01, 2020 to August 14, 2020 (both days inclusive)

Listing and Payment of Annual Fees:
The Company's equity shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') as at March 31, 2020; Scrip code is "517344" and the Symbol is "MINDTECK", respectively.

The annual listing fee for FY 2020-21 has been paid by the Company to BSE and NSE. The Annual Custodial fee for FY 2020-21 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Dividend:
The Board has not recommended dividend for FY2019-20.

Share Transfer System:
The Company's Registrar and Transfer Agent, Universal Capital Securities Private Limited, processed physical shares sent for transmission in two batches every month and ensures that the share transmissions, etc. are effected within the stipulated time. Transmissions which are complete in all respects were processed and the certificates in respect thereof are returned to the lodger/shareholder within 15 days of lodgement.

Secretarial Audit:
As per the requirements of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 (previously Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996), the Company has appointed Mr. Rajnikant N. Shah, a Practicing Company Secretary, to undertake the reconciliation of the share capital of the Company for its submission to the BSE and NSE. The audit reconciles on a Quarterly basis, the total admitted capital with NSDL and CDSL with the total issued and listed capital of the Company. The audit has confirmed that the total issued/paid-up capital has been in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

During the year, Mr. S. Kannan, a Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for FY 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for FY 2019-20 is attached to the Board's Report as ***Annexure-4.***

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

Dematerialisation of shares and liquidity:
The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. NSDL and CDSL. Equity Shares of the Company representing 99.20% of the Company's equity share capital are dematerialised as on March 31, 2020. The Company continues to facilitate requests for dematerialisation of shares on a regular basis and the request can be routed through the respective investors' Depository Participant (DP) to the Company's RTA, Universal Capital Securities Private Limited for further action. Under the Depository system, the International Securities Identification Number (ISIN) allotted to Mindteck shares is INE110B01017.

Commodity price risk or foreign exchange risk and hedging activities:
There was no commodity price risk during FY 2019-20. The Board has taken a conscious decision not to have a formal hedging strategy for the foreign exchange exposures of the Company.

Shareholding Pattern as on March 31, 2020:
The details of Shareholding pattern are attached to Board's Report as ***Annexure-5.***

Table 13: Distribution of Shareholding as on March 31, 2020:

	As on March 31, 2020				As on March 31, 2019			
Range	**Shareholders**		**Shares**		**Shareholders**		**Shares**	
No. of Shares	Number	% to Total	Number	% to Total	Number	% to Total	Number	% to Total
1 – 500	9,664	88.09	9,55,744	3.73	9,481	88.66	9,42,320	3.68
501 – 1,000	635	5.79	5,20,279	2.03	591	5.53	4,82,965	1.89
1,001 – 2,000	267	2.43	3,99,022	1.56	259	2.42	3,89,680	1.52
2,001 – 3,000	106	0.97	2,69,196	1.05	98	0.92	2,49,060	0.97
3,001 – 4,000	51	0.46	1,81,196	0.71	45	0.42	1,58,682	0.62
4,001 – 5,000	59	0.54	2,73,063	1.06	49	0.46	2,26,018	0.88
5,001–10,000	108	0.98	7,89,576	3.08	87	0.81	6,33,366	2.47
10,001 & above	81	0.74	2,22,33,822	86.78	84	0.78	2,25,39,807	87.97
Total	**10,971**	**100.00**	**25,621,898**	**100.00**	**10,694**	**100.00**	**2,56,21,898**	**100.00**

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

Table 14: Details of Unclaimed Dividend:

Dividend Year	Type of Dividend	Dividend Rate	Date of Declaration	Due date for transfer to IEPF	Amount Unclaimed(1) in Rs.
2013-14	Final Dividend	10%	14-08-2014	18-10-2021	1,13,442.00
2014-15	Final Dividend	10%	11-08-2015	15-10-2022	1,47,014.19
2015-16	Final Dividend	10%	11-08-2016	15-10-2023	1,66,185.97
2016-17	Final Dividend	10%	11-08-2017	15-10-2024	1,70,789.29
2017-18	Final Dividend	10%	28-09-2018	02-12-2025	2,17,836.56
2018-19	Final Dividend	10%	14-08-2019	18-10-2026	4,72,029.03

(1) Amount unclaimed as at March 31, 2020

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

The statement of the entire unclaimed dividend amount as on the last AGM on August 14, 2019 has been published on the website of the Company as per Form- IEPF-2.

In accordance with the above provision, during FY 2019-20, no amount was due to be credited to the IEPF.

Communication to the Shareholders:

(i) Quarterly Results:
The Company has published its quarterly and year-end financial results in the Business Standard (English) and Hosadigantha (Bengaluru Edition - Kannada) newspapers during FY 2019-20. The results have also been submitted to the BSE and NSE 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., if any, 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 shareholder information is available, along with the full Annual Reports 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 Auditor's Report thereon, the Board's Report, Management Discussion & Analysis Report, and other important information,

is circulated to all the shareholders whose email IDs are registered with the Company. The soft copy of the Annual Report is made available on the website of the Company.

Members holding shares in dematerialised form are requested to update their email IDs to their respective Depository Participant (DP). Changes intimated to the DP will be automatically reflected in the Company's records that will help the Company and its RTA to provide efficient and better services to Members. Members holding shares in physical form are requested to update their email IDs to the 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, Email ID: gamare@unisec.in.

Market Price Data:

Table 15: High/Low of BSE Sensex and Company's share price on BSE Limited, month wise for FY 2019-20:

	Sensex		Share Price (Rs.)		Trade	
Month	High	Low	High	Low	No. of shares traded	Value Rs.
April 2019	39,487.45	38,460.25	43.90	33.50	55,599	22,05,263
May 2019	40,124.96	36,956.10	54.40	29.00	1,50,287	67,82,003
June 2019	40,312.07	38,870.96	50.90	36.10	47,165	20,62,104
July 2019	40,032.41	37,128.26	44.30	32.10	1,02,105	40,67,809
August 2019	37,807.55	36,102.35	39.00	28.10	51,521	17,07,699
September 2019	39,441.12	35,987.80	40.95	26.60	86,885	30,45,684
October 2019	40,392.22	37,415.83	40.50	28.70	24,510	8,00,230
November 2019	41,163.79	40,014.23	37.80	26.70	40,562	12,52,724
December 2019	41,809.96	40,135.37	31.70	23.50	54,610	14,87,768
January 2020	42,273.87	40,476.55	33.80	23.75	2,68,328	79,67,910
February 2020	41,709.30	38,219.97	30.00	19.50	83,642	20,34,856
March 2020	39,083.17	25,638.90	22.95	11.65	94,170	14,48,599

Table 16: High/Low of Nifty and Company's share price on NSE, month wise for FY 2019-20:

	Nifty		Share Price (Rs.)		Trade	
Month	High	Low	High	Low	No. of shares traded	Value Rs.
April 2019	11,856.15	11,549.10	42.50	34.50	1,14,897	45,39,122.55
May 2019	12,041.15	11,108.30	54.50	32.45	4,83,996	2,29,00,262.20
June 2019	12,103.05	11,625.10	51.90	35.10	2,72,569	1,21,28,920.40
July 2019	11,981.75	10,999.40	44.55	34.70	2,24,305	89,81,481.65
August 2019	11,181.45	10,637.15	40.00	28.20	1,00,566	32,89,201.25
September 2019	11,694.85	10,670.25	40.00	26.40	3,00,139	1,04,73,323.80
October 2019	11,945.00	11,090.15	36.00	29.35	46,978	15,19,564.85
November 2019	12,158.80	11,802.65	35.70	28.00	94,537	29,72,045.45
December 2019	12,293.90	11,832.30	31.90	23.70	1,04,718	28,26,400.00
January 2020	12,430.50	11,929.60	32.40	24.30	11,26,574	3,29,30,629.35
February 2020	12,246.70	11,175.05	28.50	19.20	2,07,944	50,52,119.95
March 2020	11,433.00	7,511.10	21.90	11.45	3,21,683	49,46,211.25

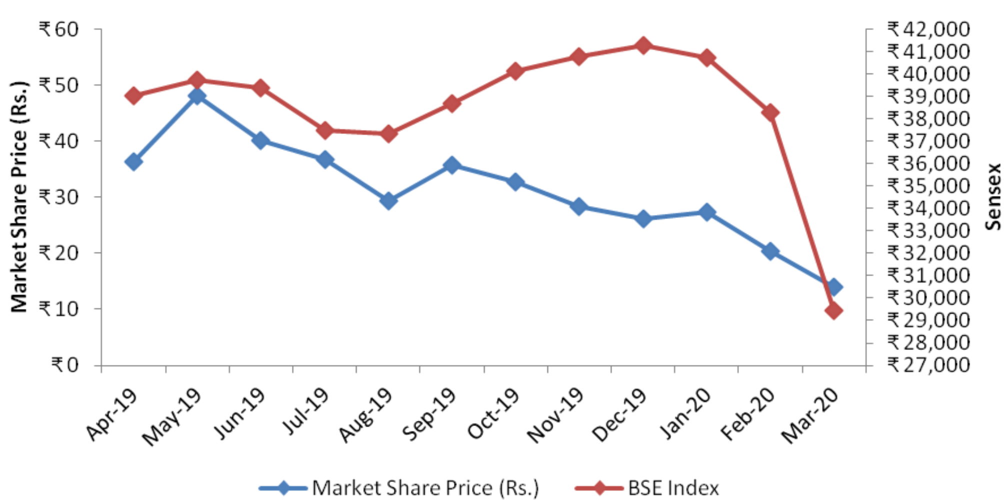
Table 17: Company's quoted share price in comparison to broad-based BSE Index and BSE IT Index:

Month	Closing share price on month's last trading day (Rs.)	BSE Index	BSE IT Index
April 2019	36.40	39,031.55	16,263.51
May 2019	48.20	39,714.20	15,781.62
June 2019	40.05	39,394.64	15,654.11
July 2019	36.65	37,481.12	15,733.49
August 2019	29.30	37,332.79	16,149.45
September 2019	35.80	38,667.33	15,669.92
October 2019	32.70	40,129.05	15,392.04
November 2019	28.45	40,793.81	14,875.14
December 2019	26.10	41,253.74	15,475.81
January 2020	27.45	40,723.49	15,871.46
February 2020	20.45	38,297.29	14,987.20
March 2020	13.90	29,468.49	12,842.72

Table 18: Company's quoted share price in comparison to broad-based NSE Index and NSE IT Index:

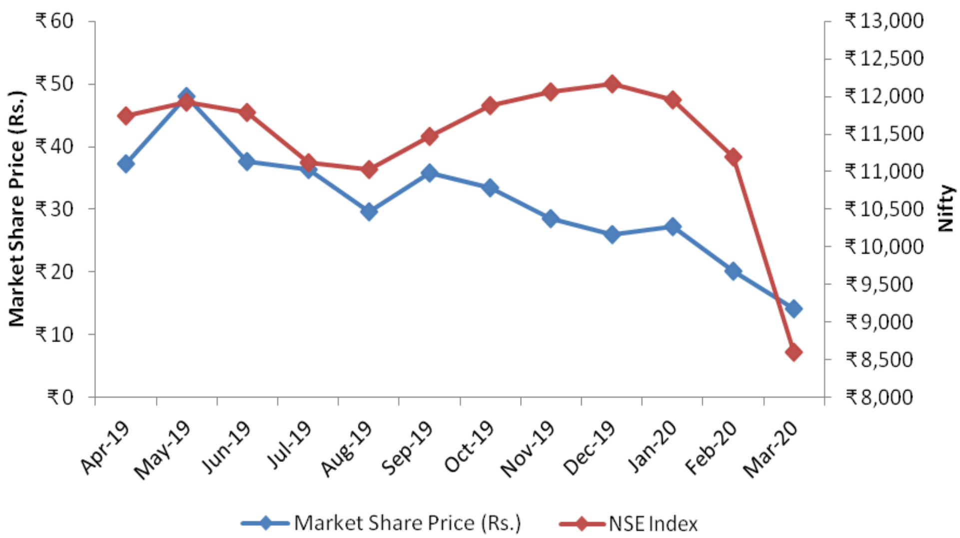
Month	Closing share price on month's last trading day (Rs.)	NSE Index	NSE IT Index
April 2019	37.30	11,748.15	16,705.40
May 2019	48.10	11,922.80	16,160.65
June 2019	37.65	11,788.85	15,936.45
July 2019	36.30	11,118.00	15,620.20
August 2019	29.70	11,023.25	16,010.40
September 2019	35.80	11,474.45	15,540.15
October 2019	33.45	11,877.45	15,559.40
November 2019	28.55	12,056.05	14,998.05
December 2019	25.95	12,168.45	15,652.40
January 2020	27.20	11,962.10	16,144.15
February 2020	20.20	11,201.75	15,212.95
March 2020	14.20	8,597.75	12,763.65

Performance of Mindteck shares in comparison to BSE Index:



(Source data: www.bseindia.com)

Performance of Mindteck shares in comparison to NSE Index:



(Source data: www.nseindia.com)

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

This is to confirm that the Company has adopted a Code of Business Conduct and Ethics for its Senior Management including the Managing Director and Non-Executive Directors/Independent Directors. I confirm that the Company has received from its Senior Management Team, and the Members of the Board, a declaration of compliance with the Code of Business Conduct and Ethics as applicable to them in respect of the FY ended March 31, 2020.

for and on behalf of the Board of Directors

Anand Balakrishnan
Managing Director and CEO
(DIN: 05311032)

Bengaluru, India
May 27, 2020

Annexure

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Mindteck (India) Limited
A M R Tech Park, Block 1
3rd Floor, No. 664, 23/24
Hosur Main Road
Bommanahalli
BANGALORE – 560068

I, S Kannan, Company Secretary, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mindteck (India) Limited having CIN L30007KA1991PLC039702 and having registered office at A M R Tech Park, Block 1, 3rd Floor, No.664, 23/24, Hosur Main Road, Bommanahalli, Bangalore – 560 068 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN No.	Date of appointment in Company
1	Satish Menon Kumar	00114149	14/05/2018
2	Subramaniam Guhan	00131687	20/05/2016
3	Jagdish Dayal Malkani	00326173	08/08/2013
4	Yusuf Lanewala	01770426	13/02/2013
5	Subhash Bhushan Dhar	03603891	29/05/2018
6	Anand Balakrishnan	05311032	14/02/2020
7	Meenaz Dhanani	06705048	04/10/2013
8	Prochie Sanat Mukherji	07158863	11/08/2015

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S KANNAN AND ASSOCIATES

S KANNAN
Company Secretary
FCS No. 6261/C P No.: 13016
Firm No. S2017KR473100
UDIN No. F006261B000322841

Place: Bangalore
Date: 6th May, 2020

Management Discussion and Analysis

In addition to historical information, this Annual Report contains certain forward-looking statements which are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause the difference include, but are not limited to, those discussed in this 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.

MACROECONOMIC OUTLOOK

Global growth in 2019 was recorded as the lowest of the decade at 2.3 percent, according to the United Nations. This dip was attributed to prolonged trade disputes and a considerable slowdown in domestic investments. Growth in almost all Emerging Market and Developing Economies (EMDE) was weaker than expected, reflecting downgrades to almost half of EMDEs.

Prior to the spread of the COVID-19 pandemic, the World Bank forecasted that economic activity in most regions was to pick up in 2020-21 though recovery was largely dependent on a rebound in a handful of large EMDEs, some of which were emerging from deep recessions or sharp slowdowns. Global growth was expected to recover to 2.5 percent in 2020. Some risks that were projected to prevail during the year included the possibility of re-escalation of global trade tensions, sharp downturns in major economies, as well as financial disruptions.

Overall, the pandemic has become a deterrent to global economic activities and has impacted several industries. In April 2020, Gita Gopinath, Chief Economist at the International Monetary Fund (IMF), indicated that the global economy hit the worst recession since the Great Depression in the 1930s. She added that global growth in 2020 is projected to fall to -3 percent and the pandemic will severely impact growth across all regions.

According to the IMF DataMapper, India and China are the only two major economies that are projected to register a positive growth rate in 2020 at 1.9 percent and 1.2 percent, respectively. The growth rate of the US is expected to fall to -5.9 percent, European Union to -7.1 percent, and the UK to -6.5 percent. In the APAC region, the growth rate of Singapore is projected to fall to -3.5 percent whereas that of Malaysia is to drop to -1.7 percent.

INDUSTRY OUTLOOK

In 2020, 5G technology is expected to bring faster broadband speeds and more reliable mobile networks. Furthermore, Forbes states that the 5G proliferation will also result in enhancements of smart city, smart vehicle, smart manufacturing, and numerous other IoT-based technologies. Transformation across many industries is anticipated to take place as a result of 2020's most important technology evolution.

Gartner projects that hyperautomation – predominantly referring to the complexity of automation (i.e., discover, analyse, design, automate, measure, monitor, reassess) – will be a major technology trend in 2020. It uses both Artificial Intelligence (AI) and Machine Learning (ML) so as to rapidly identify and automate all possible business processes.

Autonomous things – those devices that use AI to automate functions formerly performed by humans – are expected to be yet another technology trend. As the number of autonomous things increases, there will be a shift from things operating alone to a group of intelligent things working in a collaborative manner.

As far as cloud is concerned, hybrid cloud continues to be difficult to implement in a cost-effective manner. Distributed cloud, an alternative, is currently in the initial stages of development. It refers to distribution of public cloud services to locations outside the cloud provider's physical data centres, but which are still controlled by the provider. All facets of cloud service architecture, delivery, operations, governance and updates are the responsibilities of the cloud provider.

Currently, several organisations use virtual models of their products, processes and/or services for optimisation purposes. According to Deloitte, increasingly sophisticated simulation and modelling capabilities, power visualisation, improved interoperability and IoT sensors, with the amalgam of a wide availability of platforms and tools, are helping organisations create simulations that are more detailed and dynamic than ever. Popularly termed as digital twins, these can increase efficiency in manufacturing, optimise supply chains, transform predictive field maintenance, and much more. Companies that are making the shift from selling products to selling bundled products and services, or selling as-a-service, are progressively making use of digital twins.

The multi-experience trend aims to replace technology-literate people with people-literate technology. According to Gartner, a multi-experience platform refers to the idea that a computer transforms to include multisensory and multi-touchpoint interfaces such as wearables and advanced computer sensors so as to create an immersive experience for users. The platform makes use of several versions of modalities (touch, voice and gesture), devices and apps.

Edge computing is getting empowered – meaning these devices are not just increasing in numbers, but are also establishing foundations for smart spaces. It is projected that there could be more than 20 times as many smart devices at the edge of the network as there are in conventional IT spaces. This indicates that there is going to be an 89% rise in edge computing revenues – from USD 2.8 billion in 2019 to USD 6.7 billion in 2022.

The adoption of AI solutions by various industries is on the rise. An expanding class of AI-powered solutions – referred to as "affective computing" or "emotion AI"—are reformulating experiences with technology. According to Deloitte, there is no doubt that the ability to leverage emotionally intelligent platforms to recognize and use emotional data at scale is one of the biggest and most substantial opportunities for companies. Additionally, technology is gradually moving beyond augmentation that replaces human capabilities and into augmentation that creates superhuman capabilities.

As per Forbes, the blockchain technology may move beyond the scope of payments and cryptocurrency in 2020. Recently, Amazon Web Services democratised blockchain technology with their subscription-based blockchain-as-a-service platform. In addition to Amazon, other global players such as Samsung, Microsoft, IBM and Alibaba, are exploring further uses of the blockchain technology. Sectors that may use blockchain in the future include real estate, intellectual property, and so on.

In 2020, it is expected that business intelligence analysts will have access to more data sources than earlier, which would support companies with their operations, marketing as well as sales decision-making. Also, in 2020, 90% of the large corporations are expected to generate revenue from Data-as-a-Service (DaaS). Self Service Business Intelligence (SSBI) is to gain momentum during the year, meaning it will replace the existing traditional tools.

According to the IDC COVID-19 Tech Index published in June 2020, business confidence levels within the IT industry deteriorated. IT companies in the US, Europe and APAC regions say that they now expect total IT spending to decline by more than previously anticipated. This dip in business confidence levels comes unexpectedly as many countries prepare to tentatively move into a gradual recovery phase from the pandemic.

Increasingly, the Indian IT industry is gearing to provide IT and back-office services at lower costs and balance a demand slowdown from the US and European markets in the COVID-19 scenario. As per a report in Economic Times, India presently has more than 1,200 captives or Global In-house Centres (GICs) and a majority of them are focused on technology development.

Top Outsourcing Trends

According to a Statista report, the global outsourcing market amounted to USD 92.5 billion in 2019. In the past, companies were outsourcing software engineering primarily for cost reduction, whereas, better efficiency, optimised processes, highly-qualified professionals are now some of the reasons as to why outsourcing is preferred. Currently, there is increasingly stiff competition amongst IT service vendors who are working toward delivering quality solutions.

Nearshore outsourcing is another continuing trend adopted by clients for software-related tasks. Clients choose IT service vendors located in a neighbouring location so a smaller time difference ensures smoother communication and more convenient workflow.

At present, several companies are focusing to spend their resources on AI, IoT and blockchain initiatives, and some are hiring third-party contractors. Markets and Markets forecasts that the global AI market will increase to USD 190.61 billion by 2025, while Statista predicts that the global IoT market revenue will rise to nearly USD 1.6 trillion by 2025. Blockchain spending, on the other hand, will reach USD 12.4 billion in 2022, according to IDC.

New Contract Models

According to the National Outsourcing Association, the formation of new contract models is one of the main trends of 2020. It is expected that outcome-based agreements between clients and IT service providers will increase. All Key Performance Indicators will be discussed, approved, and written in the contract, as per the new model.

In addition to this, notice periods are expected to be shorter. Sharing responsibility for product success, IT service providers will become real strategic partners; hence, stiff competition is anticipated.

MARKET OUTLOOK BY INDUSTRY

Storage

In a report about 2020 storage industry predictions, Forrester indicated that the year will be crucial for data strategy, meaning there could be significant growths in spending on data storage and data management.

By 2021, according to a Statista report, approximately USD 163 billion will be spent on hosting, storage and computing markets due to the increase in organisations' demand to store greater volumes of data. Specifically, worldwide spending on data storage is expected to cross USD 78 billion by 2021.

As far as the storage technology is concerned, it is progressively shifting to an all-flash, AI-driven, software-defined, and automated model so as to better manage data protection systems.

Multi-cloud storage is here to stay in 2020. A multi-cloud storage is utilised by web providers, enterprises, and other businesses so as to minimalise data loss risk and also to improve quality of service. This type of storage offers numerous functions for storing and retrieving data and they are extensively used as a shared storage solution for distributed applications.

The Hyperconverged Infrastructure (HCI), which is a software-defined storage, can create a cloudlike provisioning model while still maintaining physical control of the IT solutions and data on-premises. This feature, combined with companies' pivot toward hybrid cloud and software-defined infrastructure, are the main reasons for the growing demand for HCI. This further means that HCI, which is considered the 'backbone' of the multi-cloud world, shows no signs of slowing down in 2020.

AI is going mainstream within the storage industry and AI-based storage solutions will ensure that organisations are able to analyse data quickly and intelligently, delivering instantaneous insights.

The emergence of Non-Volatile Memory Express (NVMe) over ethernet networks enabled by Remote Direct Memory

Access (RDMA), is beginning to bring about substantial shifts in data speed and efficiency. Also, storage and compute gain independence due to NVMe over fabrics. As per Veristor, since storage remains to be reasonable and durable, the separation of storage controllers from storage enclosures, along with the opportunity to more easily share data across multiple compute nodes for storage processing, is now possible.

As arrays transform storage performance, efficiency, and administration, there is a great need for better efficiency in protecting data from external and internal threats. These threats may include malicious attacks, application corruption, system failures, disasters, human errors, among others. According to Veristor, it is predicted that 2020 will witness a number of data protection solutions.

Ethernet networking has made massive progress in terms of its performance, pricing, and capabilities, thus becoming a reasonable choice for those looking to modernise their storage network infrastructure. Ethernet storage fabrics support converged, hyperconverged, software-defined, scale-out, and distributed storage as well as NVMe over fabrics, making storage network modernisation more appealing than ever.

Storage Class Memory (SCM) is anticipated to play a vital role in influencing buying decisions in the future. As per Veristor, substantial architectural shifts must take place so as to leverage the full benefits of storage class media.

With the rise in use of hybrid cloud infrastructure, the long-held idea that ultimately all IT will be public cloud-based is diminishing. The demand for advancement in hybrid cloud capabilities (at the data and application levels) is on the rise due to the existence of stiff competition in the cloud space. Hybrid cloud is set to become the primary IT design, management, and organisational model, as per Enterprise Storage Forum.

According to IDC's Worldwide Quarterly Enterprise Storage Systems Tracker, even though flash arrays will continue to be a trend in 2020, the pace of growth might be sluggish since many enterprises have already upgraded legacy systems, where the most cost-effective option is converting to Solid State Drive (SSDs).

A Markets and Markets report suggested that the software-defined storage market was estimated to grow from USD 4.72 billion in 2016 to USD 22.56 billion by 2021, at a CAGR of 36.7 percent. Since hybrid cloud and software-defined storage are inherently linked, a rise in software-defined storage will lead to an increase in usage of hybrid cloud. Although hardware will still be required in software-defined storage, the location of it will increasingly become irrelevant in 2020.

Analytical Instrument

As per the *Analytical Laboratory Instrument Market Report 2020,* the global analytical laboratory instrument market was USD 93.86 billion in 2019. By 2020, the analytical instrument industry is expected to witness a CAGR growth of 7.3 percent and a total revenue of USD 124.41 billion. In 2019, North America was the largest region in the analytical instrument market. Asia is expected to be the fastest growing region from 2020-2023.

In October 2019, the IMF accredited some of its negative estimates of world growth to a sharp deterioration in manufacturing and global trade, which may be unfavourable for analytical instruments used in industrial sectors, such as the automobile industry. On the other hand, the impacts of climate change and aging populations on global growth are often addressed by analytical instrumentation, providing some opportunities for growth in this industry going forward.

According to *Instrument Business Outlook 2020 forecast report:*

The year 2019 witnessed a strong growth in the mass spectrometry market, and demand is projected to continue to grow modestly in 2020. Analytical High Performance Liquid Chromatography (HPLC) will continue to be the most important technology in 2020, with its market growth supported by the pharmaceutical and biotechnology sectors. Clinical HPLC is predicted to be the fastest growing segment during the year.

In 2020, the growth of the analytical instrumentation industry will be bolstered by new applications such as life science imaging, with rising investments from microelectronics and semiconductor industries. Other main growth drivers of the analytical instrumentation industry are the growing demands from pharmaceutical, life sciences and bio-pharma sectors. Companies are investing vast resources in research and development as well as quality control, so as to bolster their product portfolio and further capture market share – further boosting the demand for analytical instrumentation.

The expanding global pharmaceutical market is fuelling the demand for R&D efforts which in turn increases the demand for analytical instruments. According to IQVIA, global pharmaceutical sales in 2018 stood at USD 982 billion – an increase of USD 42 billion compared to the previous year. The growth of the life science industry across the globe is also directly contributing to the analytical instrumentation industry.

Just as in every industry, digital transformation is playing a key role in the industry as well. Instruments are increasingly being developed with Wi-Fi/Bluetooth connectivity as well as interfaces to smartphones and tablets. Smart instruments remember preventive maintenance or calibration schedules and automatically send alerts to the user or service provider. These instruments start analysis at a pre-scheduled time and continue with the assigned analyses even in the absence of the lab operator. This trend is more prevalent in regulated sectors like pharmaceuticals and clinical diagnosis to ensure traceability and accountability.

Other major 2020 trends in analytical instrumentation industry include:

- Rise of remote monitoring of instruments
- Remote diagnostics
- Lab analytics performance monitoring, lab intelligence and productivity monitoring
- Cloud enablement of informatics products

Medical Device

According to Zinnov, the healthcare ecosystem is experiencing a transformation phase, due to a combination of factors such as fluctuating spending patterns in the medical device industry, a clear focus on digitalisation, diversified talent footprint, and emphasis on ecosystem partnerships including partnerships with tech corporations, start-ups, and service providers. These factors have led to the healthcare industry reinventing itself across the value chain.

5G technology will support ultrareliable, low-latency, and huge data communications in the healthcare industry's move towards digital technological advancements.

3D printing, robotics, and AI/ML solutions offer personalised and targeted care for better customer experience. Perhaps the most profound changes transforming healthcare today are medical devices that incorporate AI and ML. These technologies are being used to diagnose conditions, identify disease and create efficiencies in everything from clinical trials to clinical practices. It will likely lead to more diagnostic accuracy, customised, targeted treatments based on patient needs.

Predictive analytics, anomaly detection, and preventive care are increasingly used for rapid prediction and identification of disease symptoms and for enhancement of quality of life. Some examples of these technologies, which are helpful for early diagnosis and detection of diseases, include mHealth, wearables and computer-aided diagnostics. Medical device companies are heavily investing in new product development to cater to the consumer-centric environment. Furthermore, market research reports predict that service providers who focus in areas like predictive analytics, wearables, telehealth will be the major deal winners in the near future.

According to Deloitte, cloud computing solutions that create more flexibility than on-premise computing platforms, help healthcare professionals reorganise time-consuming tasks, give access to applications with richer features, and provide physicians working alone and in teams with new ways of instant communication.

The Internet of Medical Things (IoMT) technology is a 2020 trend that has the capability of revolutionising the paper-based healthcare treatment by streamlining access to real-time patient data and remote patient monitoring. The upsurge of IoMT has addressed the imminent need for better diagnostics as well as targeted therapeutic tools. Additionally, it not only provides remote patient monitoring to physicians but also works as fitness and wellness trackers for athletes and a dosing reminder for patients. The successful implementation of IoT in remote monitoring of patients suffering from diabetes and asthma, along with a high penetration of fitness and wellness devices, has created a high demand for the IoT healthcare market.

According to a report by Zinnov and NASSCOM, the COVID-19 impact on the medical device industry is 'medium'. The delays in elective surgeries are impacting the industry negatively. Going forward, medical device companies are expected to increase their focus on building intelligent devices with capabilities around predictive diagnostics and early detection to enable remote monitoring.

Semiconductor

As per the Semiconductor Industry Association (SIA), global semiconductor industry sales were USD 412.1 billion in 2019, a decrease of 12.1 percent compared to the 2018 total. Despite a down year in 2019, the industry is expected to fare well in 2020.

According to a report by Markets and Markets, the semiconductor manufacturing equipment industry is projected to grow to USD 103.5 billion by 2025, at a CAGR of 9.4 percent. The APAC region accounted for the largest share of the semiconductor manufacturing equipment market in 2019 and this is expected to continue going forward. The immense expansion of the industry is attributed to the growing consumer electronics market, an increase in the number of foundries, and the trend of miniaturisation and technology migration.

As per Persistence Market Research, semiconductor capital equipment manufacturers need leading-edge tools so as to better compete in the market and to make increasingly complex chip designs. Therefore, advancements in circuitry board technology is one of the major factors driving the growth of the semiconductor capital equipment market until 2028.

Also, Persistence Market Research indicated that the increasing need to create integrated circuits for various applications is leading to rising construction of fabs which proliferates production capacity, thus signalling growth of the semiconductor capital equipment market in the coming years. Moreover, the demand for semiconductor memory devices is expected to rise significantly owing to the rapidly advancing dynamics of consumer electronics, which in turn is expected to fuel the growth of the semiconductor capital equipment market.

The growth of the 5G market will be an advantage for the semiconductor industry as the need for chips that are built and optimised for it increases. According to GSA, 5G standards for frequency, bandwidth, range, device communication and interaction, and device safety are currently in development in the US, China and other countries.

The ever-rising adoption of AI and ML solutions across various industries has made AI chips a vital necessity. AI is creating a requirement for powerful semiconductor chips which can compute answers for large data sets. In recent years, there has been a big rise in the adoption level of smart appliances for both domestic and business purposes. By deploying AI-based equipment and applications, semiconductor companies benefit from improved manufacturing speed, reduced operational cost, and enhanced product performance overall.

Rising penetration of mobiles, tablets and other electronics, and rising data consumption are other growth drivers of the semiconductor industry. An increase in sales of electronic devices, such as smartphones and tablets, leads to an increase in production and consumption of digital content and requires memory chips to store data.

As per the aforementioned, the usage of medical devices is anticipated to rise going forward. Part of this rise could be attributed to semiconductor chips being embedded in medical devices, thereby impacting the semiconductor industry.

According to a report by Zinnov and NASSCOM, due to the COVID-19 pandemic, there is a 'medium' impact on the industry, while Gartner forecasts worldwide semiconductor revenue to decline 0.9 percent in 2020. Though Gartner suggests there will be reduced spending in industries such as consumer electronics, automotive and industrial, they project that increased demand for enhanced compute, automation, and connectivity will lead to higher semiconductor consumption across areas such as data centres, 5G, IoT, and cloud.

OPPORTUNITIES AND THREATS

Opportunities

- *Niche Expertise and Knowledge:* Clients across the globe value our unique blend of engineering expertise, domain knowledge and technology know-how. Our services and solutions, together with flexible and mindful approach, have consistently provided innovative options for R&D spend, cost and time advantages for technology investments, reduced integration risk, improved user productivity, and positive client experiences. The impact of the pandemic is anticipated to increase demand for wearables, localised asset tracking, remote monitoring, and point-of-care devices – all part of the Mindteck Solutions portfolio.
- *Emerging Technologies:* Mindteck remains committed to building capacity in newer technologies. Currently, its legacy expertise in embedded systems, enterprise applications and testing are a powerful complement to growing competencies in data services, cloud and IoT.
- *Long-standing and Diverse Client Base:* Our client relationships are strong, with some lasting for over 18 years across industries and geographies. Additionally, we have engaged with industry leaders, including the top 3 storage companies, top 4 medical device companies, top 5 semiconductor companies, and top 7 analytical instrument companies.
- *Offshore Delivery Centres:* Mindteck's global delivery capabilities provide clients – multinational, in particular – the specialised knowledge and expertise they are increasingly seeking. The Company's offshore delivery centres in Kolkata and Bengaluru, India provide a skilled pool of talent, agile processes, plus cost and productivity efficiencies for new, enhanced, and reengineered product development, software development and maintenance, as well as testing.
- *Practices Team:* During the year, our R&D Technology group was recreated as a Practices Team to foster continuous innovation and provide subject matter expertise in select technologies, such as Data Services, IoT and Cloud, along with our focused industries – semiconductor, medical device, analytical instrument and data storage.

Threats

- *Fierce Competition:* Mindteck continues to face strong and varied market competition from domestic and international service providers who are both large and small. Nevertheless, our long-standing and enviable client relationships, financial strength, as well as niche knowledge and expertise, provides an edge for remaining relevant.
- *Increased Cost Burden:* Most of our top-tier clients use upwards of ten or more service providers. The increased incidence of rate renegotiation and rationalisation, together with higher labour and benefits costs, has impacted margins, thus threatening profitability. As in the recent past, Mindteck is striving to overcome such pressures via increased operational efficiencies, new sales models and, as appropriate, pitching the outcome-based business model initiated in 2018-19.
- *Consolidations:* M&A deal making appears to have become the way for developing and maturing companies to unlock growth and build capabilities to survive or win. Fallout from the pandemic, improved credit availability, and attractive interest rates could be key factors that will heighten the deal competition. Mindteck is currently focused on creating a strong partnership ecosystem, building delivery capacity and resource capabilities, improving client experience, as well as developing a future-ready solutions portfolio.

RISKS AND CONCERNS

Risks

- *Offshore Delivery:* According to a 2019 Statista report on offshore business services worldwide, the growth in offshore spending was predicted to decline from 2018-2020 compared to a peak period from 2014-2016. The impact of the pandemic, however, may provide an impetus to offshore. As per a recent NASSCOM CEO Pulse Review, over 80% of the global leaders anticipated that offshoring would become strategic to sourcing plans. Mindteck operates an offshore development centre in India supported by highly qualified and talented teams with expertise in end-to-end product engineering, IT and testing. World-class infrastructure, best-in-class tools, methodologies and processes, and international quality accreditations are more of the many reasons why clients opt for this cost-efficient and high-performance model.
- *Global IT Skills Shortage:* Shortage of skills in the market often delays staffing for new projects. Mindteck reduces this risk by continually building the talent database and, when necessary, partnering with other companies who have their own talent pool. The Company, however, does foresee further risk to the supply of IT due to the potential for US immigration policy changes.
- *High Attrition Rate:* Market demand for highly skilled employees impacts attrition. Mindteck strives to mitigate this challenge through an Employees-First approach – continually focusing on providing a good work environment, a positive work-life balance and a strong culture. We also have a curated L&D program, and an innovative endeavor under our We Care umbrella—Consultant Care, which helps retain valuable IT talent and avoid project disruption.
- *Reputation:* There has always been a risk of direct or indirect actions adversely impacting Mindteck's reputation. Clearly, the risk has become more difficult to manage due to social media and other channels and venues where information exchange is quick and easy. In recent past, a small team has been formed to monitor and manage such activities.

Concerns

- *Enormous Uncertainty:* Prior to the global spread of COVID-19, economic, geopolitical, regulatory, and other uncertainties – especially in the US – were causes for concern to the Company. As the Centre for Economic Policy Research so aptly reported recently, the "COVID-19 pandemic has created an enormous uncertainty shock – larger than the one associated with the Global Crisis of 2008-09 and more similar in magnitude to the rise in uncertainty during the Great Depression of 1929-1933."
- The report cites a variety of surrounding aspects of the uncertainty – ranging from the prevalence and lethality of the virus, to healthcare system challenges, market lockdowns, policy responses, R&D and innovation expenditures and remote workforce management. In summary, a research exercise in the report "predicts that the COVID-19 disaster will cause a large output contraction, more than half of which is due to COVID-induced economic uncertainty."
- *Reduced Demand:* The COVID-19 pandemic has paused, and in some cases, halted business that was anticipated to either close out 2019-20 or put us on a good footing to start 2020-21. According to a NASSCOM report, the majority of Indian tech companies expect to focus on recovery and restart through 2021.
- *Selling, General and Administrative Cost Containment (SG&A):* Throughout 2019-20, we continued our efforts to reengineer internal processes and systems, as well as restructure parts of the organisation, in order to contain costs and work as an ensemble more efficiently and productively.

DISCUSSION ON FINANCIAL PERFORMANCE

Business

During the year under review your Company recorded Consolidated Revenue of Rs. 2,761.3 million as against Rs. 2,994.1 million in the previous year. Of the revenues that were recorded, 57.14% is attributed to the US and the rest to Europe and Asia.

Mindteck's Consolidated Net Loss for the year stood at Rs. 648.0 million, as against net profit of Rs. 27.4 million in the corresponding previous year. On an operating margin level, Mindteck recorded Consolidated EBIDTA (including other income) before exceptional items of Rs. 62.4 million and after exceptional items, loss of Rs. 547.7 million this fiscal as against Rs. 72.5 million last year. During the year ended March 31, 2020, the Company recognised certain expenses such as impairment losses (non-cash) amounting to Rs. 594.2 million on goodwill of investment in Mindteck, Inc. and Mindteck Singapore Pte. Ltd., a provision on receivables and intangible assets under a service concession arrangement amounting to Rs. 15.9 million which are of exceptional nature, and also made a provision on Input Credit on Service Tax amounting to Rs. 18.0 million.

Share Capital

Mindteck has an issued share capital base of 2,56,21,898 equity shares of Rs. 10/- face value. All shares are fully paid up. In addition, 38,579 equity shares are reserved for allotment to certain allottees as at March 31, 2020, in relation to discharge of consideration for the acquisition of Chendle Holdings Limited, 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.

Further, issued capital also includes 4,16,000 equity shares allotted to the Mindteck Employees Welfare Trust (MEWT). The trust was set up with the objective of transferring its holding in Mindteck (India) Limited to deserving employees, by way of share-based compensation. Consequent to ESOP schemes issued by the Company in 2005, 2008 and 2014, the 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.

Reserves and Surplus

Mindteck has retained earnings of Rs. (200.5) million in the Consolidated Balance Sheet as at March 31, 2020. Shareholders' funds, excluding capital reserves, decreased from Rs. 1,874.5 million in FY 2019 to Rs. 1,216.5 million in FY 2020 mainly on account of impairment of Goodwill Rs. 594.2 and provision on receivable and intangible assets under the service concession arrangement of Rs. 15.89 million.

Non-Current Liabilities

Non-Current Liabilities in the Consolidated Balance Sheet include rental deposit, rent equalization reserve provision towards service concession arrangement, lease liabilities and provision for employee benefits. Non-Current Liabilities, increased from Rs. 101.1 million in FY 2018-19 to Rs. 174.7 million in FY 2019-20. The increase is mainly due to implementation of the new lease accounting standard Ind AS 116, that was applicable from 1 April 2019. Under Ind AS 116, lessees have to recognise a lease liability reflecting present value of future lease payments and corresponding asset as 'right-of-use asset' under the lease contract.

Current Liabilities

Current Liabilities in the Consolidated Balance Sheet include trade payables, provision for employee benefits, provision for tax, and other current liabilities. Current Liabilities increased from Rs. 336.7 million in FY 2018-19 to Rs. 373.8 million in FY 2019-20.

Trade payables decreased from Rs. 147.9 million in FY 2018-19 to Rs. 128.4 million in FY 2019-20. Other current liabilities comprise unearned income, statutory liabilities such as PF, TDS, etc., and payroll payables amounting to Rs. 43.8 million as at March 31, 2020 compared to Rs. 61.9 million as at March 31, 2019.

Provisions under Current Liabilities stood at Rs. 51.5 million as at March 31, 2020 compared to Rs. 39.7 million as at March 31, 2019.

Non-Current Assets

Consolidated Non-Current Assets include Property, Plant and Equipment, Intangible Assets, Investment Property, Deferred Tax Asset (net), long-term loans and advances and other non-current assets.

Mindteck invested Rs. 18.1 million in Property, Plant and Equipment during the fiscal year, which primarily relates to Computer Equipment, Office Equipment in India and US, and leasehold improvements.

Loans under Non-Current Assets comprise security deposits totalling to Rs. 38.7 million as at March 31, 2020 compared to Rs. 27.5 million as at March 31, 2019.

Other Non-Current Assets consist of prepaid expense amounting to Rs. 0.6 million as at March 31, 2020.

Current Assets

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

Mindteck's accounts receivables as at March 31, 2020 amounts to Rs. 570.4 million, representing about 100 days of sales. All debts doubtful of recovery have been provided for in the financial statements.

Cash and Bank balances amounted to Rs. 290.6 million compared to Rs. 101.6 million in the previous year which includes both rupee and foreign currency accounts.

Loans under Current Assets include security deposits. The balance as at March 31, 2020 stood at Rs. 2.5 million compared to Rs. 8.2 million as at March 31, 2019.

Other current assets include prepaid expenses, advances recoverable and balances with government authorities. The balance as at March 31, 2020 stood at Rs. 60.7 million.

Investments

Mindteck (India) Limited has seven wholly-owned subsidiaries and three step-down subsidiaries as at March 31, 2020. The nature of operations of these subsidiaries is as follows:

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

Internal Control Systems and their adequacy

The CEO and CFO certification provided in the annual report discusses the adequacy of our internal control systems and procedures.

RESULTS OF OPERATION

Income

The Company recorded consolidated revenue of Rs. 2,761.3 million in FY 2019-20 as against Rs. 2,994.1 million in FY 2018-19. The items of other income include rental income from owned 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 FY 2019-20 stood at Rs. 2,409.5 million as against Rs. 2,507.4 million in FY 2018-19. Manpower expense increased to 87% of revenue compared to 84% last year.

Finance cost in FY 2019-20 was Rs. 22.7 million as compared to Rs. 10.0 million in FY 2018-19. The increase is mainly due to implementation of the new lease accounting standard Ind AS 116 that was applicable from 1 April 2019. In the statement of profit and loss, interest expense on the lease liability and depreciation on the right-of-use asset have been presented accordingly.

Other expenses of FY 2019-20 amounted to Rs. 306.9 million compared to Rs. 442.7 million last year. The decrease is mainly due to implementation of the new lease accounting standard Ind AS 116 that was applicable from 1 April 2019. In the statement of profit and loss, rent expenses on facilities on long-term lease that were earlier recognised under other expenses are now reclassified and accounted as interest expense and depreciation and presented accordingly. The company on prudence basis has made provision on Input Credit receivable of Service Tax amounting to Rs. 18.0 million. The Company has contributed Rs. 1.5 million towards Corporate Social Responsibility during FY 2019-20. 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 improve productivity and increase efficiency in the operations.

Tax expense for the year amounting to Rs. 7.3 million (net) is the aggregate of current tax liability in all tax jurisdictions in which the Company operates, and deferred tax. Tax provision in India is based on the normal tax computation in accordance with the prevailing tax laws.

Operating Profit and Net Profit

Consolidated EBIDTA loss (excluding exceptional items) for the year amounted to Rs. 62.4 million as against Rs. 72.5 million the previous year. Net Loss is Rs. 648.0 million in FY 2019-20, as against Net Profit of Rs. 27.4 Million in FY 2018-19.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations for Standalone Financial Statements:

Sl. No.	Description	As at March 31, 2020	As at March 31, 2019	Reasons for variance
i	Debtors Turnover	4.05	4.79	
ii	Inventory Turnover	NA	NA	Not applicable to IT Industry
iii	Interest Coverage Ratio	NA	NA	No Interest on Loans
iv	Current Ratio	2.66	3.25	
v	Debt Equity Ratio	0.00	0.15	
vi	Operating Profit Margin (%)	1.25%	1.20%	During the year ended March 31, 2020, the company had made an impairment provision of Rs. 566.6 million towards the carrying value of investment in Mindteck, Inc. and Mindteck Singapore Pte. Ltd., a provision for impairment of loan amounting to Rs. 16.8 million, provision on receivables and intangible assets under a service concession arrangement amounting to Rs. 15.9 million which are of exceptional nature, and also made a provision on Input Credit on Service Tax amounting to Rs 18.0 million.
vii	Net Profit Margin (%)	(64.18%)	6.68%	
viii	Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	(49%)	4%	

HR Initiatives

During 2019-20, the Company focussed on fostering a learning culture and building upon the L&D successes of the previous year. A multitude of employees from various teams were upskilled and cross-skilled through technical training in Advanced Python, DevOps, Kubernetes, Docker, Azure and other cloud technologies. Furthermore, an external consultant was hired to undertake a leadership development and coaching curriculum for select individuals and teams. In 2020-21, such L&D initiatives will continue.

Other highlights for the year include:

- Continued focus on employee well-being, with dental and eye check-up program and yoga and meditation sessions.
- Received awards for highest job creation and highest percentage of female employees amongst several other contenders who were ‘Exporters above Rs. 5 to 25 crores.’
  - The INFOCOM 2019 KOLKATA event was conducted by the Software Technology Parks of India (STPI), Kolkata. Approximately 120 STPI-registered software companies from Eastern India participated.
  - Mindteck’s Kolkata office accepted the awards from Dr. Omkar Rai, Director General of STPI-India.

COVID-19: The last quarter of the year was marked by an unprecedented event the world over. In the wake of the pandemic, work from home and business continuity measures were initiated quickly and implemented successfully for all Mindteck offices throughout the globe. Communication was facilitated by video conferencing, and IT systems were shored up to ensure seamless and sustained project delivery.

During this period, the Company’s Employees-First approach led to various employee connect initiatives conducted by Human Resources, Department Managers and the Leadership Team. These included regular one-on-one phone calls, emails and video communications to keep employees abreast about the changing situation as well as to check-in about the well-being of employees and their families. A variety of online training and webinar sessions were also provided. Highly-targeted client communications were sent by the CEO and Managing Director, as well as Delivery and Sales Heads.

The Company will continue monitoring the situation throughout the year to ensure employee safety and client satisfaction. The other priority is building and driving a culture of performance. Precise and measurable goals have been established for the Leadership Team and next-level Managers, Line Managers and respective team members. Additionally, organisational silos have been realigned to improve transparency, productive dialogue and collaboration.

Attrition Rate: Mindteck’s annualised attrition rate during 2019-20 was 31.7%.

Headcount Details:

Year	Permanent	Contractual	Total
2019-20	625	16	641
2018-19	687	15	702

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

To,

The Board of Directors

Mindteck (India) Limited

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

1) We have reviewed the financial statements for the Quarter and Year ended March 31, 2020 and that to the best of our knowledge and belief:
    a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020, which are fraudulent, illegal or which violate the Company's code of conduct.
3) We are responsible for establishing and maintaining internal controls for financial reporting and we have:
    a) Evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
    b) Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware; and
    c) The steps we have taken or propose to take to rectify these deficiencies.
4) We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors
    a) Significant changes that have occurred in the internal control over financial reporting during the quarter;
    b) All significant changes in accounting policies during the quarter, if any, and that the same have been disclosed in the notes to the financial statements; and
    c) Instances of significant fraud, if any, of which we are aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting;
    d) All deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's Auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

Bengaluru, India
May 27, 2020

Anand Balakrishnan
Managing Director and CEO

Ramachandra M S
Chief Financial Officer

Independent Auditor's Report

To the Members of Mindteck (India) Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Mindteck (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Investments in Subsidiaries (as described in Note 6 of the standalone Ind AS financial statements)	
As at March 31, 2020, the carrying value of investment in subsidiaries in the standalone Ind AS balance sheet amounts to Rs. 6,724 lakhs, net of impairment. The management assesses annually the existence of impairment indicators in respect of its investment in subsidiaries and such investments are subject to impairment test. During the current year, an impairment assessment was carried out by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment was required to be recognised and accordingly impairment provision of Rs. 5,666 lakhs was recognized. For the above impairment testing, basis valuation conducted by an external valuation specialist ('management's expert'), value in use has been determined by forecasting and discounting future cash flows which has been reviewed and approved by Audit Committee/Board of Directors of the Company.	Our audit procedures included the following amongst others: ▪ We understood the Company's process for identification of indicators for impairment and evaluated the Company's internal controls over its impairment assessment of investment in subsidiaries. We understood the key assumptions applied by the management such as revenue growth, operating margins, discount rates and terminal growth rates in determining impairment. ▪ We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement. ▪ We involved valuation specialists for evaluating and testing the key valuation assumptions and methodologies used by the management's expert in their valuation reports.

Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows. Further, the determination of the recoverable amount of the investments involved significant judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments. In view of the COVID-19 pandemic, the management has reassessed its future business plans and key assumptions as at March 31, 2020 while assessing the adequacy of impairment provision. Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	▪ We also assessed the recoverable value by performing sensitivity testing of key assumptions used. ▪ We tested the arithmetical accuracy of the model. ▪ We also assessed the disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements under the accounting standards.
Service Concession Arrangement (as described in Note 5 and Note 44 of the standalone Ind AS financial statements)	
The gross balance of capital expenditure as at March 31, 2020 is Rs. 919 lakhs relating to service concession arrangement for maintaining and developing the smart parking system, against which amortization amounting to Rs. 167 lakhs was charged. The Company had obtained the contract from Bhopal Municipal Corporation (BMC) for implementation of smart parking systems which would be governed by the specific regulations issued by BMC. The revenue from parking is collected by the Company for which rates are determined by the BMC. In lieu of the contract, the Company has to pay authorization fees to BMC over the period of the contract. This arrangement has been treated as 'Service Concession Arrangement' as per Appendix D of Ind AS – 115. Due to the nature of the arrangement, recognition of the amounts including capitalization of intangible assets involve significant judgments and assumptions, identification and recognition of contractual/onerous obligation. As of March 31, 2020, management also performed an assessment of recoverability of the assets recorded under this arrangement. In view of the COVID-19 pandemic, economic conditions and other communication/negotiation with BMC, the management has reassessed its ability to recover its investment and other receivables arising out of this arrangement. In view of the above, we identified it as a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included the following amongst others: ▪ We assessed the assumptions around the application of Appendix D of Ind AS – 115 involving determination of relative fair value of the service delivered, recognition of assets to the extent of cost incurred or to be incurred (including obligations arising out of the arrangement with BMC) towards getting the right to charge users of the public service. ▪ We evaluated the Company's processes and controls over capitalisation of expenditure incurred. ▪ With reference to capital expenditure during the year, we selected a sample of transactions and tested that they were recognised in accordance with the capitalisation criteria established by the Company. ▪ We obtained the impairment assessment from the Company and held meetings with management to understand the method applied. We understood the impact of current economic conditions and management's discussions with BMC on such assessment. ▪ We tested the arithmetical accuracy of the impairment working. ▪ We also assessed the disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements under the accounting standards.
Contingencies in relation to tax litigations (as described in Note 34 of the standalone Ind AS financial statements)	
The Company is involved in various legal proceedings relating to taxes. As of March 31, 2020, there was Rs. 518 lakhs disclosed as contingent liability in the standalone Ind AS financial statements. In relation to these proceedings, management assesses the impact of the eventual outcome on its standalone Ind AS financial statements. The Company discloses contingencies for income tax pending litigations when it is probable that the taxation authority will accept the uncertain tax treatment in accordance with the requirements of Appendix C to Ind AS 12 on 'Uncertainty over Income tax treatment'.	Our audit procedures included the following amongst others: ▪ We obtained an understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to taxes. ▪ We obtained details of completed tax assessments, demands issued by tax authorities, orders/notices received in this regard from the management.

Since the aforesaid estimates require significant judgments by management, based on the available information, including that obtained from its tax advisors, we identified it as a key audit matter in our audit of the standalone Ind AS financial statements.	▪ We held discussions with management to understand their assessment of the quantification and likelihood of significant exposures and the provision required in accordance with the requirements of Appendix C to Ind AS 12 which is supported by assessment reports from management's expert. ▪ We obtained confirmation from management's expert on ongoing litigations along with risk assessment. We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement. ▪ We involved our tax specialists to obtain and evaluate management's assessment of the likely outcome and potential exposures arising from all significant contingencies and considered the requirements of any provisions and related disclosures. ▪ We also assessed the disclosures in the standalone Ind AS financial statements for compliance with disclosure requirements under the accounting standards.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   g. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
   h. 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, as amended in our opinion and to the best of our information and according to the explanations given to us
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for

material foreseeable losses, on long-term contracts including derivative contracts – Refer Note 34 to the standalone Ind AS financial statements; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 20213803AAAABP2003

Place: Bengaluru
Date : May 27, 2020

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Mindteck (India) Limited

Statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b. Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c. According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ investment property are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given by the management, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans to directors including entities in which they are interested and in respect of loans and advances given, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the services of the Company.

(vii) a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delays in remittance of goods and services tax in few cases.

b. According to the information and explanations given by the management, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax and cess which have not been deposited on account of any dispute, except the following:

Name of the Statute	Nature of the Dues	Disputed amount (Rs. in Lakhs)	Amount paid/refund adjusted under protest (Rs. in Lakhs)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	81.61	81.61	2006-07	Commissioner of Income Tax (Appeals)/Deputy Commissioner of Income Tax
		234.10	168.07	2010-11	Deputy Commissioner of Income Tax
		34.38	-	2012-13	Commissioner of Income Tax (Appeals)
		130.36	-	2016-17	Assistant Commissioner of Income Tax

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by the way of initial public offer/further public offer (including debt instruments) and term loans during the year. Hence, reporting under clause 3(ix) of the Order is not applicable to the Company and hence, not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS Financial Statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, 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 notes to the Standalone Ind AS Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 20213803AAAABP2003

Place: Bengaluru
Date: May 27, 2020

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Mindteck (India) Limited

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

We have audited the internal financial controls over financial reporting of Mindteck (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS 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. 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 the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, 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 S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 20213803AAAABP2003

Place: Bengaluru
Date : May 27, 2020

Standalone Balance Sheet as at March 31, 2020

All amounts in Rs. lakhs unless otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	320	281
Investment property	4	67	68
Right-of-use assets	37	1,056	-
Intangible assets	5	782	957
Financial Assets			
Investments	6	6,724	12,384
Loans	7	541	650
Other financial assets	8	11	89
Deferred tax assets (net)	39	314	202
Income tax assets (net)	9	1,186	951
Other non-current assets	10	6	37
		11,007	**15,619**
Current Assets			
Financial assets			
Investments	11	43	1,351
Trade receivables	12	1,956	2,598
Cash and cash equivalents	13	1,331	285
Other bank balances	13	33	36
Loans	14	19	37
Other financial assets	15	898	857
Other current assets	16	355	523
		4,635	**5,687**
Total assets		**15,642**	**21,306**

Standalone Balance Sheet as at March 31, 2020 (cont'd.)

All amounts in Rs. lakhs unless otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	2,562	2,562
Other equity	18	9,627	15,981
		12,189	**18,543**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	37	793	-
Other financial liabilities	19	16	20
Other non-current liabilities	20	7	14
Provisions	21	895	977
		1,711	**1,011**
Current liabilities			
Financial liabilities			
Borrowings*	22	-	-
Trade payables			
(a) total outstanding dues of microenterprises and small enterprises; and	23	40	197
(b) total outstanding dues of creditors other than microenterprises and small enterprises	23	765	942
Lease liabilities	37	412	-
Other financial liabilities	24	56	90
Provisions	25	223	134
Income tax liabilities (net)	9	117	117
Other current liabilities	26	129	272
		1,742	**1,752**
Total liabilities		**3,453**	**2,763**
Total equity and liabilities		**15,642**	**21,306**
*Rounded-off to lakhs			
Corporate information and significant accounting policies	1 & 2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

All amounts in Rs. lakhs unless otherwise stated

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from operations	27	9,231	10,763
Other income	28	184	245
Total income		**9,415**	**11,008**
EXPENSES			
Cost of technical sub-contractors		218	267
Employee benefit expenses	29	6,624	6,563
Finance costs	30	187	64
Depreciation and amortization expense	31	615	174
Other expenses	32	1,659	2,913
Total expenses		**9,303**	**9,981**
Profit before tax and exceptional items		**112**	**1,027**
Exceptional Items	33		
Provision for impairment of investment in subsidiaries		(5,666)	-
Provision for expected losses under service concession arrangement		(159)	-
Provision for impairment of loan		(168)	-
Total exceptional items		**(5,993)**	**-**
Profit/(Loss) before tax		**(5,881)**	**1,027**
Tax expense (net):	39		
Current tax		114	215
Tax relating to earlier years		-	28
Deferred tax charge/(credit)		(71)	65
Total tax expense		43	**308**
Profit/(Loss) for the year		**(5,924)**	**719**
Other comprehensive income (OCI), net of tax			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain/(loss) on defined benefit plan		(3)	71
Income tax relating to items that will not be reclassed to profit or loss		1	(20)
Other comprehensive income for the year (net of taxes)		**(2)**	**51**
Total comprehensive income for the year		**(5,926)**	**770**
Earnings/(Loss) per share (equity shares, par value Rs. 10 each) (March 31, 2019: Rs. 10 each)	36		
Basic (in Rs.)		(23.12)	2.81
Diluted (in Rs.)		(23.12)	2.80
Corporate information and significant accounting policies	1 & 2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala
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Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Standalone Statement of Changes in Equity for the year ended March 31, 2020

A. Equity share capital

All amounts in Rs. lakhs unless otherwise stated

Particulars	Number	Amount
Balance as at April 01, 2018	2,56,21,898	2,562
Changes in equity share capital during the year: 2018-19	-	-
Balance as at March 31, 2019	**2,56,21,898**	**2,562**
Changes in equity share capital during the year: 2019-20	-	-
Balance as at March 31, 2020	**2,56,21,898**	**2,562**

B. Other equity

All amounts in Rs. lakhs unless otherwise stated

		Reserves & Surplus				
Particulars	**Share application money pending allotment**	**Capital reserve**	**Securities premium**	**Retained earnings**	**Employee stock options reserve**	**Total other equity**
Balance as at April 01, 2018	**28**	**357**	**10,518**	**4,259**	**272**	**15,434**
Add: Profit for the year	-	-	-	719	-	719
Less: Changes in remeasurement of defined benefit plan through other comprehensive income, net of taxes	-	-	-	51	-	51
Less: Cash dividend	-	-	-	(256)	-	(256)
Less: Dividend distribution tax	-	-	-	(52)	-	(52)
Add/(less): Transfer to retained earnings in the expiry or lapse of employee stock options after vesting	-	-	-	23	(23)	-
Add: Employee share-based expense (refer Note 43)	-	-	-	-	85	85
Balance as at March 31, 2019	**28**	**357**	**10,518**	**4,744**	**334**	**15,981**
Less: Loss for the year	-	-	-	(5,924)	-	(5,924)
Less: Changes in remeasurement of defined benefit plan through other comprehensive income, net of taxes	-	-	-	(2)	-	(2)
Less: Effect of adoption of Ind AS-116 Leases (refer Note 37)	-	-	-	(105)	-	(105)
Less: Cash dividend	-	-	-	(256)	-	(256)
Less: Dividend distribution tax	-	-	-	(53)	-	(53)
Add/(Less): Transfer to retained earnings in the expiry or lapse of employee stock options after vesting	-	-	-	167	(167)	-
Less: Employee share-based expense (refer Note 43)	-	-	-	-	(14)	(14)
Balance as at March 31, 2020	**28**	**357**	**10,518**	**(1,429)**	**153**	**9,627**

Corporate information and significant accounting policies (refer Notes 1 & 2)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Standalone Statement of Cash Flows for the year ended March 31, 2020

All amounts in Rs. lakhs unless otherwise stated

	Year ended March 31, 2020	Year ended March 31, 2019
Operating activities		
Profit/(Loss) before taxation	(5,881)	1,027
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	615	174
Provision for impairment of investment in subsidiaries (Refer Note 33(a))	5,666	-
Provision for expected losses under service concession arrangement (Refer Note 33(b))	159	-
Provision for impairment of loan (Refer Note 33(c))	168	-
Finance costs	187	46
Interest income	(34)	(80)
Unrealised exchange differences	(40)	10
Gain on sale of assets	(5)	-
Provision for doubtful debts (net) and loss allowance	12	(29)
Provision for doubtful input credit receivable	180	-
Rental income	-	(1)
Rent expense	-	4
Fair value gain on mutual fund at fair value through profit or loss	(23)	-
Gain on sale of mutual funds (net)	(23)	(15)
Other non-operating income	(9)	-
Changes in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	674	(661)
(Increase)/Decrease in loans and advances and other assets	(195)	(79)
Increase/(Decrease) in liabilities and provisions	(488)	204
Net cash from/(used in) operating activities before taxes	**963**	**600**
Income taxes paid (net)	(348)	(646)
Net cash from/(used in) operating activities	**615**	**(46)**
Investing activities		
Purchase of property, plant and equipment, intangible assets and capital work-in-progress	(253)	(147)
Proceeds from sale of assets	6	-
Movement in fixed deposits and other bank balances (net)	87	247
Investment in subsidiaries	-	(15)
Investment in mutual funds	(6,068)	(5,069)
Proceeds from sale of mutual funds	7,422	4,596
Interest income received	13	82
Net cash from/(used in) investing activities	**1,207**	**(306)**

Standalone Statement of Cash Flows for the year ended March 31, 2020 (cont'd.)

All amounts in Rs. lakhs unless otherwise stated

	Year ended March 31, 2020	Year ended March 31, 2019
Financing activities		
Movement in working capital loans (net)	-	(1)
Repayment of principal portion of lease liabilities	(334)	-
Finance cost on lease liabilities	(122)	-
Finance cost paid	(5)	-
Dividends paid (including distribution tax)	(315)	(315)
Net cash used in financing activities	**(776)**	**(316)**
Net increase/(decrease) in cash and cash equivalents	**1,046**	**(668)**
Cash and cash equivalents at the beginning of the year	285	953
Cash and cash equivalents at the end of the year (refer Note 13)	**1,331**	**285**

Corporate information and significant accounting policies (refer Notes 1 & 2)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Notes to Standalone Financial Statements for the year ended March 31, 2020

1. Corporate Information

Mindteck (India) Limited ('Mindteck' or 'the Company'), a public limited company incorporated in the year 1991, is engaged in the business of rendering 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.

The Company also provides offshore-based employee resourcing, marketing and pre-sales support and other services to its subsidiaries.

Mindteck has its registered office in Bengaluru, India and is headquartered in Bengaluru with a branch office in Kolkata and Mumbai. The software development centers 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 (including step-down subsidiaries) in the United States of America, Canada, Singapore, Philippines (under closure), Malaysia, Bahrain, United Kingdom, Netherlands (closed w.e.f. January 14, 2020), Germany and India. Mindteck is listed in India on the Bombay Stock Exchange and National Stock Exchange.

These standalone financial statements for the year ended March 31, 2020 are approved by the Board of Directors on May 27, 2020.

2. Basis of Preparation and significant accounting policies:

2.1. Basis of preparation:

The standalone financial statements of the Company have been prepared and presented in accordance with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

These standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained further in the accounting policies below.

- certain financial assets and liabilities that is measured at fair value/amortized cost,
- defined benefit plans - plan assets measured at fair value,
- Employee stock option contracts – measured at grant date fair value, and
- Investment property – fair value for disclosure purpose.

The standalone financial statements are presented in Rs. ('₹') and all the values are rounded off to the nearest lakhs (Rs. 00,000) except when otherwise indicated.

2.2. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve months after the reporting period,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

b. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the accompanying disclosures, and the disclosure of contingent assets and contingent liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Also, refer Note 48 of the standalone Ind AS financial statements.

Key source of estimation of uncertainty as at the date of standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Revenue recognition:

The Company uses the percentage of completion method in accounting for revenue from implementation and customization projects. Use of the percentage of completion method requires the Company to estimate the efforts to date as a proportion of the total efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become probable based on the expected contract estimates at the reporting date.

Employee stock options plan:

The Company initially measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 43.

Leases:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts. Refer Note 37.

Defined benefit plans (gratuity and other employee benefits):

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 40.

Appendix D of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers' – Recognition and Measurement:

The Company had entered into concession arrangement in relation to smart/IoT-based parking system with government/statutory body under Public Private Partnership model. The arrangement gives Company right to design, construct, install and maintain the smart parking system. Management has evaluated the arrangement and concluded that Appendix D of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers' applies. Refer Note 5, Note 15, Note 21 and Note 44.

Fair value measurement of financial instruments:
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 46 for further disclosures.

Impairment of non-financial assets:
Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Also, refer Note 2.2(i).

Impairment of financial assets:
The Company assesses impairment of financial assets ('Financial instruments') and recognizes expected credit losses in accordance with Ind AS 109. Also, refer Note 2.2(d).

The Company assesses for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.

c. Fair value measurement
The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability - or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets:
Initial recognition and measurement:
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:
For purposes of subsequent measurement, financial assets are classified in three broad categories:

- Debt instruments assets at amortized cost
- Financial assets at fair value through Other Comprehensive Income ("OCI") (FVTOCI)
- Financial assets at fair value through Profit and Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

When assets are measured at fair value, gains and losses are either recognised entirely in the standalone statement of Profit and Loss (i.e. fair value through Profit and Loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost:
A Debt instrument is measured at amortized cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the standalone statement of Profit and Loss. The losses arising from impairment are recognised in the standalone statement of Profit and Loss.

Financial assets at fair value through OCI (FVTOCI):
A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through Profit and Loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets at fair value through Profit and Loss ('FVTPL'):
FVTPL is a residual category for Company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments (except investment in subsidiary) included within the FVTPL category are measured at fair value with all changes recognised in the standalone statement of Profit and Loss.

In addition, the Company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency.

Derecognition:
When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets:
The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 (‘Financial instruments’) requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit and Loss or at amortized cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company’s financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost
After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the standalone statement of Profit and Loss.

Derecognition:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of Profit and Loss.

iii. Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets:
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s senior management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

e. Property, plant and equipment
Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost. Capital work-in-progress comprises of expenditure incurred for construction of leasehold improvements. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the plant and equipment to its working condition for the intended use and cost of replacing part of the plant and equipment.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of Property, Plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in standalone statement of Profit and Loss in the year of occurrence.

f. Depreciation and amortization

Depreciation on property, plant and equipment with finite useful lives is calculated on a straight-line basis over the useful lives of the assets estimated by the management.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. The range of useful lives of the property, plant and equipment are as follows:

Property, plant and equipment	Useful lives estimated by the management (years)
Furniture and fixtures	5 years
Computer equipment	3 years
Office equipment	5 years
Vehicles	5 years

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

g. Investment property

i. Recognition and measurement:

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses (if any).

Initial direct costs incurred by the Company in negotiating and arranging an operating lease are added to the carrying amount of the respective Investment property and are amortized over the lease term on the same basis as the lease income.

ii. Depreciation:

Depreciation on Investment Properties is provided on the straight-line method as per the useful life estimated by the management.

The estimated useful life of building classified as an investment property is 58 years.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern and are treated as changes in accounting estimates.

The estimated useful lives of the amortizable intangible assets are as follows:

Category	Useful life
Computer software	3 years
Service concession arrangements	10 years

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of Profit and Loss when the asset is derecognised.

i. Impairment of non-financial assets

Non-financial assets including property, plant and equipment, right-of-use assets and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the standalone statement of Profit and Loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the standalone statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

j. Leases

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. Refer Note 37 for the impact of adoption of Ind AS-116 on the standalone Ind AS financial statements of the Company.

The Company assesses at contract inception whether a contract is/contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer Note 2.2(i) Impairment of non-financial assets.

ii. Lease liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leased assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leased assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

k. Equity investments in subsidiaries

Investments in subsidiaries are classified as non-current investments. The Company has availed the option available in Ind AS 27 to carry its investment in subsidiaries at cost. Impairment recognised, if any, is reduced from the carrying value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the standalone statement of Profit and Loss.

l. Revenue recognition

i. Revenue from contracts with customers:

The Company derives its revenues from software and IT-enabled service including services provided to related parties.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

The following specific recognition criteria must also be met before revenue is recognised:

Revenue from software services provided on a time-and-material basis is recognised upon performance of services and at the agreed contractual rates. Revenue from fixed price contracts is recognised over the period of the contracts using the percentage completion method determined by relating the actual cost incurred to date to the estimated total cost of the contract.

Revenue from implementation service under concession arrangement are recognised in line with Appendix D of Service Concession Arrangement (‘SCA’), under Ind AS - 115 ‘Revenue from contracts with customers’.

In case of multiple element arrangements for sale of software license, related implementation and maintenance services, the Company applies the guidance in Ind AS 115, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements generally meet the criteria for considering the sale of software license, related implementation and maintain services as distinct performance obligation. For allocating the consideration, the Company has measured the revenue in respect of each distinct performance obligation of a transaction at its standalone selling price, in accordance with principles given in Ind AS 115. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company has used a residual method to allocate the arrangement consideration. In these cases, the balance of the consideration, after allocating the standalone selling price of undelivered components of a transaction has been allocated to the delivered components for which specific standalone selling price do not exist.

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates. ‘Unbilled revenue’ included in the other financial assets represent revenues in excess of amounts billed to clients as at the balance sheet date. ‘Unearned revenue/contract liabilities’ included in the current liabilities represent billings in excess of revenues recognised.

The Company collects goods and services tax and other taxes as applicable in the respective tax jurisdictions where the Company operates, on behalf of the government and therefore it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity’s performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency

ii. Other income:

Dividend income is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

Interest income is recognised as it accrues in the standalone statement of Profit and Loss using effective interest rate method.

iii. Service concession arrangements (SCA):

The Company implements or upgrades infrastructure (implementation or upgrade services) used to provide the smart/IoT-based parking service and maintains that infrastructure (operation service) for a specified period of time. This arrangement may include infrastructure used in a service concession arrangement for its entire useful life.

Under Appendix D – Service Concession Arrangement to Ind AS 115 –Revenue from contracts with customers, the arrangement is accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction/implementation service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the operator performs more than one service (i.e. construction, implementation, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

The intangible assets model recognizes the asset to the extent of cost incurred or to be incurred (including certain obligations arising out the arrangement) towards getting the right to charge users of the public service. The intangible asset is amortized over the concession period i.e. 10 years, from the date they are available for use.

An asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

The Company recognizes a financial asset to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor.

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates.

m. Foreign currencies

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. 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. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

The Company's standalone financial statements are presented in Rs. The Company determines the functional currency as Rs. on the basis of primary economic environment in which the entity operates.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

n. Taxes

Tax expense comprises of current and deferred tax.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Profit and Loss is recognised outside Profit and Loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

o. Provision and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the standalone statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Employee stock compensation cost

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Company measures compensation cost relating to employee stock options plans using the fair valuation method in accordance with Ind AS 102, Share-Based Payment.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the vesting period of the option in which the performance and/or service conditions are fulfilled in a graded manner. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired (net of forfeitures) and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r. Segment reporting

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

s. Retirement and other employee benefits

Employee benefits include contribution to provident and other funds, gratuity and compensated absences.

Defined contribution plans:

Contributions payable to recognised provident and other funds, which are defined contribution schemes, are charged to the standalone statement of profit and loss.

Defined benefit plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognised in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to the standalone statement of Profit and Loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to "surplus/(deficit) in the statement of Profit and Loss".

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.

Short-term employee benefits:
Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. Compensated absences, which are expected to be utilized within the next 12 months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits:
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees render the related services are treated as long-term employee benefits for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end, less the fair value of the plan assets out of which the obligations are expected to be settled. Actuarial gains/losses are immediately taken to the standalone statement of Profit and Loss and are not deferred.

The Company presents the entire compensated absences balance as a current liability in the balance sheet since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

t. Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Standalone statement of cash flow:
Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

u. Corporate Social Responsibility (CSR) expenditure
CSR expense is recognised as it is incurred by the Company or when the Company has entered into any legal or constructive obligation for incurring such an expense.

2.3. Changes in accounting policies and disclosures

a. Ind AS 116 Leases:
Refer Note 2.2(j) and Note 37.

b. Appendix C to Ind AS 12 Uncertainty over income tax treatment:
Refer Note 2.2(n).

c. Amendments to Ind AS 109: Plan amendment, curtailment or settlement:
Refer Note 2.2(s).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

3. Property, plant and equipment

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Cost						
As at April 01, 2018	109	135	12	3	167	426
Additions	68	32	8	-	7	115
Disposals/Adjustments	-	-	-	-	-	-
As at March 31, 2019	**177**	**167**	**20**	**3**	**174**	**541**
Additions	139	37	1	-	-	177
Disposals/Adjustments	-	(4)	-	(3)	-	(7)
As at March 31, 2020	**316**	**200**	**21**	**-**	**174**	**711**
Accumulated depreciation						
As at April 01, 2018	92	51	3	3	21	170
Charge for the year	20	31	3	-	36	90
Disposals/Adjustments	-	-	-	-	-	-
As at March 31, 2019	**112**	**82**	**6**	**3**	**57**	**260**
Charge for the year	62	35	4	-	36	137
Disposals/Adjustments	-	(3)	-	(3)	-	(6)
As at March 31, 2020	**174**	**114**	**10**	**-**	**93**	**391**
Net block as at March 31, 2019	**65**	**85**	**14**	**-**	**117**	**281**
Net block as at March 31, 2020	**142**	**86**	**11**	**-**	**81**	**320**

4. Investment property

Amount in Rs. lakhs

Particulars	Building - Asset given under operating lease
Cost	
As at April 01, 2018	**73**
Additions	-
As at March 31, 2019	**73**
Additions	-
As at March 31, 2020	**73**
Accumulated depreciation	
As at April 01, 2018	3
Charge for the year	2
As at March 31, 2019	**5**
Charge for the year	1
As at March 31, 2020	**6**
Net block as at March 31, 2019	**68**
Net block as at March 31, 2020	**67**

Information regarding income and expenditure of Investment property

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income derived from investment property	24	25
Less: Direct operating expenses from property that generated rental income (including repairs and maintenance)	-	-
Less: Direct operating expenses from property that did not generate rental income (including repairs and maintenance)	1	1
Profit arising from investment properties before depreciation and indirect expenses	23	**24**
Less: Depreciation	(1)	(2)
Profit arising from investment property before indirect expenses	**22**	**22**

Determination of fair values

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	
Investment properties	Market Approach		**March 31, 2020**	**March 31, 2019**
		Area of subject unit (sq. ft.)	3,001	3,001
		Adopted market rent per sq.ft. per month	53	68
		Derived unit rate (per sq.ft.)	10,500	11,000
		Estimated rental value (per sq. ft.)	Rs. 53 - 70	Rs. 65 - 70
		Discount rate	12.00%	7.25%

The fair value of investment property has been determined by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the fair value as at the reporting date. These valuation methods involve certain estimates. The management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value.

All resulting fair value estimates for investment properties are included in level 3. Refer Note 45.

Reconciliation of fair value

Amount in Rs. lakhs

Particulars	Amount
Opening balance as at April 01, 2018	330
Fair value differences	8
Closing balance as at March 31, 2019	**338**
Fair value differences	(23)
Closing balance as at March 31, 2020	**315**

5. Intangible assets

Amount in Rs. lakhs

Particulars	Computer software	Service concession arrangement#	Total
Cost			
As at April 01, 2018	105	572	677
Additions/Adjustments	4	430	434
As at March 31, 2019	**109**	**1,002**	**1,111**
Additions	20	21	41
Disposals/Adjustments	-	(56)	(56)
Provision for expected losses under service concession arrangement (refer Note 33(b))	-	(48)	(48)
As at March 31, 2020	**129**	**919**	**1,048**
Accumulated amortisation			
As at April 01, 2018	62	9	71
Charge for the year	22	61	83
As at March 31, 2019	**84**	**70**	**154**
Charge for the year	15	97	112
As at March 31, 2020	**99**	**167**	**266**
Net block as at March 31, 2019	**25**	**932**	**957**
Net block as at March 31, 2020	**30**	**752**	**782**

Refer Note 44

6. Investments - Non-current

Amount in Rs. lakhs, unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Un-quoted equity instruments, at cost **Investment in equity instruments- subsidiaries**		
13,000 (March 31, 2019: 13,000) equity shares of USD 1 par value of Mindteck Inc, USA, fully paid, net of impairment provision of Rs. 5,274 lakhs (March 31, 2019: Rs. NIL)	4,096	9,365
2 (March 31, 2019: 2) equity shares of USD 1 par value of Chendle Holdings Limited, fully paid, net of impairment provision of Rs. 64 lakhs (March 31, 2019: Rs. NIL)	1,890	1,954
1,310,500 (March 31, 2019: 1,310,500) equity shares of SGD 1 par value of Mindteck Singapore Pte Ltd., fully paid, net of impairment provision of Rs. 328 lakhs (March 31, 2019: Rs. NIL)	524	851
968,408 (March 31, 2019: 968,408) equity shares of GBP 1 par value of Mindteck (UK) Limited, fully paid	153	153
250,000 (March 31, 2019: 250,000) equity shares of MYR 1 par value of Mindteck Software Malaysia SDN. BHD, fully paid	33	33
500 (March 31, 2019: 500) equity shares of BHD 100 par value of Mindteck Middle East SPC, Bahrain, fully paid	18	18
99,999 (March 31, 2019: 99,999) equity shares of Rs. 10 par value of Hitech Parking Solutions Pvt. Ltd., fully paid	10	10
Total	**6,724**	**12,384**
Aggregate amount of unquoted investments in subsidiaries	**12,390**	**12,384**
Aggregate amount of impairment on investments	**(5,666)**	**-**

Also, refer Note 33(a) and 43(h).

7. Loans - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	308	249
Loan to Mindteck Employee Welfare Trust (refer Note 33(c) and 41)	233	401
Unsecured, Credit Impaired		
Loan to Mindteck Employee Welfare Trust	168	-
Provision for impairment of loan (refer Note 33(c))	(168)	-
Security deposits	50	50
Provision for doubtful deposits	(50)	(50)
Total	**541**	**650**

8. Other financial assets - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with bank with original maturity of more than 12 months*	11	89
Total	**11**	**89**

*Represents restricted bank balances of Rs. 11 lakhs (March 31, 2019: Rs. 89 lakhs). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

9. Taxes

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax assets (net) - Non-current	1,186	951
Income tax liabilities (net) - Current	117	117

Also, refer Note 39.

10. Other non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expense	6	37
Total	**6**	**37**

11. Investments - Current

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Quoted mutual funds measured at fair value through statement of profit and loss		
1,888.70 (March 31, 2019 - 1,888.70) units in AXIS Treasury Advantage Fund - Growth	43	39
NIL (March 31, 2019 - 346,473.89) units in ICICI Money Market Fund - Direct Growth	-	901
NIL (March 31, 2019 - 148,570.14) units in ICICI Liquid Fund-DP Growth	-	411
Total	**43**	**1,351**
Aggregate book value of quoted investments in mutual funds	**43**	**1,351**
Aggregate market value of quoted investments in mutual funds	**43**	**1,351**

12. Trade receivables - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Trade receivables from other than related parties	1,013	1,569
Trade receivables from related parties (refer Note 41)	943	1,029
Unsecured, credit impaired		
Trade receivables from other than related parties	87	75
	2,043	**2,673**
Impairment allowance (allowance for expected credit loss)		
Receivables from other than related parties, credit impaired	(87)	(75)
Total	**1,956**	**2,598**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, there are no trade or other receivables due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

13. Cash and cash equivalents - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	1	8
Balances with banks		
in current accounts	1,175	135
in fixed deposits with original maturity for less than 3 months	155	142
	1,331	**285**
Other bank balances - Current assets		
Balances with banks		
Fixed deposits with remaining maturity less than 12 months	20	29
Unpaid dividend account	13	7
	33	**36**
Total	**1,364**	**321**

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of Rs. 33 lakhs and Rs. 36 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2019	Cash flows	As at March 31, 2020
Borrowings *	-	-	-
Total liabilities from financing activities	**-**	**-**	**-**

*Rounded-off to lakhs

Particulars	As at April 01, 2018	Cash flows	As at March 01, 2019
Borrowings	1	(1)	-
Total liabilities from financing activities	**1**	**(1)**	**-**

14. Loans - Current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	19	37
Total	**19**	**37**

15. Other financial assets - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, credit impaired		
Claimable expenses	111	-
Provision for expected losses under service concession arrangement (refer Note 33(b))	(111)	-
Unsecured, considered good		
Claimable expenses	11	160
Recoverable from related parties (refer Note 41)	146	114
Unbilled revenue	698	531
Accrued interest	2	2
Employee advances	41	50
Total	**898**	**857**
Break up of financial assets carried at amortized cost:		
Security deposits (non-current) (Note 7)	308	249
Advances to related party (non-current) (Note 7)	233	401
Fixed deposits with bank with remaining maturity of more than 12 months (non-current) (Note 8)	11	89
Trade receivables (current) (Note 12)	1,956	2,598
Cash and cash equivalents (current) (Note 13)	1,331	285
Other bank balances (current) (Note 13)	33	36
Security deposits (current) (Note 14)	19	37
Claimable expenses (current) (Note 15)	11	160
Recoverable from related parties (current) (Note 15)	146	114
Unbilled revenue (current) (Note 15)	698	531
Accrued interest (current) (Note 15)	2	2
Employee advances (current) (Note 15)	41	50
Total	**4,789**	**4,552**

16. Other current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advances recoverable in cash or kind	33	46
Balances with government authorities *	455	460
Less: Provision for doubtful input credit receivable	(259)	(79)
Net balance with government authorities	**196**	**381**
Prepaid expenses	126	96
Total	**355**	**523**

* Represents amount of service tax input credit receivable and goods and services tax input credit receivable

17. Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised capital		
Equity shares		
28,000,000 (March 31, 2019: 28,000,000) equity shares of Rs. 10 each	2,800	2,800
Preference shares		
500,000 (March 31, 2019: 500,000) cumulative, non-convertible, redeemable preference shares of Rs. 100 each	500	500
Issued, subscribed and paid-up share capital		
25,621,898 (March 31, 2019: 25,621,898) equity shares of Rs. 10 each	2,562	2,562
	2,562	**2,562**

Notes:

a. **Mindteck Employees Welfare Trust ('Trust')**
Issued equity shares includes 416,000 equity shares issued to Trust.

b. On April 01, 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) and 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 as per the valuation carried out by the independent valuer.

Of the total purchase consideration payable, 38,579 equity shares (March 31, 2019: 38,579 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 remaining shares to these shareholders.

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

	As at March 31, 2020		As at March 31, 2019	
Particulars	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)
Outstanding at the beginning of the year	2,56,21,898	2,562	2,56,21,898	2,562
Changes during the year	-	-	-	-
Outstanding at the end of the year	**2,56,21,898**	**2,562**	**2,56,21,898**	**2,562**

d. **Terms/rights attached to equity and preference shares**
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 ensuing Annual General Meeting.

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:**

	As at March 31, 2020		**As at March 31, 2019**	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	16,431,604	64.13%	16,431,604	64.13%

f. **Equity shareholders holding more than 5 percent shares in the Company:**

	As at March 31, 2020		**As at March 31, 2019**	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	1,64,31,604	64.13%	1,64,31,604	64.13%
First Asian Investments S.A	13,90,569	5.43%	13,90,569	5.43%

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. **Shares reserved for issue**
Terms attached to stock options granted to employees are described in Note 43 on share based payments. Also, refer Note 17(b) above.

18. Other Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	357	357
Securities premium	10,518	10,518
Retained earnings	(1,429)	4,744
Other component of equity (Share application money pending allotment)	28	28
Employee stock option reserve account	153	334
Total	**9,627**	**15,981**

Refer Statement of Changes in Equity for movement.

Notes:

i. **Capital reserve**

The Company has created capital reserve in the earlier years.

ii. **Securities premium**

Security premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

iii. **Employee stock option reserve account**

The Company has established various equity settled share based payment plans for certain categories of employees of the Company and subsidiaries. Refer Note 43 for further details on these plans.

iv. **Distribution made and proposed**

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid		
Final dividend	256	256
Dividend distribution tax (DDT)	53	52
Total	**309**	**308**

Particulars	As at March 31, 2020	As at March 31, 2019
Dividend proposed		
Final dividend	-	256
Dividend distribution tax	-	52
Total	**-**	**308**

On May 27, 2020, the Board of Directors of the Company proposed final dividend of Rs. NIL per equity share for the year ended March 31, 2020 (March 31, 2019 - Re. 1 per equity share). The total dividend payable amounting to Rs. NIL lakhs (including dividend distribution tax) (March 31, 2019 - Rs. 308 lakhs) is not recognised as a liability as at March 31, 2020.

19. Other non-current financial liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Rental deposit	16	20
Total	**16**	**20**

20. Other non-current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred lease rental income	7	-
Rent equalization reserve	-	14
Total	**7**	**14**

21. Provision - Non-current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (refer Note 40)	265	245
Provision towards obligation under service concession arrangements (refer Note 44)	630	732
Total	**895**	**977**

The table below gives the information about movement in provision towards obligation under service concession arrangments:

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	771	484
Created due to addition of sites	-	336
Reversal due to termination of sites	(56)	-
Finance costs	60	46
Other adjustments (including claimable expenses)	(95)	(95)
At the end of the year	**680**	**771**
Current	50	39
Non-current	630	732

22. Borrowings - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loan repayable on demand from banks (Secured)		
Bank overdraft*	-	-
Total	**-**	**-**

*Rounded-off to lakhs

Note: Bank overdraft carry interest of 10.85 percent per annum, computed on a monthly basis on the actual amount utilized and/or repayable on demand. The bank overdraft is secured by way of first and exclusive charge in all present and future book debts which are lesser than 90 days.

23. Trade payables - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to Micro, Small and Medium Enterprises (refer note below)	40	197
Payable to related parties (refer Note 41)	323	459
Payable to other than related parties	442	483
Total	**805**	**1,139**

Terms and conditions of the above financial liabilities
- trade payables are non-interest bearing and are normally settled on 30 - 45 days terms.
- for explanations on the Company’s credit risk management, refer to Note 46.

The dues to Micro and Small enterprises as defined in "The Micro, Small & Medium Enterprises Development Act, 2006" are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	40	197
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) 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 the MSMED Act 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid.	-	-

24. Other financial liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid dividend	13	7
Employee related liabilities	43	83
Total	**56**	**90**
Break up of financial liabilities carried at amortized cost:		
Lease liabilities (non-current) (Note 37)	793	-
Rental deposit (non-current) (Note 19)	16	20
Borrowings (current) (Note 22)	-	-
Trade payables (current) (Note 23)	805	1,139
Lease liabilities (current) (Note 37)	412	-
Unpaid dividend (current) (Note 24)	13	7
Employee related liabilities (current) (Note 24)	43	83
Total	**2,082**	**1,249**

25. Provisions - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (refer Note 40)	58	-
Provision for compensated absences	115	95
Provision towards obligation under service concession arrangements (refer Note 44)	50	39
Total	**223**	**134**

26. Other current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unearned income	3	40
Capital creditors	8	43
Statutory dues	118	176
Rent equalization reserve	-	13
Total	**129**	**272**

27. Revenue from contracts with customers

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services	9,231	10,763
Total	**9,231**	**10,763**

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Disaggregated revenue information		
Revenue by contract type		
Fixed price	648	1,541
Time and material	8,583	9,222
Total	**9,231**	**10,763**

28. Other income

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Finance income (includes interest income on deposits for year ended March 31, 2020: Rs. 13 lakhs; March 31, 2019: Rs. 49 lakhs)	34	80
Rental income	24	25
Fair value gain on mutual fund at fair value through profit or loss	23	15
Foreign exchange gain, net	60	80
Gain on sale of investments in mutual funds, net	23	38
Gain on sale of assets	5	-
Other non-operating income	15	7
Total	**184**	**245**

29. Employee benefit expenses

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	6,165	5,975
Contribution to provident and other funds	249	256
Gratuity (refer Note 40)	77	86
Share-based payment expense (refer Note 43)	(19)	80
Staff welfare expenses	152	166
Total	**6,624**	**6,563**

30. Finance costs

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense and bank charges	5	18
Interest expense on lease liabilities (refer Note 37)	122	-
Interest expense on service concession arrangements (refer Note 21)	60	46
Total	**187**	**64**

31. Depreciation and amortisation expense

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	137	90
Depreciation of right-of-use assets (refer Note 37)	365	-
Depreciation of investment property	1	1
Amortisation of intangible assets	112	83
Total	**615**	**174**

32. Other expenses

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	7	413
Hiring charges	65	67
Directors sitting fees	46	26
Travel expenses	231	212
Power and fuel	153	154
Communication expenses	63	62
Professional charges	117	169
Repairs and maintenance		
-Buildings	1	1
-Others	142	128
Project supply and services	333	1,223
Rates and taxes	25	48
Insurance	21	18
Remuneration to auditors (refer Note 35)	42	41
Membership and subscription	45	60
Printing and stationery	17	13
Recruitment expenses	63	78
Provision for doubtful debts (net) and loss allowance	12	(29)
Contribution towards corporate social responsibility (refer Note 38)	15	18
Bad debts written off	-	65
Provision for doubtful input credit receivable	180	-
Miscellaneous expenses	81	146
Total	**1,659**	**2,913**

33. Exceptional Items

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provision for impairment of investment in subsidiaries (refer Note 33(a))	(5,666)	-
Provision for expected losses under service concession arrangement (refer Note 33(b))	(159)	-
Provision for impairment of loan (refer Note 33(c))	(168)	-
Total	**(5,993)**	**-**

a. During the year ended March 31, 2020, as a part of impairment evaluation and considering the COVID-19 pandemic, impairment assessments were carried out in respect of investment in subsidiaries and basis valuation carried out by an external valuation expert, an impairment of Rs. 5,666 lakhs towards carrying value of investment in certain subsidiaries has been recorded. Also, refer Note 6.

b. In July 2017, the Company had undertaken a Smart Parking project vide an Authorization Agreement with Bhopal Municipal Corporation (BMC) under Public Private Partnership Mode (Service Concession Arrangement). Considering the delay in site hand over by BMC, related claims by both the parties, impact of COVID-19 pandemic on a seamless business operation and related Force Majeure clause being invoked by the Company, the management has reassessed recoverability of investment in assets and amounts receivables from BMC as at March 31, 2020. Accordingly, provision for expected losses amounting to Rs. 159 lakhs has been provided for in the year ended March 31, 2020. Also, refer Note 5, Note 15 and Note 44.

c. Mindteck Employee Welfare Trust (MEWT) was created to administer the Employee Share Incentive Scheme 2000 for the benefit of its employees. For this purpose, the MEWT had borrowed funds from the Company and subscribed to 416,000 equity shares renounced in its favour by the Company's promoters/directors in the Company's earlier rights issue. Due to significant difference in the purchase price of these shares and average prevailing share price, the Company has made a provision of Rs. 168 lakhs in the year ended March 31, 2020. Also, refer Note 7.

34. Contingent liabilities and commitments

Amount in Rs. lakhs

(A) Particulars	As at March 31, 2020	As at March 31, 2019
(i) Income tax matters: The Company is involved in certain tax disputes pertaining to transfer pricing and other adjustments which are pending at various forums. Management is confident that the Company has a good case to defend and such cases are not tenable and no liability is expected in this regard.		
- in relation to AY: 2006-07, AY: 2010-11 and AY 2016-17 (March 31, 2019:AY: 2006-07 and AY: 2010-11)	518	387
(ii) Company has utilised bank guarantee facilities against the bank guarantees provided to customers, Customs and Excise Departments for Software Technology Park of India (STPI) bonding facilities.	236	276

(B) During the year ended March 31, 2020, the Company has accrued provision for material foreseeable losses for a long term contract with respect to a customer. The Company has assessed the balance revenue amounting to Rs. 72 lakhs and balance costs to be accrued amounting to Rs. 125 lakhs for the commitment period, thereby recording provision amounting to Rs. 53 lakhs included in 'Other expenses'.

35. Auditors' remuneration

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit fees	32	29
Tax audit fees	1	1
Other certification services	3	5
Reimbursement of expenses	6	6
Total	**42**	**41**

36. Earnings/(Loss) per share

Basic earnings/(loss) per share (EPS) amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table sets forth the computation of basic and diluted earnings per share:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit/(loss) for the year attributable to equity shareholders	(5,924)	719
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share (A)	2,56,21,898	2,56,21,898
Earnings/(loss) per share, basic (in Rs.)	(23.12)	2.81
Effect of dilutive potential shares		
- Employee stock options	2,985	36,202
- Equity shares reserved for issuance	38,579	38,579
Total no. of dilutive potential shares (B)	41,564	74,781
Weighted average number of equity shares outstanding during the year for calculation of diluted earnings per share (A+B) *	2,56,63,462	2,56,96,679
Earnings/(loss) per share, diluted (in Rs.)	(23.12)	2.80

* The above potentional shares are anti-dilutive in nature for the year ended March 31, 2020 and accordingly have not been considered for the purpose of calculation of diluted EPS for the year.

37. Leases

Company as a lessee

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 01, 2019. Accordingly, a right-of-use asset of Rs. 1,111 lakhs (including reclassification of prepaid rent to right-of-use asset as per the requirements amounting to Rs. 37 lakhs) and a corresponding lease liability of Rs. 1,246 lakhs has been recognised. The cumulative effect on transition in retained earnings net of taxes is Rs. 105 lakhs (including adjustment of rent equalisation reserve of Rs. 27 lakhs and net off deferred tax of Rs. 40 lakhs). The principal portion of lease payments have been disclosed under cash flow from financing activities. The lease payments for the operating leases as per Ind AS 17-Leases, were earlier reported under cash flow from operating activities. The average incremental borrowing rate of 9.65% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right to use assets and finance cost for interest accrued on lease liabilities.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The details of the right-of-use asset held by the Company is as follows:

Amount in Rs. lakhs

Particulars	Buildings	Total
Gross carrying value		
As at April 1, 2019	**1,111**	**1,111**
Additions during the year	310	310
Disposals during the year	-	-
As at March 31, 2020	**1,421**	**1,421**
Depreciation		
Charge for the year	365	**365**
Disposals	-	**-**
As at March 31, 2020	**365**	**365**
Net block **As at March 31, 2020**	**1,056**	**1,056**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	Lease Liabilities
As at April 1, 2019	**1,246**
Additions	292
Interest on lease liabilities	122
Payments	(455)
As at March 31, 2020	**1,205**
Current	412
Non-current	793

The effective interest rate for lease liabilities is 9.65% with maturity between 2020-2024. The maturity analysis of lease liabilities are disclosed in Note 46.

The following are the amounts recognised in profit or loss:

Amount in Rs. lakhs

Particulars	March 31, 2020
Depreciation expense of right-of-use assets	365
Interest expense on lease liabilities	122
Expense relating to short-term leases (included in other expenses)	7
	494

38. Expenditure on corporate social responsibility activities

Amount in Rs. lakhs

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
a. Gross amount required to be spent by the Company during the year		15	17
b. Amount spent during the year ending on March 31, 2020:	In cash	Yet to be paid in cash	Total
i) construction/acquisition of any asset	-	-	-
ii) on the purposes other than (i) above	15	-	15
c. Amount spent during the year ending on March 31, 2019:	In cash	Yet to be paid in cash	Total
i) construction/acquistion of any asset	-	-	-
ii) on the purpose other than (i) above	18	-	18

39. Income tax

Income tax expense in the statement of profit and loss consists of:

Amount in Rs. lakhs

Statement of profit or loss	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	114	215
Deferred tax charge/(credit)	(71)	65
Income tax expense related to current year	**43**	**280**
Tax relating to Earlier years	-	28
Income tax expense reported in the statement of profit or loss	**43**	**308**
Income tax recognised in other comprehensive income		
- Tax arising on income and expense recognised in other comprehensive income	1	(20)
Total	**1**	**(20)**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian income tax rate to profit before taxes is as follows:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) before tax	(5,881)	1,027
Enacted income tax rate in India	25.17%	27.82%
Computed expected tax expense/(credit)	(1,480)	286
Effect of:		
Tax effect on changes in enacted tax rate to 25.17%	19	-
Deferred tax asset not recognised due to uncertainty of related future taxable profits	1,426	-
Non-deductible expenses for tax purpose	66	45
Others	12	(51)
Total income tax expense	**43**	**280**

Deferred tax

Deferred tax relates to the following:

Amount in Rs. lakhs

	Balance sheet		Statement of profit and loss and other comprehensive income	
Particulars	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Property, plant and equipment and intangible assets	(130)	(188)	58	(215)
Provision for doubtful debts, loss allowance and deposits	45	44	1	1
Compensated absences	29	26	3	(1)
Gratuity	81	68	13	3
Others	289	252	37	127
Net Deferred tax assets (net)	**314**	**202**	**112**	**(85)**

40. Employee benefits

A. Gratuity

The Company offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the funded status of the gratuity plan and the amount recognised in the Company's financial statements as at and for the year ended March 31, 2020 and March 31, 2019:

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Change in benefit obligations		
Benefit obligations at the beginning	284	301
Service cost	55	63
Interest expense	22	24
Actuarial loss/(gain) due to change in financial assumptions	12	(47)
Actuarial loss/(gain) due to experience adjustments	(11)	(25)
Benefits paid	(36)	(32)
Benefit obligations at the end	**326**	**284**

Change in plan assets		
Fair value of plan assets at the beginning	39	68
Contribution	2	3
Interest income	4	5
Administration expenses	(4)	(4)
Return on plan assets excluding amounts included in interest income	(2)	(1)
Benefits paid	(36)	(32)
Fair value of plan assets at the end	**3**	**39**
Reconciliation of fair value of assets and defined benefit obligations		
Present value of obligation as at the end of the year	326	284
Fair value of plan assets as at the end of the year	3	39
Amount recognised in the Balance Sheet	**323**	**245**
Current	58	-
Non-current	265	245

	Year ended March 31, 2020	**Year ended March 31, 2019**
Expense recognised in profit or loss		
Current service cost	55	63
Interest expense	22	24
Interest income	(4)	(5)
Administrative expenses	4	4
	77	**86**
Remeasurement gain/(loss) recognised in other comprehensive income		
Actuarial (loss)/gain due to change in financial assumptions	(12)	47
Actuarial (loss)/gain due to experience adjustments	11	25
Return on plan assets excluding amounts included in interest income	(2)	(1)
	(3)	**71**

Amount in Rs. lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Five year pay-outs		
Year 1	61	53
Year 2	47	45
Year 3	45	41
Year 4	46	39
Year 5	40	38
After 5th Year	213	197
Actuarial assumptions		
Discount rate	6.40%	7.30%
Salary growth rate	7.00%	7.00%
Attrition rate	20.00%	20.00%
Retirement age	58 years	58 years

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Amount in Rs. lakhs

	Year ended March 31, 2020		Year ended March 31, 2019	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(14)	15	(12)	13
Salary growth rate (1% movement)	16	(15)	14	(13)
Attrition rate (10% movement)	(5)	5	(3)	3

The Company's Gratuity Fund is managed by Life Insurance Corporation of India (LIC). The plan assets under the fund are deposited under approved securities.

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The expected contribution in next year is Rs. 58 lakhs (March 31, 2019: Rs. NIL).

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

B. Contribution to Provident Fund

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 recognised as an expense towards contribution to Provident Fund for the year aggregated to Rs. 248 lakhs (March 31, 2019: Rs. 252 lakhs).

41. Related party disclosures

(i) Names of related parties and description of relationship:

A. Enterprises who exercise Control

Transcompany Ltd., British Virgin Islands (BVI) - Ultimate holding company

Embtech Holdings Ltd., Mauritius - Holding company

B. Enterprises where control exists - Subsidiaries (including step down subsidiaries)

Mindteck Inc., USA (formerly Infotech Consulting Inc.)

Mindteck Software Malaysia SDN. BHD, Malaysia

Mindteck Middle East Limited SPC, Kingdom of Bahrain

Mindteck (UK) Limited, United Kingdom

Mindteck Singapore Pte. Limited, Singapore

Mindteck Solutions Philippines Inc. (under closure)

Mindteck Netherlands BV, Netherlands (closed w.e.f. January 14, 2020)

Mindteck Germany GmbH, Germany

Chendle Holdings Ltd, BVI

Mindteck Canada Inc., Canada

Hitech Parking Solutions Private Limited

C. Enterprises where control exists - Other than subsidiaries

Mindteck Employees Welfare Trust

D. Enterprises in which relative of an Independent Director is a Partner

CounsePro

E. Key management personnel

Meenaz Dhanani	Non-Executive Director
Sanjeev Kathpalia	Non-Executive Director (Ceased to be Managing Director and Chief Executive Officer w.e.f. March 01, 2020 and continued to remain on the Board as a Non-Executive Director. Subsequently, resigned with effect from March 12, 2020)
Anand Balakrishnan	Managing Director and Chief Executive Officer (Appointed as an Additional Director w.e.f. February 14, 2020 and was elevated to the position of MD & CEO w.e.f. March 01, 2020) Chief Financial Officer (Appointed as an Interim CFO w.e.f. August 13, 2019 and ceased to be Interim CFO w.e.f. March 01, 2020)
Jagdish Malkani	Independent Director
Javed Gaya	Independent Director (Resigned with effect from April 03, 2018)
Guhan Subramaniam	Independent Director
Prochie Mukherji	Independent Director
Satish Menon	Independent Director (Appointed with effect from May 14, 2018)
Subhash Bhushan Dhar	Independent Director (Appointed with effect from May 29, 2018)
Yusuf Lanewala	Chairman
Ramachandra Magadi	Chief Financial Officer (Appointed as the Chief Financial Officer w.e.f. March 01, 2020)
Prashanth Idgunji	Chief Financial Officer (Resigned with effect from July 29, 2019)
Shivarama Adiga S.	Company Secretary

(ii) Related party transactions:

Amount in Rs. lakhs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
a. Income from software and IT-enabled services:		
Mindteck, Inc.	3,883	3,856
Mindteck (UK) Limited	1,366	1,408
Mindteck Singapore Pte. Limited	187	284
Mindteck Middle East Limited SPC	11	18
Mindteck Software Malaysia SDN. BHD	105	121
Mindteck Germany GmbH	95	146
Total	**5,647**	**5,833**
b. Cost of technical sub-contractors:		
Mindteck Inc.	80	58
Mindteck Singapore Pte. Limited	5	2
Total	**85**	**60**
c. Professional charges:		
CounsePro	1	-
Total	**1**	**-**
d. Recovery of expenses from:		
Mindteck, Inc.	209	116
Mindteck (UK) Limited	76	85
Mindteck Singapore Pte. Limited	37	14
Mindteck Middle East Limited SPC	7	1
Mindteck Software Malaysia SDN. BHD	13	13
Mindteck Germany GmbH	11	9
Total	**353**	**238**
e. Reimbursement of expenses to:		
Mindteck, Inc.	108	1
Mindteck (UK) Limited	-	2
Mindteck Singapore Pte. Limited	46	23
Mindteck Software Malaysia SDN. BHD	2	1
Total	**156**	**27**

f. Investment made through equity shares:		
Hitech Parking Solutions Private Limited	-	10
Total	**-**	10
g. Provision for impairment of investment in subsidiaries:		
Mindteck Inc.	5,274	-
Mindteck Singapore Pte. Limited	328	-
Chendle Holdings Ltd	64	-
Total	**5,666**	**-**
h. Provision for impairment of loan:		
Mindteck Employees Welfare Trust	168	-
Total	**168**	**-**
i. Transactions with the key management persons for the year ended are as follows:		
Compensation of key management personnel of the Company #		
Short-term employee benefits*	276	253
Share-based payment transactions	(32)	58
Benefits paid to Non-executive directors/independent directors	46	26
Total	**290**	**337**

Includes Rs. 12 lakhs paid to Managing Director and CEO which has been approved by the Board vide meeting dated February 14, 2020, subject to shareholder's approval.

* The remuneration to the key managerial personnel does not include the provision/accruals made on best estimate basis as they are determined for the Company as a whole.

j. Refer to Note 43(h) for grant of stock options to employees of the subsidiary companies.

(iii) Amounts outstanding as at balance sheet date:

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
a. Amounts receivable:		
Mindteck, Inc.	407	421
Mindteck (UK) Limited	143	121
Mindteck Singapore Pte. Limited	9	123
Mindteck Software Malaysia SDN. BHD	4	92
Mindteck Middle East Limited SPC	10	26
Mindteck Germany GmbH	370	246
Total	**943**	**1,029**
b. Financial assets - loans:		
Mindteck, Inc.	64	16
Mindteck (UK) Limited	9	25
Mindteck Singapore Pte. Limited	25	1
Mindteck Middle East Limited SPC	4	22
Mindteck Software Malaysia SDN. BHD	-	20
Mindteck Germany GmbH	44	30
Total	**146**	**114**
c. Unbilled revenue:		
Mindteck, Inc.	266	211
Mindteck (UK) Limited	101	15
Mindteck Singapore Pte. Limited	30	23
Mindteck Middle East Limited SPC	-	1
Mindteck Software Malaysia SDN. BHD	7	10
Mindteck Germany GmbH	6	11
Total	**410**	**271**

d. Amounts payable:		
Mindteck, Inc.	305	363
Mindteck (UK) Limited	-	24
Mindteck Singapore Pte. Limited	16	71
Mindteck Software Malaysia SDN. BHD	2	1
Total	**323**	**459**
e. Loans and advances:		
Mindteck Employees Welfare Trust (refer Note 33(c))	233	**401**
Total	**233**	**401**

42. Segment information

In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

43. Employee stock options

As at March 31, 2020, the Company has the following share-based payment arrangements:

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 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 (ESOP 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 of the Company and its subsidiaries, as approved by the Board of Directors in its meeting held on July 04, 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 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, 2020, the Company has granted 50,000 options on August 13, 2019 at an exercise price of Rs. 36.40 per share.

During the year ended March 31, 2019, the Company has granted 24,000 options on May 29, 2018 at an exercise price of Rs. 55.15 per share.

c. Mindteck Employee Stock Option Scheme 2008 (ESOP 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 of the Company and its subsidiaries, 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 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, 2020, the Company has granted NIL options.

During the year ended March 31, 2019, the Company has granted 170,000 options on August 14, 2018 at an exercise price of Rs. 48.70 per share.

d. Mindteck Employee Stock Option Scheme 2014 (ESOP 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 of the Company and its subsidiaries, 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 employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2020, the Company has granted NIL options.

During the year ended March 31, 2019, the Company has granted 100,000 options on February 26, 2019 at an exercise price of Rs. 34.70 per share.

e. Employees' Stock Options details as on the balance sheet date are:

	2019-20		2018-19	
Particulars	**Option (no.)**	**Weighted average exercise price per stock option (Rs.)**	**Option (no.)**	**Weighted average exercise price per stock option (Rs.)**
Options outstanding at the beginning of the year				
ESOP 2005	1,22,600	67.10	1,72,800	68.03
ESOP 2008	6,14,419	69.90	6,73,553	76.37
ESOP 2014	6,00,000	73.51	5,00,000	79.70
Options granted during the year				
ESOP 2005	50,000	36.40	24,000	55.15
ESOP 2008	-	-	1,70,000	48.70
ESOP 2014	-	-	1,00,000	34.70
Forfeited, cancelled, surrendered or lapsed during the year				
ESOP 2005	33,100	67.27	74,200	63.78
ESOP 2008	2,84,700	60.08	2,29,134	74.18
ESOP 2014	5,00,000	79.70	-	-
Exercised during the year on exercise of employee stock options/restricted shares+				
ESOP 2005	-	-	-	-
ESOP 2008	-	-	-	-
ESOP 2014	-	-	-	-
Options outstanding at the end of the year				
ESOP 2005	1,39,500	56.05	1,22,600	67.10
ESOP 2008	3,29,719	77.64	6,14,419	69.90
ESOP 2014	1,00,000	34.70	6,00,000	73.51
Options exercisable at the end of the year				
ESOP 2005	76,700	67.62	82,600	67.12
ESOP 2008	3,28,119	77.66	2,92,086	74.11
ESOP 2014	33,333	34.70	2,50,000	79.17

+ The weighted average share price at the date of exercise:

Particulars	**2019-20**	**2018-19**
ESOP 2005	-	-
ESOP 2008	-	-
ESOP 2014	-	-

f. Details of Weighted average remaining contractual life and range of exercise prices for the options outstanding at the balance sheet date

Particulars	Weighted average remaining contractual life (years)*		Range of exercise prices		Fair value of options granted during the year	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
ESOP 2005	3.10	1.96	13.55 - 92.10	13.55 - 92.10	14.88	28.46
ESOP 2008	2.21	3.19	43.60 - 130.80	43.60 - 130.80	-	24.12
ESOP 2014	5.91	5.64	34.70 - 34.70	34.70 - 81.30	-	13.60

* considering vesting and exercise period

g. Fair value methodology

The following table list the inputs to the models used for the three plans for the year ended March 31, 2020 and March 31, 2019, respectively:

Particulars	March 31, 2020			March 31, 2019		
	ESOP 2005	ESOP 2008	ESOP 2014	ESOP 2005	ESOP 2008	ESOP 2014
Expected volatility of share	48.57%	-	-	62.30%	62.51%	57.24%
Risk-free interest rate	7.52%	-	-	7.99%	7.55%	6.93%
Expected dividend yield	2.07%	-	-	2.07%	2.44%	1.74%
Expected life (years)	4.50	-	-	4.77	4.55	4.50
Model used	Black scholes	-	-	Black scholes	Black scholes	Black scholes

The expected life of stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

h. The expense recognised for employee services received during the year is shown in the following table:

Amount in Rs. lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Expense arising from equity-settled share-based payment transactions	(19)	80
Total expense arising from share-based payment transactions	**(19)**	**80**

Further, as a part of the above schemes, stock options are also granted to employees of the subsidiaries of the Company. Below is the entity-wise break-up of expenses:

Particulars	As at March 31, 2020	As at March 31, 2019
Mindteck (UK) Limited	-	1
Mindteck, Inc.	5	3
Mindteck Singapore Pte. Ltd	-	-
Mindteck Software Malaysia SDN. BHD	-	1
Total	**5**	**5**

Accordingly, Rs. 5 lakhs (March 31, 2019: Rs. 5 lakhs) is treated as investments made in subsidiaries. Refer Note 6.

44. Service concession arrangement (SCA)

a. Significant terms of Service concession arrangement are provided below:

Particulars	Authorisation agreement signed with Municipal Corporation Bhopal ("MCB")
Nature of the asset recognised under SCA accounting	Intangible assets
Carrying value	Rs. 752 lakhs (March 31, 2019 : Rs. 932 lakhs)
Year when SCA granted	FY 2017-18
Concession period	10 years
Extension of concession period	Not applicable
Work in progress - status	Phase 1 completed & Phase 2 partially completed (March 31, 2019 : Phase 1 completed & Phase 2 partially completed)
Premature termination	Not applicable
Brief description of concession	The Company has been awarded a contract under Public Private Partnership on July 26, 2017 with Municipal Corporation of Bhopal (MCB) for designing, implementation/ construction, installation, financing, and maintenance of Smart Parking System (SPS).

b. Intangible asset under SCA

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	932	563
Add: Cost of supplies including profit margin	21	93
Provision towards obligation under service concession arrangements	-	337
Less:		
Amortization for the year	97	61
Reversal due to termination of sites	56	-
Provision for expected losses under service concession arrangement	48	-
Total	**752**	**932**

Also, refer Note 5, Note 15, Note 21 and Note 33(b).

45. Financial instruments

The carrying value of financial instruments by categories is as below:

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets - Non-current (measured at amortized cost)		
Security deposits ^	308	249
Advances to related party #	233	401
Fixed deposits bank with remaining maturity of more than 12 months #	11	89
Financial assets - Current (measured at fair value through profit & loss)		
Investments in mutual funds $	43	1,351
Financial assets - Current (measured at amortized cost)		
Trade receivables #	1,956	2,598
Cash and cash equivalents #	1,331	285
Other bank balances #	33	36
Security deposits ^	19	37
Advances to related party #	146	114
Claimable expenses #	11	160
Unbilled revenue #	698	531
Accrued interest #	2	2
Employee advances #	41	50
Total assets	**4,832**	**5,903**
Financial liabilities - Non-current (measured at amortized cost)		
Lease liabilities ^	793	-
Rental deposit ^	16	20
Financial liabilities - Current (measured at amortized cost)		
Bank overdraft * #	-	-
Trade payables #	805	1,139
Lease liabilities ^	412	-
Unpaid dividend #	13	7
Others #	43	83
Total liabilities	**2,082**	**1,249**

*Rounded-off to lakhs

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

$ The carrying value of this account is measured at fair value through profit & loss and are classified as level 1 of fair value hierarchy.

Management has assessed these carrying balances approximates their fair value largely due to the short term maturities/liquid nature.

^ These balances are determined by using discounted cash flows using discount rate that reflects the issuer's borrowing rate/lending rate for the respective financial assets/liabilities as at the end of the reporting period.

46. Financial risk management

The Company has exposure to following risks arising from financial instruments-

- credit risk
- market risk
- interest risk
- liquidity risk

a. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relations to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

b. Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) from its financing activities including deposits with banks and financial institutions.

(i) Trade and other receivables:

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Expected credit loss (ECL) assessment for corporate customers as at March 31, 2020 and March 31, 2019

The Company's credit period generally ranges from 0-90 days. The credit risk exposure of the Company is as follows:

Amount in Rs. lakhs

	As at March 31, 2020		As at March 31, 2019	
Particulars	**Gross amount**	**Provision and loss allowance**	**Gross amount**	**Provision and loss allowance**
Trade receivables and unbilled revenue	2,741	87	3,204	75
Total	**2,741**	**87**	**3,204**	**75**

Reconciliation of provision for doubtful debts and loss allowance:

Amount in Rs. lakhs

Particulars	Amount
Provision and loss allowance on April 01, 2018	**104**
Changes in provision and loss allowance	(29)
Provision and loss allowance on March 31, 2019	**75**
Changes in provision and loss allowance	12
Provision and loss allowance on March 31, 2020	**87**

(ii) Other financial assets and deposits with banks:

Credit risk on cash and cash equivalent (including bank balances, fixed deposits and margin money with banks) is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c. Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, primarily in United States Dollars ('USD'). The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company also has exposures to Great Britain Pound ('GBP') and Singapore Dollar ('SGD').

Unhedged foreign currency exposure

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

Particulars	Currency	As at March 31, 2020 Amount in Rs. lakhs	As at March 31, 2019 Amount in Rs. lakhs
Trade receivables towards services rendered	USD	660	774
	GBP	137	115
	BHD	9	6
	EUR	250	141
	MYR	-	30
	SGD	6	120
Other current assets	USD	407	105
	BHD	-	1
	EUR	14	7
	SGD	30	1
	MYR	7	-
	GBP	104	1
Trade payables for services availed	USD	305	404
	GBP	-	1
	MYR	2	1
	SGD	16	71

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Company would cause the loss before tax in proportion to revenue to decrease or increase respectively by 0.14% (profit before tax for the year ended March 31, 2019 by 0.08%).

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its short term borrowings in nature of working capital loans, which carry floating interest rates. Accordingly, the Company's risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's loss before tax due to change in the interest rate/fair value of financial liabilities are as disclosed below:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Change in interest rate	Effect on profit before tax	Change in interest rate	Effect on profit before tax
Borrowings*	+1%	-	+1%	-
	-1%	-	-1%	-

*Rounded-off to lakhs

d. Liquidity risk

Liquidity is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing the liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Amount in Rs. lakhs

		Contractual cash flows			
Particulars	**Carrying value**	**Total**	**On demand**	**< 1 Yr**	**>1 Yr**
March 31, 2020					
Lease liabilities	1,205	1,205	-	412	793
Rental deposit	16	16	-	-	16
Bank overdraft*	-	-	-	-	-
Trade payables	805	805	-	805	-
Unpaid dividend	13	13	13	-	-
Employee related liabilities	43	43	43	-	-
	2,082	**2,082**	**56**	**1,217**	**809**
March 31, 2019					
Rental deposit	20	20	-	-	20
Bank overdraft*	-	-	-	-	-
Trade payables	1,139	1,139	-	1,139	-
Unpaid dividend	7	7	7	-	-
Employee related liabilities	83	83	83	-	-
	1,249	**1,249**	**90**	**1,139**	**20**

*Rounded-off to lakhs

47. Capital management

The Company's objective is to maintain a strong capital base to ensure sustained growth in business and to maximise the shareholders value. The capital management focusses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Company's adjusted net debt to equity ratio is analysed as follows:

Amount in Rs. lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Total equity attributable to shareholders of the Company (A)	12,189	18,543
Total borrowings (B)* #	-	-
Total Capital (C) = (A)+(B)	**12,189**	**18,543**
Total borrowings as a percentage of total capital (B/C)		
Total equity as a percentage of total capital (A/C)	0.00%	0.00%
	100.00%	100.00%

*Total borrowings represents bank overdraft.

Rounded-off to lakhs

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

48. The Company has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these standalone financial statements, in determining the possible impact from the COVID-19 pandemic. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.

49. The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Company is in the process of carrying out transfer pricing study for the year ended March 31, 2020 in this regard, to comply with the requirements of the Income Tax Act, 1961. The management of the Company is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the standalone financial statements, particularly on account of tax expense and that of provision for taxation.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala	**Anand Balakrishnan**	**Jagdish Malkani**
Chairman	*Managing Director and CEO*	*Director*
DIN - 01770426	DIN - 05311032	DIN - 00326173
Ramachandra M S	**Shivarama Adiga S**	
Chief Financial Officer	*Company Secretary*	

Place: Bengaluru
Date: May 27, 2020

Independent Auditor's Report

To the Members of Mindteck (India) Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Mindteck (India) Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Goodwill (as described in Note 6 of the consolidated Ind AS financial statements)	
The Group's consolidated Ind AS financial statements includes Rs. 2,815 lakhs of goodwill, net of impairment. In accordance with Ind AS, these balances are allocated to Cash Generating Unit (CGU) which is tested annually for impairment using discounted cash-flow model of the CGU's recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and the CGU's net assets would result in impairment. An impairment provision of Rs. 5,942 lakhs was recognized towards the carrying value of goodwill. For the above impairment testing, basis valuation conducted by an external valuation specialist ('management's expert'), value in use has been determined by forecasting and discounting future cash flows which has been reviewed and approved by Audit Committee/Board of Directors of the Holding Company. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.	Our audit procedures included the following, amongst others: ▪ We understood the Group's process for identification of indicators for impairment and evaluated its internal controls over its impairment assessment of goodwill. We understood the key assumptions applied by the management such as revenue growth, operating margins, discount rates and terminal growth rates in determining impairment. ▪ We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement. ▪ We involved valuation specialists for evaluating and testing the key valuation assumptions and methodologies used by the management's expert in their valuation reports. ▪ We also assessed the recoverable value by performing sensitivity testing of key assumptions used.

Further, the determination of the recoverable amount of the CGUs involved significant judgment due to inherent uncertainty in the assumptions supporting such recoverability. In view of the COVID-19 pandemic, the management has reassessed its future business plans and key assumptions as at March 31, 2020 while assessing the adequacy of impairment provision. Accordingly, the impairment of goodwill was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	▪ We tested the arithmetical accuracy of the impairment models. ▪ We also assessed the disclosures in the consolidated Ind AS financial statements in this regard for compliance with disclosure requirements under the accounting standards.
Service Concession Arrangement (as described in Note 5 and Note 44 of the consolidated Ind AS financial statements)	
The gross balance of capital expenditure as at March 31, 2020 is Rs. 919 lakhs mainly relating to service concession arrangement for maintaining and developing the smart parking system, against which amortization amounting to Rs. 167 lakhs was charged. The Holding Company had obtained the contract from Bhopal Municipal Corporation (BMC) for implementation of smart parking systems which would be governed by the specific regulations issued by BMC. The revenue from parking is collected by the Holding Company for which rates are determined by the BMC. In lieu of the contract, the Holding Company has to pay authorization fees to BMC over the period of the contract. This arrangement has been treated as 'Service Concession Arrangement' as per Appendix D of Ind AS – 115. Due to the nature of the arrangement, recognition of the amounts including capitalization of intangible assets involve significant judgments and assumptions, identification and recognition of contractual/onerous obligation. As of March 31, 2020, management also performed an assessment of recoverability of the assets recorded under this arrangement. In view of the COVID-19 pandemic, economic conditions and other communication/negotiation with BMC, the management has reassessed its ability to recover its investment and other receivables arising out of this arrangement. In view of the above, we identified it as a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included the following amongst others: ▪ We assessed the assumptions around the application of Appendix D of Ind AS – 115 involving determination of relative fair value of the service delivered, recognition of assets to the extent of cost incurred or to be incurred (including obligations arising out of the arrangement with BMC) towards getting the right to charge users of the public service. ▪ We evaluated the Holding Company's processes and controls over capitalisation of expenditure incurred. ▪ With reference to capital expenditure during the year, we selected a sample of transactions and tested that they were recognised in accordance with the capitalisation criteria established by the Holding Company. ▪ We obtained the impairment assessment from the Holding Company and held meetings with management to understand the method applied. We understood the impact of current economic conditions and management's discussions with BMC on such assessment. ▪ We tested the arithmetical accuracy of the impairment working. ▪ We also assessed the disclosures in the consolidated Ind AS financial statements for compliance with disclosure requirements under the accounting standards.

Contingencies in relation to tax litigations (as described in Note 34 of the consolidated Ind AS financial statements)	
The Group is involved in various legal proceedings and uncertain tax positions relating to taxes. As of March 31, 2020, there was Rs. 518 lakhs disclosed as contingent liability in the consolidated Ind AS financial statements. In relation to these proceedings, management assesses the impact of the eventual outcome on its consolidated Ind AS financial statements. The Group discloses contingencies for income tax pending litigations when it is probable that the taxation authority will accept the uncertain tax treatment in accordance with the requirements of Appendix C to Ind AS 12 on 'Uncertainty over Income tax treatment'. Since the aforesaid estimates require significant judgments by management, based on the available information, including that obtained from its tax advisors, we identified it as a key audit matter area in our audit of the consolidated Ind AS financial statements.	Our audit procedures included the following: ▪ We obtained an understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to taxes. ▪ We obtained details of completed tax assessments, demands issued by tax authorities, orders/notices received in this regard from the management. ▪ We held discussions with management to understand their assessment of the quantification and likelihood of significant exposures and the provision required in accordance with the requirements of Appendix C to Ind AS 12 which is supported by assessment reports from management's expert. ▪ We obtained confirmation from management's expert on ongoing litigations along with risk assessment. We have evaluated the competences, capabilities and objectivity of the management's expert and obtained an understanding of the scope of work and the terms of engagement. ▪ We involved our tax specialists to obtain and evaluate management's assessment of the likely outcome and potential exposures arising from all significant contingencies and considered the requirements of any provisions and related disclosures. ▪ We also assessed the disclosures in the consolidated Ind AS financial statements for compliance with disclosure requirements under the accounting standards.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance Report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of the Group 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 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company and its Subsidiary Company incorporated in India as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its Subsidiary Company incorporated in India respectively, none of the directors of the Holding Company and its Subsidiary Company incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its Subsidiary Company incorporated in India, refer to our separate Report in “Annexure” to this report;

g. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Holding Company and its Subsidiary Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

h. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 34 to the consolidated Ind AS financial statements;

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer Note 34 to the consolidated Ind AS financial statements; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India during the year ended March 31, 2020.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 20213803AAAABQ7366

Place: Bengaluru
Date: May 27, 2020

Annexure to the Independent Auditor’s Report of even date on the Consolidated Ind AS 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”)

In conjunction with our audit of the consolidated Ind AS financial statements of Mindteck (India) Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Mindteck (India) Limited (hereinafter referred to as the “Holding Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company, which are companies incorporated in India, 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. 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 the respective 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 with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 Holding Company and its Subsidiary Company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company, which are companies incorporated in India, 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 S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803
UDIN: 20213803AAAABQ7366

Place: Bengaluru
Date: May 27, 2020

Consolidated Balance Sheet as at March 31, 2020

All amounts in Rs. lakhs unless otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	332	301
Investment property	4	67	68
Right-of-use assets	37	1,084	-
Investment in sub-lease	37	35	-
Intangible assets	5	782	1,229
Goodwill on consolidation	6	2,815	8,481
Financial assets			
Loans	7	387	275
Other financial assets	8	11	89
Deferred tax assets (net)	39	314	202
Income tax assets (net)	9	1,244	991
Other non-current assets	10	6	38
		7,077	**11,674**
Current assets			
Financial assets			
Investments	11	43	1,351
Trade receivables	12	5,704	7,073
Cash and cash equivalents	13	2,906	1,016
Other bank balances	13	33	36
Loans	14	25	82
Other financial assets	15	2,055	2,012
Other current assets	16	607	677
		11,373	**12,247**
Total assets		**18,450**	**23,921**

Consolidated Balance Sheet as at March 31, 2020 (cont'd.)

All amounts in Rs. lakhs unless otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	17	2,521	2,521
Other equity	18	10,442	17,022
Equity attributable to equity holders of the parent		**12,963**	**19,543**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	37	793	-
Other financial liabilities	19	54	20
Other non-current liabilities	20	7	14
Provisions	21	895	977
		1,749	**1,011**
Current liabilities			
Financial liabilities			
Borrowings *	22	-	-
Trade payables	23	1,284	1,479
Lease liabilities	37	483	-
Other financial liabilities	24	794	708
Provisions	25	515	397
Income tax liabilities (net)	9	224	164
Other current liabilities	26	438	619
		3,738	**3,367**
Total liabilities		**5,487**	**4,378**
Total equity and liabilities		**18,450**	**23,921**
Corporate information and significant accounting policies	1 & 2		

*Rounded-off to lakhs

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

All amounts in Rs. lakhs unless otherwise stated

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from operations	27	27,613	29,941
Other income	28	175	285
Total income		**27,788**	**30,226**
EXPENSES			
Cost of technical sub-contractors		4,171	4,793
Employee benefit expenses	29	19,924	20,281
Finance costs	30	226	100
Depreciation and amortisation expense	31	704	189
Other expenses	32	3,069	4,427
Total expenses		**28,094**	**29,790**
Profit/(Loss) before tax and exceptional items		**(306)**	**436**
Exceptional items	33		
Impairment of goodwill		(5,942)	-
Impairment of receivables of service concesssion arrangement		(159)	-
Total exceptional items		**(6,101)**	-
Profit/(Loss) before tax		**(6,407)**	**436**
Tax expense (net):	39		
Current tax		172	244
Tax relating to earlier years		(28)	(147)
Deferred tax charge/(credit)		(71)	65
Total tax expense		**73**	**162**
Profit/(Loss) for the year		**(6,480)**	**274**
Other comprehensive income (OCI)			
Items that will be reclassified subsequently to profit or loss			
Net exchange difference on translation of foreign operation		**352**	**261**
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain/(loss) on defined benefit plan		(3)	71
Income tax relating to items that will not be reclassed to profit or loss		1	(20)
Other comprehensive income for the year (net of taxes)		**350**	**312**
Total comprehensive income for the year attributable to equity holders of the parent		**(6,130)**	**586**
Earnings/(Loss) per share (equity shares, par value Rs. 10 each) (March 31, 2019: Rs. 10 each) attributable to equity holders of the parent	36		
Basic (in Rs.)		(25.71)	1.09
Diluted (in Rs.)		(25.71)	1.06
Corporate information and significant accounting policies	1 & 2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

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Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

A. Equity share capital

All amounts in Rs. lakhs unless otherwise stated

Particulars	Number	Amount
Balance as at April 01, 2018	**2,52,05,898**	**2,521**
Changes in equity share capital during the year: 2018-19	-	-
Balance as at March 31, 2019	**2,52,05,898**	**2,521**
Changes in equity share capital during the year: 2019-20	-	-
Balance as at March 31, 2020	**2,52,05,898**	**2,521**

Consolidated Statement of Changes in Equity for the year ended March 31, 2020 (cont'd.)

B. Other equity

All amounts in Rs. lakhs unless otherwise stated

Particulars	Share application money pending allotment	Reserves & Surplus: Capital reserve	Reserves & Surplus: Securities premium	Reserves & Surplus: Retained earnings	Reserves & Surplus: Employee stock options reserve	Foreign currency translation reserve	Total other equity
Balance as at April 01, 2018	**28**	**798**	**10,156**	**4,702**	**272**	**699**	**16,655**
Add: Profit for the year	-	-	-	274	-	-	274
Add: Changes in remeasurement of defined benefit plan through other comprehensive income, net of taxes	-	-	-	51	-	-	51
Add: Exchange difference on translating the financial statement through other comprehensive income	-	-	-	-	-	261	261
Less: Cash dividend	-	-	-	(252)	-	-	(252)
Less: Dividend distribution tax	-	-	-	(52)	-	-	(52)
Add/(less): Transfer to retained earnings in the expiry or lapse of employee stock options after vesting	-	-	-	23	(23)	-	-
Add: Employee share-based expense (refer Note 43)	-	-	-	-	85	-	85
Balance as at March 31, 2019	**28**	**798**	**10,156**	**4,746**	**334**	**960**	**17,022**
Less: Loss for the year	-	-	-	(6,480)	-	-	(6,480)
Less: Changes in remeasurement of defined benefit plan through other comprehensive income, net of taxes	-	-	-	(2)	-	-	(2)
Less: Effect of adoption of Ind AS-116 Leases (refer Note 37)	-	-	-	(131)	-	-	(131)
Add: Exchange difference on translating the financial statement of foreign operations	-	-	-	-	-	352	352
Less: Cash dividend	-	-	-	(252)	-	-	(252)
Less: Dividend distribution tax	-	-	-	(53)	-	-	(53)
Add/(less): Transfer to retained earnings in the expiry or lapse of employee stock options after vesting	-	-	-	167	(167)	-	-
Less: Employee share-based expense (refer Note 43)	-	-	-	-	(14)	-	(14)
Balance as at March 31, 2020	**28**	**798**	**10,156**	**(2,005)**	**153**	**1,312**	**10,442**

Corporate information and significant accounting policies (refer Notes 1 & 2)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala
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Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Consolidated Statement of Cash Flows for the year ended March 31, 2020

All amounts in Rs. lakhs unless otherwise stated

	Year ended March 31, 2020	Year ended March 31, 2019
Operating activities		
Profit/(Loss) before taxation	(6,407)	436
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	704	189
Impairment of goodwill	5,942	-
Provision for expected losses under service concession arrangement	159	-
Finance costs	226	46
Interest income	(35)	(81)
Unrealised exchange differences	(40)	26
Gain on sale of assets	(5)	-
Provision for doubtful debts (net) and loss allowance	(102)	(176)
Provision for doubtful input credit receivable	180	-
Fair value gain on mutual fund at fair value through profit or loss	(23)	(15)
Gain on sale of mutual funds (net)	(23)	-
Other non-operating income	(9)	-
Rental income	-	(1)
Rent expense	-	5
Changes in operating assets and liabilities		
(Increase)/Decrease in trade receivables	1,910	(1,341)
(Increase)/Decrease in loans and advances and other assets	(141)	17
Increase/(Decrease) in liabilities and provisions	(484)	301
Net cash from/(used in) operating activities before taxes	**1,852**	**(594)**
Income taxes paid (net)	(336)	(694)
Net cash from/(used in) operating activities	**1,516**	**(1,288)**

Consolidated Statement of Cash Flows for the year ended March 31, 2019 (cont'd.)

All amounts in Rs. lakhs unless otherwise stated

	Year ended March 31, 2020	Year ended March 31, 2019
Investing activities		
Purchase of property, plant and equipment, intangible assets and capital work in progress	(241)	(108)
Proceeds from sale of assets	6	-
Proceeds from sublease property	15	-
Movement in fixed deposits and other bank balances (net)	87	250
Investment in mutual funds	(6,068)	(5,069)
Proceeds from sale of mutual funds	7,422	4,596
Interest income received	13	83
Net cash from/(used in) investing activities	**1,234**	**(248)**
Financing activities		
Movement in working capital loans (net)	-	(1)
Repayment of principal portion of lease liabilities	(452)	-
Finance cost on lease liabilities	(127)	-
Finance cost paid	(40)	-
Dividends paid (including distribution tax)	(311)	(311)
Net cash used in financing activities	**(930)**	**(312)**
Net increase/(decrease) in cash and cash equivalents	**1,820**	**(1,848)**
Cash and cash equivalents at the beginning of the year	1,016	2,772
Effect of exchange difference on translation of foreign currency cash and cash equivalents	70	92
Cash and cash equivalents at the end of the year (refer Note 13)	**2,906**	**1,016**

Corporate information and significant accounting policies (refer Notes 1 & 2)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Notes to Consolidated Financial Statements for the year ended March 31, 2020

1. Corporate Information

Mindteck (India) Limited ('Mindteck' or 'the Company' or 'parent') with its subsidiaries, set out below, collectively, referred to as 'the Group', is a public limited company incorporated in 1991, a provider of complete range of Information Technology ('IT') services to a wide range of Fortune 500 companies, multinationals and small and medium enterprises worldwide. The Company renders engineering and IT services to customers spanning across various industry verticals in specific service horizontals. Mindteck's core offerings are in Product Engineering, Application Software, Electronic Design, Testing, IT Infrastructure & Managed Services, R&D Services, Energy Management Software Solutions and Enterprise Business services.

The Group's clientele constitutes 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 Company has its registered office in Bengaluru, India and the Group has two global delivery centers located in India (Bengaluru and Kolkata) and has seventeen offices across India, the United States, Canada, United Kingdom, Germany, Bahrain, Singapore, Philippines and Malaysia.

Mindteck has subsidiaries (including step-down subsidiaries) in the United States, Canada, Singapore, Philippines (under closure), Malaysia, Bahrain, United Kingdom, Netherlands (closed w.e.f. January 14, 2020), Germany and India. Mindteck is the flagship Group and is listed in India on the Bombay Stock Exchange and National Stock Exchange.

List of subsidiaries with percentage holding

Subsidiaries	Country of incorporation and other particulars	Percentage of ultimate holding company (%) as at March 31, 2020 & March 31, 2019
Chendle Holdings Limited ('Chendle')	A subsidiary of Mindteck from April 01, 2008, incorporated under the laws of British Virgin Islands	100
Mindteck (UK) Limited ('Mindteck UK')	A subsidiary of Mindteck from April 01, 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 Nether-lands (closed w.e.f. January 14, 2020)	100
Mindteck Germany GmbH ('Mindteck Germany')	A subsidiary of Mindteck UK from April 02, 2008, incorporated under the laws of Germany	100
Mindteck Singapore Pte Ltd. ('Mindteck Singapore')	A subsidiary of Mindteck from April 01, 2008, incorporated under the laws of Singapore	100
Mindteck, Inc., USA *	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 SPC, 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 08, 2016, incorporated under the laws of Philippines (under closure)	99.99
Hitech Parking Solutions Private Limited	A subsidiary of Mindteck (India) Limited from March 14, 2018, incorporated under Companies Act, 2013.	99.99
Mindteck Canada, Inc.	A subsidiary of Mindteck, Inc., USA from January 10, 2018, incorporated under Canadian law.	100

*Including shares held through Chendle Holdings Limited.

The Group had created an Employee Welfare Trust for providing share-based payments to its employees. The balances of the trust have been appropriately consolidated in the Company's consolidated financial statements.

These consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors on May 27, 2020.

2. Basis of Preparation and Significant accounting policies:

2.1. Basis of preparation

The consolidated financial statements of the Company have been prepared and presented in accordance with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained further in the accounting policies below.

- Certain financial assets and liabilities – measured at fair value/amortized cost
- Defined benefit plans – plan assets measured at fair value
- Employee stock option contracts – measured at grant date fair value, and
- Investment property – fair value for disclosure purpose

The consolidated financial statements are presented in Rs. ('₹') and all the values are rounded off to the nearest lakhs (Rs. 00,000) except when otherwise indicated.

2.2. Summary of significant accounting policies

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve months after the reporting period,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified period of twelve months as its operating cycle.

b. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the accompanying disclosures, and the disclosure of contingent assets and contingent liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

Also, refer to Note 50 of the consolidated financial statements.

Key source of estimation of uncertainty as at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Revenue recognition:

The Group uses the percentage of completion method in accounting for revenue from implementation and customization projects. Use of the percentage of completion method requires the Group to estimate the efforts to date as a proportion of the total efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become probable based on the expected contract estimates at the reporting date.

Employee stock options plan:

The Group initially measures the cost of equity-settled transactions with employees using a Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 43.

Leases:
Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts Refer Note 37.

Defined benefit plans (gratuity and other employee benefits):
The Group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 40.

Appendix D of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers' - Recognition and Measurement:
The Group has entered into concession arrangement in relation to smart/IoT-based parking system with government/statutory body under Public Private Partnership model. The arrangement gives Group right to design, construct, install and maintain the smart parking system. Management has evaluated the arrangement and concluded that Appendix D of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers' applies. Refer Note 5, Note 15, Note 21 and Note 44.

Fair value measurement of financial instruments:
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 46 for further disclosures.

Impairment of non-financial assets:
Impairment exists when the carrying value of an asset or cash generating unit ('CGU') (including goodwill, where applicable) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on DCF model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Also, refer Note 2.2(j).

Impairment of financial assets:
The Group assesses impairment of financial assets ('Financial instruments') and recognizes expected credit losses in accordance with Ind AS 109. Also, refer 2.2(e).

The Group assesses for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 1. Control exists when the parent has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Consolidation procedure:

(i) Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the date on which the investment in the subsidiaries were made, is recognized as 'Goodwill' being an intangible asset in the consolidated financial statements and is tested for an impairment on an annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognized as 'Capital Reserve' and shown in Other equity, in the consolidated financial statements. The 'Goodwill' is determined separately for each subsidiary company and such amounts are not set off between different entities.

(iii) Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as fixed assets, are eliminated in full).

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group.

d. Fair value measurement

The Group measures financial instrument such as investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets:

Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in three broad categories:

- Debt instruments assets at amortized cost
- Financial assets at fair value through OCI ('FVTOCI')
- Financial assets at fair value through profit and loss ('FVTPL')
- Equity instruments measured at fair value through other comprehensive income ('FVTOCI')

When assets are measured at fair value, gains and losses are either recognized entirely in the consolidated statement of profit and loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost:

A Debt instrument is measured at amortized cost (net of any write down for impairment) if both of the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognized in the consolidated statement of profit and loss.

Financial assets at fair value through OCI ('FVTOCI'):

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets at fair value through profit and loss ('FVTPL'):

FVTPL is a residual category for Group's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments (except investment in subsidiary) included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of Profit and Loss.

In addition, the Group may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency.

Derecognition:

When the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets:
The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liabilities:

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost
After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.

Derecognition:
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

iii. Offsetting of financial instruments:
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets:
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

f. Property, plant and equipment
Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost. Capital work-in-progress comprises of expenditure incurred for construction of leasehold improvements. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the plant and equipment to its working condition for the intended use and cost of replacing part of the plant and equipment.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the consolidated statement of profit and loss in the year of occurrence.

g. Depreciation and amortization

Depreciation on property, plant and equipment with finite useful lives is calculated on a straight-line basis over the useful lives of the assets estimated by the management.

The group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. The range of useful lives of the property, plant and equipment are as follows:

Property, plant and equipment	Useful lives estimated by the management (years)
Furniture and fixtures	5 years
Computer equipment	3 years
Office equipment	5 years
Vehicles	5 years

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

h. Investment property

i. Recognition and measurement:

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses (if any).

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the respective Investment property and are amortized over the lease term on the same basis as the lease income.

ii. Depreciation:

Depreciation on Investment Properties is provided on the straight-line method as per the useful life estimated by the management.

The estimated useful life of building classified as an investment property is 58 years.

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the CGU level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern and are treated as changes in accounting estimates.

The estimated useful lives of the amortizable intangible assets are as follows:

Category	Useful life
Computer software	3 years
Service concession arrangements	10 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

j. Impairment of non-financial assets

Non-financial assets including property, plant and equipment, right-of-use assets and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. Leases

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. Refer Note 37 for the impact of adoption of Ind AS-116 on the consolidated financial statements of the Group.

The Group assesses at contract inception whether a contract is/contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer Note 2.2(j) Impairment of non-financial assets.

(ii) Lease liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets:

The Group applies the short-term lease recognition exemption to its short-term leased assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leased assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor:
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

l. Business combination and goodwill
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the consolidated statement of profit and loss. An impairment loss recognized is not reversed in subsequent periods.

m. Revenue recognition
i. Revenue from contracts with customers:
The Group derives its revenues from software service.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Group expect to receive in exchange for those services.

The following specific recognition criteria must also be met before revenue is recognized:

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 over the period of the contracts using the percentage completion method determined by relating the actual cost incurred to date to the estimated total cost of the contract.

Revenue from implementation service under concession arrangement are recognized in line with Appendix D of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers'.

In case of multiple element arrangements for sale of software license, related implementation and maintenance services, the Group applies the guidance in Ind AS 115, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements generally meet the criteria for considering the sale of software license, related implementation and maintain services as distinct performance obligation. For allocating the consideration, the Group has measured the revenue in respect of each distinct performance obligation of a transaction at its standalone selling price, in accordance with principles given in Ind AS 115. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group has used a residual method to allocate the arrangement consideration. In these cases, the balance of the consideration, after allocating the standalone selling price of undelivered components of a transaction has been allocated to the delivered components for which specific standalone selling price do not exist.

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates. 'Unbilled revenue' included in the other financial assets represent revenues in excess of amounts billed to clients as at the balance sheet date. 'Unearned revenue/contract liabilities' included in the current liabilities represent billings in excess of revenues recognized.

The Group collects goods and services tax and other taxes as applicable in the respective tax jurisdictions where the Group operates, on behalf of the government and therefore it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

ii. Other income:

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date. The right to receive dividend is generally established when shareholders approve the dividend.

Interest income is recognized as it accrues in the consolidated statement of profit and loss using effective interest rate method.

iii. Service concession arrangements (SCA):

The Group implements or upgrades infrastructure (implementation or upgrade services) used to provide the smart/IoT-based parking service and maintains that infrastructure (operation service) for a specified period of time. This arrangement may include infrastructure used in a service concession arrangement for its entire useful life.

Under Appendix D – Service Concession Arrangement to Ind AS 115 – Revenue from contracts with customers, the arrangement is accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction/implementation service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the operator performs more than one service (i.e. construction, implementation, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

The intangible assets model recognizes the asset to the extent of cost incurred or to be incurred (including certain obligations arising out the arrangement) towards getting the right to charge users of the public service. The intangible asset is amortized over the concession period i.e. 10 years, from the date they are available for use.

An asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal.

The Group recognizes a financial asset to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor.

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates.

n. Foreign currency translation and transactions:

Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian currency ('Rs.'), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. The statement of profit and loss have been translated using average exchange rates. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the consolidated statement of profit and loss.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

o. Taxes

Tax expense comprises of current and deferred tax.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit and loss is recognized outside the consolidated statement of profit and loss (either in OCI or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

p. Provisions, contingent liabilities, contingent assets and commitments

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the consolidated statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r. Employee stock compensation cost

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Group measures compensation cost relating to employee stock options plans using the fair valuation method in accordance with Ind AS 102, Share-Based Payment.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model. That cost is recognized in Employee benefit expenses, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired (net of forfeitures) and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefit expenses.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

s. Segment reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about services, geographic areas and major customers.

The Group identifies primary segments based on the dominant source, nature of risks and returns, internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue/expenses/assets/liabilities'.

t. Retirement and other employee benefits

Employee benefits include contribution to provident and other funds, gratuity and compensated absences.

Defined contribution plans:

Contributions payable to recognized provident and other funds, which are defined contribution schemes, are charged to the consolidated statement of profit and loss.

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.

Defined benefit plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to the consolidated statement of profit and loss. As required under Ind AS compliant Schedule III, the Group transfers it immediately to 'surplus/(deficit) in the consolidated statement of profit and loss'.

The Group 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. The Group also provides certain additional post-employment healthcare benefits to employees in the United States. These healthcare benefits are unfunded.

Short-term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. Compensated absences, which are expected to be utilized within the next 12 months, are treated as short-term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees render the related services are treated as long-term employee benefits for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end, less the fair value of the plan assets out of which the obligations are expected to be settled. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

The Group presents the entire compensated absences balance as a current liability in the balance sheet since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

u. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Consolidated statement of cash flow

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

v. Corporate Social Responsibility (CSR) expenditure

CSR expense is recognized as it is incurred by the Group or when Group has entered into any legal or constructive obligation for incurring such an expense

2.3. Changes in accounting policies and disclosures

a. Ind AS 116 Leases:

Refer Note 2.2(j) and Note 37.

b. Appendix C to Ind AS 12 Uncertainty over income tax treatment:

Refer Note 2.2(o).

c. Amendments to Ind AS 109: Plan amendment, curtailment or settlement:

Refer Note 2.2(t).

3. Property, plant and equipment

Amount in Rs. lakhs

Particulars	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Cost						
As at April 01, 2018	**153**	**140**	**34**	**3**	**167**	**497**
Additions	76	33	8	-	6	123
Disposals/Adjustments	(3)	(1)	(5)	-	-	(9)
Foreign exchange difference	13	1	11	-	-	25
As at March 31, 2019	**239**	**173**	**48**	**3**	**173**	**636**
Additions	142	38	1	-	-	181
Disposals/Adjustments	(86)	(5)	(8)	(3)	-	(102)
Foreign exchange difference	19	1	19	1	-	40
As at March 31, 2020	**314**	**207**	**60**	**1**	**173**	**755**
Accumulated depreciation						
As at April 01, 2018	**129**	**53**	**8**	**3**	**21**	**214**
Charge for the year	27	33	9	-	35	104
Disposals/Adjustments	(3)	-	(3)	-	-	(6)
Foreign exchange difference	13	-	10	-	-	23
As at March 31, 2019	**166**	**86**	**24**	**3**	**56**	**335**
Charge for the year	67	37	9	-	36	149
Disposals/Adjustments	(85)	(4)	(8)	(3)	-	(100)
Foreign exchange difference	19	1	18	1	-	39
As at March 31, 2020	**167**	**120**	**43**	**1**	**92**	**423**
Net block as at March 31, 2019	**73**	**87**	**24**	**-**	**117**	**301**
Net block as at March 31, 2020	**147**	**87**	**17**	**-**	**81**	**332**

4. Investment property

Amount in Rs. lakhs

Particulars	Building - Asset given under operating lease
Cost	
As at April 01, 2018	**73**
Additions	-
As at March 31, 2019	**73**
Additions	-
As at March 31, 2020	**73**
Accumulated depreciation	
As at April 01, 2018	**3**
Charge for the year	2
As at March 31, 2019	**5**
Charge for the year	1
As at March 31, 2020	**6**
Net block as at March 31, 2019	**68**
Net block as at March 31, 2020	**67**

Information regarding income and expenditure of Investment property

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental income derived from investment property	24	25
Less: Direct operating expenses from property that generated rental income (including repairs and maintenance)	-	-
Less: Direct operating expenses from property that did not generate rental income (including repairs and maintenance)	1	1
Profit arising from investment properties before depreciation and indirect expenses	**23**	**24**
Less: Depreciation	(1)	(2)
Profit arising from investment property before indirect expenses	**22**	**22**

Determination of fair values

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	
Investment properties	Market Approach		March 31, 2020	March 31, 2019
		Area of subject unit (sq. ft.)	3,001	3,001
		Adopted market rent per sq.ft. per month	53	68
		Derived unit rate (per sq.ft.)	10,500	11,000
		Estimated rental value (per sq. ft.)	Rs. 53-70	Rs. 65-70
		Discount rate	12.00%	7.25%

The fair value of investment property has been determined by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the fair value as at the reporting date. These valuation methods involve certain estimates. The management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value.

All resulting fair value estimates for investment properties are included in level 3. Refer Note 45.

Reconciliation of fair value

Amount in Rs. lakhs

Particulars	Amount
Opening balance as at April 1, 2018	330
Fair value differences	8
Closing balance as at March 31, 2019	**338**
Fair value differences	(23)
Closing balance as at March 31, 2020	**315**

5. Intangible assets

Amount in Rs. lakhs

Particulars	Computer software	Service concession arrangement#	Goodwill (acquisition of Business)*	Total
Cost				
As at April 01, 2018	**93**	**572**	**265**	**930**
Additions	3	430	-	433
Disposals/Adjustments	-	-	-	-
Foreign exchange difference	1	-	8	9
As at March 31, 2019	**97**	**1,002**	**273**	**1,372**
Additions	20	21	-	41
Disposals/Adjustments	-	(56)	-	(56)
Foreign exchange difference	2	-	8	10
Impairment of goodwill (refer Note 33(a))	-	-	(281)	(281)
Provision for expected losses under service concession arrangement (refer Note 33(b))	-	(48)	-	(48)
As at March 31, 2020	**119**	**919**	**-**	**1,038**
Accumulated amortisation				
As at April 01, 2018	**49**	**9**	**-**	**58**
Charge for the year	22	61	-	83
Foreign exchange difference	2	-	-	2
As at March 31, 2019	**73**	**70**	**-**	**143**
Charge for the year	15	97	-	112
Foreign exchange difference	1	-	-	1
As at March 31, 2020	**89**	**167**	**-**	**256**
Net block as at March 31, 2019	**24**	**932**	**273**	**1,229**
Net block as at March 31, 2020	**30**	**752**	**-**	**782**

Refer Note 44
* Also refer Note 6

6. Goodwill on consolidation

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Following is the movement of carrying value of goodwill:		
Balance at the beginning of the year	8,481	8,481
Add/(less): Impairment during the year (refer Note 33(a))	(5,666)	-
Balance at the end of the year	**2,815**	**8,481**

Below is the Cash Generating Unit ('CGU') wise break-up of Goodwill:

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Mindteck, Inc., USA	2,447	7,786
Mindteck Singapore Pte. Ltd	25	353
Mindteck UK Limited	259	259
Mindteck Middle East Limited SPC	84	84
Total Goodwill	**2,815**	**8,481**

Goodwill impairment testing:

The Group tests whether goodwill has suffered any impairment on an annual basis as at each reporting date. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of several assumptions. The calculations use cash flow projections (based on financial budgets approved by the management), revenue/earning multiples. An average of the range of each assumption used is mentioned below:

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Growth rate	1% to 11%	7% to 14%
Operating margin	6% to 10%	7% to 27%
Discount rate	12% to 25%	12% to 15%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows. Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the CGU.

Based on the above testing, provision for impairment amounting to Rs. 5,947 lakhs (including impairment of goodwill on acquisition of business in Singapore amounting to Rs. 281 lakhs) was recorded as at March 31, 2020 (March 31, 2019 - Rs. NIL)

7. Loans - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	387	275
Unsecured, credit impaired		
Security deposits	50	50
Provision for doubtful deposits	(50)	(50)
Total	**387**	**275**

8. Other financial assets - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with bank with remaining maturity of more than 12 months*	11	89
Total	**11**	**89**

*Represents restricted bank balances of Rs. 11 lakhs (March 31, 2019: Rs. 89 lakhs). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

9. Taxes

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax assets (net) - Non-current	1,244	991
Income tax liabilities (net) - Current	224	164

Also, refer Note 39 for further details.

10. Other non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expense	6	38
Total	**6**	**38**

11. Investments - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Quoted mutual funds measured at fair value through statement of profit and loss		
1,888.70 (March 31, 2019 - 1,888.70) units in AXIS Treasury Advantage Fund - Growth	43	39
NIL (March 31, 2019 - 346,473.89) units in ICICI Money Market Fund - Direct Growth	-	901
NIL (March 31, 2019 - 148,570.14) units in ICICI Liquid Fund-DP Growth	-	411
Total	**43**	**1,351**
Aggregate book value of quoted investments in mutual funds	**43**	**1,351**
Aggregate market value of quoted investments in mutual funds	**43**	**1,351**

12. Trade receivables - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Trade receivables from other than related parties	5,704	7,073
Unsecured, credit impaired		
Trade receivables from other than related parties	270	361
	5,974	7,434
Impairment allowance (allowance for expected credit loss)		
Receivables from other than related parties, credit impaired	(270)	(361)
Total	**5,704**	**7,073**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, there are no trade or other receivables due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

13. Cash and cash equivalents - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	4	11
Balances with banks		
- in current accounts	2,742	859
- in fixed deposits with original maturity for less than 3 months	160	146
	2,906	**1,016**
Other bank balances		
Balances with banks		
- Fixed deposits with remaining maturity less than 12 months	20	29
- unpaid dividend account	13	7
	33	36
Total	**2,939**	**1,052**

Cash and cash equivalents* as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of Rs. 33 lakhs and Rs. 36 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

* Considered for the purpose of the statement of cash flows, cash and cash equivalents.

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2019	Cash flows	As at March 31, 2020
Borrowings *	-	-	-
Total liabilities from financing activities	**-**	**-**	**-**

*Rounded-off to lakhs

Particulars	As at April 01, 2018	Cash flows	As at March 01, 2019
Borrowings	1	(1)	-
Total liabilities from financing activities	**1**	**(1)**	**-**

14. Loans - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Security deposits	25	82
Total	**25**	**82**

15. Other financial assets - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Claimable expenses	111	-
Provision for expected losses under service concession arrangement (refer Note 33(b))	(111)	-
	-	-
Unsecured, considered good		
Claimable expenses	8	162
Unbilled revenue	1,963	1,776
Accrued interest	2	2
Employee advances	82	72
Total	**2,055**	**2,012**
Break up of financial assets carried at amortised cost:		
Security deposits (non-current) (Note 7)	387	275
Fixed deposits with bank with remaining maturity of more than 12 months (non-current) (Note 8)	11	89
Trade receivables (current) (Note 12)	5,704	7,073
Cash and cash equivalents (current) (Note 13)	2,906	1,016
Other bank balances (current) (Note 13)	33	36
Security deposits (current) (Note 14)	25	82
Claimable expenses (current) (Note 15)	8	162
Unbilled revenue (current) (Note 15)	1,963	1,776
Accrued interest (current) (Note 15)	2	2
Employee advances (current) (Note 15)	82	72
Total	**11,121**	**10,583**

16. Other current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advances recoverable in cash or kind	48	103
Balances with government authorities *	477	484
Less: Provision for doubtful input credit receivable	(259)	(79)
Net balance with government authorities	**218**	**405**
Prepaid expenses	341	169
Total	**607**	**677**

* Represents amount of service tax input credit receivable and goods and service tax input credit receivable.

17. Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised capital		
Equity shares		
28,000,000 (March 31, 2019: 28,000,000) equity shares of Rs. 10 each	2,800	2,800
Preference shares		
500,000 (March 31, 2019: 500,000) cumulative, non-convertible, redeemable preference shares of Rs. 100 each	500	500
Issued, subscribed and paid-up share capital		
25,621,898 (March 31, 2019: 25,621,898) equity shares of Rs. 10 each	2,562	2,562
Less: 416,000 (March 31, 2019: 416,000) equity shares of Rs. 10 each fully paid-up held by the Mindteck Employees Welfare Trust	41	41
	2,521	**2,521**

a. **Consolidation of the Mindteck Employees Welfare Trust ('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 01, 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) and 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 as per the valuation carried out by the independent valuer.

Of the total purchase consideration payable, 38,579 equity shares (March 31, 2019: 38,579 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 remaining shares to these shareholders.

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

	As at March 31, 2020		As at March 31, 2019	
Particulars	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)
Outstanding at the beginning of the year	2,52,05,898	2,521	2,52,05,898	2,521
Changes during the year	-	-	-	-
Outstanding at the end of the year	**2,52,05,898**	**2,521**	**2,52,05,898**	**2,521**

d. Terms/rights attached to equity and preference shares

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.

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:

	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	16,431,604	64.13%	16,431,604	64.13%

f. Equity shareholders holding more than 5 percent shares in the Company:

	As at March 31, 2020		As at March 31, 2019	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	16,431,604	64.13%	16,431,604	64.13%
First Asian Investments S.A	1,390,569	5.43%	1,390,569	5.43%

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. Shares reserved for issue

Terms attached to stock options granted to employees are described in Note 43 on share based payments. Also, refer Note 17(b) above.

18. Other Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	798	798
Securities premium	10,156	10,156
Retained earnings	(2,005)	4,746
Other component of equity (Share application money pending allotment)	28	28
Employee stock options reserve	153	334
Foreign currency translation reserve	1,312	960
Total	**10,442**	**17,022**

Refer Statement of Changes in Equity for movement.

Notes:

i. Capital reserve

The Company has created capital reserve in the earlier years.

ii. Securities premium

Security premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

iii. Employee stock option reserve account

The Company has established various equity settled share based payment plans for certain categories of employees of the Company and subsidiaries. Refer Note 43 for further details on these plans.

iv. Distribution made and proposed

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid		
Final dividend	252	252
Tax on dividend distribution	52	52
Total	**304**	**304**

Particulars	As at March 31, 2020	As at March 31, 2019
Dividend proposed		
Final dividend	-	252
Dividend distribution tax (DDT)	-	52
Total	**-**	**304**

On May 27, 2020, the Board of Directors of the Company proposed final dividend of Rs. NIL per equity share for the year ended March 31, 2020 (March 31, 2019 - Re. 1 per equity share). The total dividend payable amounting to Rs. NIL lakhs (including dividend distribution tax) (March 31, 2019 - Rs. 304 lakhs) is not recognised as a liability as at March 31, 2020.

19. Other non-current financial liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Rental deposit	54	20
Total	**54**	**20**

20. Other non-current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred lease rental income	7	-
Rent equalization reserve	-	14
Total	**7**	**14**

21. Provision - Non-current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (refer Note 40)	265	245
Provision towards obligation under service concession arrangements (refer Note 44)	630	732
Total	**895**	**977**

The table below gives the information about movement in provision towards obligation under service concession arrangments:

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	771	484
Created due to addition of sites	-	336
Reversal due to termination of sites	(56)	-
Finance costs	60	46
Other adjustments (including claimable expenses)	(95)	(95)
At the end of the year	**680**	**771**
Current	50	39
Non-current	630	732

22. Borrowings - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Loan repayable on demand from banks (Secured)		
Bank overdraft*	-	-
Total	**-**	**-**

*Rounded-off to lakhs

Note: Bank overdraft carry interest of 10.85 percent per annum, computed on a monthly basis on the actual amount utilized and/or repayable on demand. The bank overdraft is secured by way of first and exclusive charge in all present and future book debts which are lesser than 90 days.

23. Trade payables - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to Micro, Small and Medium Enterprises (refer Note below)	40	197
Others	1,244	1,282
Total	**1,284**	**1,479**

Terms and conditions of the above financial liabilities
- trade payables are non-interest bearing and are normally settled on 30-45 day terms.
- for explanations on the Company's credit risk management, refer to Note 46.

The dues to Micro and Small enterprises as defined in "The Micro, Small & Medium Enterprises Development Act, 2006" are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	40	197
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) 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 the MSMED Act 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid.	-	-

24. Other financial liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid dividend	13	7
Employee related liabilities	781	701
Total	**794**	**708**
Break up of financial liabilities carried at amortised cost:		
Lease liabilities (non-current) (Note 37)	793	-
Rental deposit (non-current) (Note 19)	54	20
Borrowings (current) (Note 22)	-	-
Trade and other payables (current) (Note 23)	1,284	1,479
Lease liabilities (current) (Note 37)	483	-
Unpaid dividend (current) (Note 24)	13	7
Employee related liabilities (current) (Note 24)	781	701
Total	**3,408**	**2,207**

25. Provisions - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (refer Note 40)	58	-
Provision for compensated absences	407	359
Provision towards obligation under service concession arrangements (refer Note 44)	50	39
Total	**515**	**397**

26. Other current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unearned income	15	54
Capital creditors	8	44
Statutory dues	415	508
Rent equalization reserve	-	13
Total	**438**	**619**

27. Revenue from contracts with customers

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services	27,613	29,941
Total	**27,613**	**29,941**

Disaggregated revenue information		
Revenue by contract type		
- Fixed price	692	1,553
- Time and material	26,921	28,388
Total	**27,613**	**29,941**

28. Other income

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Finance income (includes interest income on deposits for year ended March 31, 2020: Rs. 13 lakhs; March 31, 2019: Rs. 49 lakhs)	35	81
Rental income	29	27
Fair value gain on mutual fund at fair value through profit or loss	23	15
Foreign exchange gain, net	33	101
Gain on sale of investments in mutual funds, net	23	38
Gain on sale of assets	5	-
Other non-operating income	27	23
Total	**175**	**285**

29. Employee benefit expense

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	18,175	18,315
Contribution to provident and other funds	997	1,099
Gratuity (refer Note 40)	77	86
Share-based payment expense (refer Note 43)	(14)	85
Staff welfare expenses	689	696
Total	**19,924**	**20,281**

30. Finance costs

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense and bank charges	39	54
Interest expense on lease liabilities (refer Note 37)	127	-
Interest expense on service concession arrangements (refer Note 21)	60	46
Total	**226**	**100**

31. Depreciation and amortisation expense

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	149	104
Depreciation of right-of-use assets (refer Note 37)	442	-
Depreciation of investment property	1	2
Amortisation of intangible assets	112	83
Total	**704**	**189**

32. Other expenses

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	94	647
Hiring charges	66	68
Directors sitting fees	46	26
Travel expenses	568	561
Power and fuel	157	158
Communication expenses	143	145
Professional charges	572	619
Repairs and maintenance		
- Buildings	1	1
- Others	157	137
Project supply and services	390	1,283
Rates and taxes	53	43
Insurance	49	49
Remuneration to auditors (refer Note 35)	49	48
Membership and subscription	293	271
Printing and stationery	25	26
Recruitment expenses	144	174
Provision for doubtful debts (net) and loss allowance	(102)	(176)
Contribution towards corporate social responsibility (refer Note 38)	15	18
Bad debts written off	27	124
Provision for doubtful input credit receivable	180	-
Miscellaneous expenses	142	205
Total	**3,069**	**4,427**

33. Exceptional Items

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impairment of goodwill (refer Note 33(a))	(5,942)	-
Impairment of receivables of service concession arrangement (refer Note 33(b))	(159)	-
Total	**(6,101)**	**-**

a. During the year ended March 31, 2020, as a part of impairment evaluation and considering the COVID-19 pandemic, impairment assessments were carried out in respect of carrying value of goodwill and basis valuation carried out by an external valuation expert, an impairment of Rs. 5,942 lakhs towards carrying value of goodwill has been recorded. Also, refer Note 5 and Note 6.

b. In July 2017, the Group had undertaken a Smart Parking project vide an Authorization Agreement with Bhopal Municipal Corporation (BMC) under Public Private Partnership Mode (Service Concession Arrangement). Considering the delay in site hand over by BMC, related claims by both the parties, impact of COVID-19 pandemic on a seamless business operation and related Force Majeure clause being invoked by the Group, the management has reassessed recoverability of investment in assets and amounts receivables from BMC as at March 31, 2020. Accordingly, provision for expected losses amounting to Rs. 159 lakhs has been provided for in the quarter and year ended March 31, 2020. Also, refer Note 5, Note 15 and Note 44.

34. Contingent liabilities and commitments

Amount in Rs. lakhs

(A) Particulars	As at March 31, 2020	As at March 31, 2019
(i) Income tax matters: The Company is involved in certain tax disputes pertaining to transfer pricing and other adjustments which are pending at various forums. Management is confident that the Company has a good case to defend and such cases are not tenable and no liability is expected in this regard.		
- in relation to AY: 2006-07, AY: 2010-11 and AY 2016-17 (March 31, 2019:AY: 2006-07 and AY: 2010-11)	518	387
(ii) Company has utilised bank guarantee facilities against the bank guarantees provided to customers, Customs and Excise Departments for Software Technology Park of India (STPI) bonding facilities.	236	276

(B) During the year ended March 31, 2020, the Company has accrued provision for material foreseable losses for a long term contract with respect to a customer. The Company has assessed the balance revenue amounting to Rs. 72 lakhs and balance costs to be accrued amounting to Rs. 125 lakhs for the commitment period, thereby recording provision amounting to Rs. 53 lakhs included in 'Other expenses'.

35. Auditors' remuneration

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit fees	39	36
Tax audit fees	1	1
Other certification services	3	5
Reimbursement of expenses	6	6
Total	**49**	**48**

36. Earnings/(Loss) per share

Basic earnings/(loss) per share (EPS) amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table sets forth the computation of basic and diluted earnings per share:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit/(loss) for the year attributable to equity shareholders	(6,480)	274
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share (A)	2,52,05,898	2,52,05,898
Earnings/(loss) per share, basic (in Rs.)	(25.71)	1.09
Effect of dilutive potential shares		
- Employee stock options	2,985	36,202
- Equity shares reserved for issuance	38,579	38,579
- Equity shares held by Mindteck Employees Welfare Trust (reduced for calculation of basic earnings per share)	4,16,000	4,16,000
Total no. of dilutive potential shares (B)	4,57,564	4,90,781
Weighted average number of equity shares outstanding during the year for calculation of diluted earnings per share (A+B) * #	2,56,63,462	2,56,96,679
Earnings/(loss) per share, diluted (in Rs.)	(25.71)	1.07

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

The above potentional shares are anti-dilutive in nature for the year ended March 31, 2020 and accordingly have not been considered for the purpose of calculation of diluted EPS for the year.

37. Leases

Group as a lessee

"Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 01, 2019. Accordingly, a right-of-use asset of Rs. 1,232 lakhs (including reclassification of prepaid rent to right-of-use asset as per the requirements amounting to Rs. 37 lakhs) and a corresponding lease liability of Rs. 1,393 lakhs has been recognised. The cumulative effect on transition in retained earnings net of taxes is Rs. 131 lakhs (including adjustment of rent equalisation reserve of Rs. 27 lakhs and net off deferred tax of Rs. 40 lakhs). The principal portion of lease payments have been disclosed under cash flow from financing activities.

The lease payments for the operating leases as per Ind AS 17-Leases, were earlier reported under cash flow from operating activities. The average incremental borrowing rate of 9.65% for India and 4.67% for USA has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right to use assets and finance cost for interest accrued on lease liabilities.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

The details of the right-of-use asset held by the Group is as follows:

Amount in Rs. lakhs

	Buildings	Total
Gross Carrying Value		
As at April 1, 2019	**1,232**	**1,232**
Additions during the year	310	310
Disposals during the year	(47)	(47)
Exchange differences	31	31
As at March 31, 2020	**1,526**	**1,526**
Depreciation		
Charge for the year	442	442
Disposals	-	-
Exchange differences	-	-
As at March 31, 2020	**442**	**442**
Net block		
As at March 31, 2020	**1,084**	**1,084**

The details of the investments in sub-lease held by the Group is as follows:

Amount in Rs. lakhs

	Buildings	Total
Gross Carrying Value		
As at April 1, 2019	-	-
Additions during the year	49	49
Finance income	(15)	(15)
Exchange differences	1	1
As at March 31, 2020	**35**	**35**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Amount in Rs. lakhs

	Lease Liabilities
As at April 1, 2019	**1,393**
Additions	292
Interest on lease liabilities	127
Payments	(570)
Exchange difference	34
As at March 31, 2020	**1,276**
Current	483
Non-current	793

The maturity analysis of lease liabilities are disclosed in Note 46.
The effective interest rate for lease liabilities is 9.65% for India and 4.67% for USA with maturity between 2020-2024.

The following are the amounts recognised in profit or loss:

Amount in Rs. lakhs

Particulars	March 31, 2020
Depreciation expense of right-of-use assets	442
Interest expense on lease liabilities	127
Expense relating to short-term leases (included in other expenses)	94
Finance income on investment in sub-lease	(15)
	648

38. Expenditure on corporate social responsibility activities

Amount in Rs. lakhs

Particulars		Year ended March 31, 2020	Year ended March 31, 2018
a. Gross amount required to be spent by the Group during the year		15	17
b. Amount spent during the year ending on March 31, 2020:	In Cash	Yet to be paid in cash	Total
i) construction acquistion of any asset	-	-	-
ii) on the purpose other than (i) above	15	-	15
c. Amount spent during the year ending on March 31, 2019:	In Cash	Yet to be paid in cash	Total
i) construction acquistion of any asset	-	-	-
ii) on the purpose other than (i) above	18	-	18

39. Income tax

Income tax expense in the statement of profit and loss consists of:

Amount in Rs. lakhs

Statement of profit or loss	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	172	244
Deferred tax charge/(credit)	(71)	65
Income tax expense reported in the statement of profit or loss	**101**	**309**
Tax relating to earlier years *	(28)	(147)
Income tax expense reported in the statement of profit or loss	**73**	**162**
Income tax recognised in other comprehensive income		
- Tax arising on income and expense recognised in other comprehensive income	1	(20)
Total	**1**	**(20)**

* Includes reversal of provision towards uncertain taxes amounting to Rs. 28 lakhs (March 31, 2019: Rs.155 lakhs) in view of the current status of net operating losses of Mindteck, Inc., USA.

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(loss) before tax	(6,407)	436
Enacted income tax rate in India	25.17%	27.82%
Computed expected tax expense/(credit)	(1,613)	121
Impact due to:		
Tax effect on changes in enacted tax rate to 25.17%	19	-
Deferred tax asset not recognised due to uncertainty of related future taxable profits	1,426	-
Non-deductible expenses for tax purpose	24	45
Tax relating to earlier years	(28)	(147)
Impact due to differential overseas effective tax rates	228	194
Others	16	(51)
Total income tax expense	**73**	**162**

Deferred tax

Deferred tax relates to the following:

Amount in Rs. lakhs

	Balance sheet		Statement of profit and loss and other comprehensive income	
Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Property, plant and equipment and intangible assets	(130)	(188)	58	(215)
Provision for doubtful debts, loss allowance and deposits	45	44	1	1
Compensated absences	29	26	3	(1)
Gratuity	81	68	12	3
Others	289	252	38	127
Net deferred tax assets (net)	**314**	**202**	**112**	**(85)**

40. Employee benefits

A. Gratuity

The Company offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the funded status of the gratuity plan and the amount recognized in the Company's financial statements as at and for the year ended March 31, 2020 and March 31, 2019:

Amount in Rs. lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Change in benefit obligations		
Benefit obligations at the beginning	284	301
Service cost	55	63
Interest expense	22	24
Actuarial loss/(gain) due to change in financial assumptions	12	(47)
Actuarial loss/(gain) due to experience adjustments	(11)	(25)
Benefits paid	(36)	(32)
Benefit obligations at the end	**326**	**284**
Change in plan assets		
Fair value of plan assets at the beginning	39	68
Contribution	2	3
Interest income	4	5
Administration expenses	(4)	(4)
Return on plan assets excluding amounts included in interest income	(2)	(1)
Benefits paid	(36)	(32)
Fair value of plan assets at the end	**3**	**39**

Reconciliation of fair value of assets and defined benefit obligations		
Present value of obligation as at the end of the year	326	284
Fair value of plan assets as at the end of the year	3	39
Amount recognised in the Balance Sheet	**323**	**245**
Current	**58**	**-**
Non-current	**265**	**245**

Expense recognised in profit or loss		
Current service cost	55	63
Interest expense	22	24
Interest income	(4)	(5)
Administrative expenses	4	4
	77	**86**
Remeasurement gain/(loss) recognised in other comprehensive income		
Actuarial gain/(loss) due to change in financial assumptions	(12)	47
Actuarial gain/(loss) due to experience adjustments	11	25
Return on plan assets excluding amounts included in interest income	(2)	(1)
	(3)	**71**

Amount in Rs. lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Five year pay-outs		
Year 1	61	53
Year 2	47	45
Year 3	45	41
Year 4	46	39
Year 5	40	38
After 5th Year	213	197
Actuarial assumptions		
Discount rate	6.40%	7.30%
Salary growth rate	7.00%	7.00%
Attrition rate	20.00%	20.00%
Retirement age	58 years	58 years

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Amount in Rs. lakhs

	Year ended March 31, 2020		**Year ended March 31, 2019**	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(14)	15	(12)	13
Salary growth rate (1% movement)	16	(15)	14	(13)
Attrition rate (10% movement)	(5)	5	(3)	3

The Group's Gratuity Fund is managed by Life Insurance Corporation of India (LIC). The plan assets under the fund are deposited under approved securities.

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The expected contribution in next year is Rs. 58 lakhs (March 31, 2019: Rs. NIL).

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

B. Contribution to provident fund

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. 248 lakhs (March 31, 2019: Rs. 252 lakhs).

41. Related party disclosures

(i) Names of related parties and description of relationship:

A. Enterprises who exercise Control

Transcompany Ltd., British Virgin Islands (BVI) - Ultimate holding company

Embtech Holdings Ltd., Mauritius - Holding company

B. Enterprises in which relative of an Independent Director is a Partner

CounsePro

C. Key management personnel

Meenaz Dhanani	Non-Executive Director
Sanjeev Kathpalia	Non-Executive Director (Ceased to be Managing Director and Chief Executive Officer w.e.f. March 01, 2020 and continued to remain on the Board as a Non-Executive Director. Subsequently, resigned with effect from March 12, 2020)
Anand Balakrishnan	Managing Director and Chief Executive Officer (Appointed as an Additional Director w.e.f. February 14, 2020 and was elevated to the position of MD & CEO w.e.f. March 01, 2020) Chief Financial Officer (Appointed as an Interim CFO w.e.f. August 13, 2019 and ceased to be Interim CFO w.e.f. March 01, 2020)
Jagdish Malkani	Independent Director
Javed Gaya	Independent Director (Resigned with effect from April 03, 2018)
Guhan Subramaniam	Independent Director
Prochie Mukherji	Independent Director
Satish Menon	Independent Director (Appointed with effect from May 14, 2018)
Subhash Bhushan Dhar	Independent Director (Appointed with effect from May 29, 2018)
Yusuf Lanewala	Chairman
Ramachandra Magadi	Chief Financial Officer (Appointed as the Chief Financial Officer w.e.f. March 01, 2020)
Prashanth Idgunji	Chief Financial Officer (Resigned with effect from July 29,2019)
Shivarama Adiga S.	Company Secretary

(ii) Related party transactions:

Amount in Rs. lakhs

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a.	**Professional charges:**		
	CounsePro	1	-
	Total	**1**	**-**
b.	**Transactions with the key management persons for the year ended are as follows:**		
	Compensation of key management personnel of the Group #		
	Short-term employee benefits *	412	387
	Share-based payment transactions	(27)	64
	Benefits paid to non-executive directors/independent directors	46	26
	Total	**431**	**477**

Includes Rs. 12 lakhs paid to Managing Director and CEO which has been approved by the Board vide meeting dated February 14, 2020, subject to shareholder's approval.

* The remuneration to the key managerial personnel does not include the provision/accruals made on best estimate basis as they are determined for the Group as a whole.

42. Segment information

A. Description of segments and principal activities

The Mindteck Group's operations predominantly relate to providing software services to external customers and providing IT-enabled services to subsidiaries within the Group.

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.

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker also evaluates the Group performance and allocates resources based on an analysis of various performance indicators by geographical areas. Accordingly, information has been presented in respect of such geographical segments.

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

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

B. Geographical Segments

Amount in Rs. lakhs

Revenue	Year ended March 31, 2020	Year ended March 31, 2019
United States of America	15,779	17,165
India	3,582	4,930
Rest of the world	8,252	7,846
Total	**27,613**	**29,941**

Revenue from one customer amounted to more than 10% of the total revenue of the Group amounting to Rs. 3,227 lakhs (March 31, 2019: Rs. 3,531 lakhs and Rs. 3,271 lakhs) for the year ended March 31, 2020.

Amount in Rs. lakhs

Carrying amount of segment assets	Year ended March 31, 2020	Year ended March 31, 2019
United States of America	5,093	4,960
India	7,195	7,237
Rest of the world	3,347	3,243
Unallocated Corporate asset - Goodwill on consolidation	2,815	8,481
Total	**18,450**	**23,921**

Amount in Rs. lakhs

Cost to acquire tangible and intangible fixed assets	Year ended March 31, 2020	Year ended March 31, 2019
United States of America	2	6
India	218	548
Rest of the world	2	2
Total	**222**	**556**

43. Employee stock options

As at March 31, 2020, the Company has the following share-based payment arrangements:

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 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 Employees Stock Option Scheme 2005 (ESOP 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 of the Group, 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 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, 2020, the Company has granted 50,000 options on August 13, 2019 at an exercise price of Rs. 36.40 per share.

During the year ended March 31, 2019, the Company has granted 24,000 options on May 29, 2018 at an exercise price of Rs. 55.15 per share.

c. Mindteck Employees Stock Option Scheme 2008 (ESOP 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 of the Group, 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 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, 2020, the Company has granted NIL options.

During the year ended March 31, 2019, the Company has granted 170,000 options on August 14, 2018 at an exercise price of Rs. 48.70 per share.

d. Mindteck Employees Stock Option Scheme 2014 (ESOP 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 of the Group, 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 employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2020, the Company has granted NIL options.

During the year ended March 31, 2019, the Company has granted 100,000 options on February 26, 2019 at an exercise price of Rs. 34.70 per share.

e. Employees' Stock Options details as on the balance sheet date are:

Particulars	2019-20 Option (no.)	2019-20 Weighted average exercise price per stock option	2018-19 Option (no.)	2018-19 Weighted average exercise price per stock option
Options outstanding at the beginning of the year				
ESOP 2005	1,22,600	67.10	1,72,800	68.03
ESOP 2008	6,14,419	69.90	6,73,553	76.37
ESOP 2014	6,00,000	73.51	5,00,000	79.70
Options granted during the year				
ESOP 2005	50,000	36.40	24,000	55.15
ESOP 2008	-	-	1,70,000	48.70
ESOP 2014	-	-	1,00,000	34.70
Forfeited, cancelled, surrendered or lapsed during the year				
ESOP 2005	33,100	67.27	74,200	63.78
ESOP 2008	2,84,700	60.08	2,29,134	74.18
ESOP 2014	5,00,000	79.70	-	-
Exercised during the year on exercise of employee stock options/restricted shares+				
ESOP 2005	-	-	-	-
ESOP 2008	-	-	-	-
ESOP 2014	-	-	-	-
Options outstanding at the end of the year				
ESOP 2005	1,39,500	56.05	1,22,600	67.10
ESOP 2008	3,29,719	77.64	6,14,419	69.90
ESOP 2014	1,00,000	34.70	6,00,000	73.51
Options exercisable at the end of the year				
ESOP 2005	76,700	67.62	82,600	67.12
ESOP 2008	3,28,119	77.66	2,92,086	74.11
ESOP 2014	33,333	34.70	2,50,000	79.17

+ The weighted average share price at the date of exercise:

Particulars	2019-20	2018-19
ESOP 2005	-	-
ESOP 2008	-	-
ESOP 2014	-	-

f. Details of Weighted average remaining contractual life and range of exercise prices for the options outstanding at the balance sheet date

Particulars	Weighted average remaining contractual life (years)* 2019-20	Weighted average remaining contractual life (years)* 2018-19	Range of exercise prices 2019-20	Range of exercise prices 2018-19	Fair value of options granted during the year 2019-20	Fair value of options granted during the year 2018-19
ESOP 2005	3.10	1.96	13.55 - 92.10	13.55 - 92.10	14.88	28.46
ESOP 2008	2.21	3.19	43.60 - 130.80	43.60 - 130.80	-	24.12
ESOP 2014	5.91	5.64	34.70 - 34.70	34.70 - 81.30	-	13.60

* considering vesting and exercise period

g. Fair value methodology

The following table list the inputs to the models used for the three plans for the year ended March 31, 2020 and March 31, 2019, respectively:

	March 31, 2020			March 31, 2019		
Particulars	**ESOP 2005**	**ESOP 2008**	**ESOP 2014**	**ESOP 2005**	**ESOP 2008**	**ESOP 2014**
Expected volatility of share	48.57%	-	-	62.30%	62.51%	57.24%
Risk-free interest rate	7.52%	-	-	7.99%	7.55%	6.93%
Expected dividend yield	2.07%	-	-	2.07%	2.44%	1.74%
Expected life (years)	4.50	-	-	4.77	4.55	4.50
Model used	Black scholes	-	-	Black scholes	Black scholes	Black scholes

The expected life of stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

h. The expense recognised for employee services received during the year is shown in the following table:

Amount in Rs. lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Expense arising from equity-settled share-based payment transactions	(14)	85
Total expense arising from share-based payment	**(14)**	**85**

44. Service concession arrangement (SCA)

a. Significant terms of Service concession arrangement are provided below:

Particulars	Authorisation agreement signed with Bhopal Municipal Corporation (BMC)
Nature of the asset recognised under SCA accounting	Intangible assets
Carrying value	Rs. 752 lakhs (March 31, 2019: Rs. 932 lakhs)
Year when SCA granted	FY 2017-18
Concession period	10 years
Extension of concession period	Not applicable
Work in progress - status	Phase 1 completed & Phase 2 partially completed (March 31, 2019: Phase 1 completed & Phase 2 partially completed)
Premature termination	Not applicable
Brief description of concession	The Company has been awarded a contract under Public Private Partnership on July 26, 2017 with Bhopal Municipal Corporation (BMC) for designing, implementation/construction, installation, financing, and maintenance of Smart Parking System (SPS).

b. Intangible asset under SCA

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	932	563
Add:		
Cost of supplies including profit margin	21	93
Provision towards obligation under service concession arrangements	-	337
Less:		
Amortization for the year	97	61
Reversal due to termination of sites	56	-
Provision for expected losses under service concession arrangement	48	-
Total	**752**	**932**

Also, refer Note 5, Note 15, Note 21 and Note 33(b).

45. Financial instruments

The carrying value of financial instruments by categories is as below:

Amount in Rs. lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets - Non-current (measured at amortized cost)		
Security deposits ^	387	275
Fixed deposits bank with remaining maturity of more than 12 months #	11	89
Financial assets - Current (measured at fair value through profit & loss)		
Investments in mutual funds $	43	1,351
Financial assets - Current (measured at amortized cost)		
Trade receivables #	5,704	7,073
Cash and cash equivalents #	2,906	1,016
Other bank balances #	33	36
Security deposits ^	25	82
Claimable expenses #	8	162
Unbilled revenue #	1,963	1,776
Accrued interest #	2	2
Employee advances #	82	72
Total assets	**11,164**	**11,934**
Financial liabilities - Non-current (measured at amortized cost)		
Lease liabilities ^	793	-
Rental deposit ^	54	20
Financial liabilities - Current (measured at amortized cost)		
Bank overdraft * #	-	-
Trade payables #	1,284	1,479
Lease liabilities ^	483	-
Unpaid dividend #	13	7
Others #	781	701
Total liabilities	**3,408**	**2,207**

*Rounded-off to lakhs

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

$ The carrying value of this account is measured at fair value through profit & loss and are classified as level 1 of fair value hierarchy.

Management has assessed these carrying balances approximates their fair value largely due to the short term maturities/liquid nature.

^ These balances are determined by using discounted cash flows using discount rate that reflects the issuer's borrowing rate/lending rate for the respective financial assets/liabilities as at the end of the reporting period.

46. Financial risk management

The Group has exposure to following risks arising from financial instruments-

- credit risk
- market risk
- interest risk
- liquidity risk

a. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relations to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

b. Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) from its financing activities including deposits with banks and financial institutions.

i) Trade and other receivables:

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Expected credit loss (ECL) assessment for corporate customers as at March 31, 2020 and March 31, 2019

The Company's credit period generally ranges from 0-90 days. The credit risk exposure of the Company is as follows:

Amount in Rs. lakhs

	As at March 31, 2020		As at March 31, 2019	
Particulars	**Gross amount**	**Provision and loss allowance**	**Gross amount**	**Provision and loss allowance**
Trade receivables and unbilled revenue	7,937	270	9,210	361
Total	**7,937**	**270**	**9,210**	**361**

Reconciliation of provision for doubtful debts and loss allowance:

Amount in Rs. lakhs

Particulars	**Amount**
Provision and loss allowance on April 01, 2018	**504**
Changes in provision and loss allowance	(143)
Provision and loss allowance on March 31, 2019	**361**
Changes in provision and loss allowance	(91)
Provision and loss allowance on March 31, 2020	**270**

ii) Other financial assets and deposits with banks:

Credit risk on cash and cash equivalent (including bank balances, fixed deposits and margin money with banks) is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

c. Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in United States Dollars ('USD'). The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group also has exposures to Great Britain Pound ('GBP') and Singapore Dollar ('SGD').

Unhedged foreign currency exposure

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

Particulars	Currency	As at March 31, 2020 Amount in Rs. lakhs	As at March 31, 2019 Amount in Rs. lakhs
Trade receivables towards services rendered	USD	138	201
	QAR	1	14
	AUD	-	2
	TRY	-	2
Other current assets	USD	15	22
	CHF	12	-
	QAR	1	4
Trade payables for services availed	USD	33	22

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Group would cause the loss before tax in proportion to revenue to decrease or increase respectively by 0.01% (profit before tax for the year ended March 31, 2019 by 0.01%).

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its short term borrowings in nature of working capital loans, which carry floating interest rates. Accordingly, the Group's risk of changes in interest rates relates primarily to the Group's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's loss before tax due to change in the interest rate/fair value of financial liabilities are as disclosed below:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Change in interest rate	Effect on profit before tax	Change in interest rate	Effect on profit before tax
Borrowings*	+1%	-	+1%	-
	-1%	-	-1%	-

*Rounded-off to lakhs

d. Liquidity risk

Liquidity is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing the liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

Exposure to liquidity risk

The table below details the Group's remaining contractual maturity for its financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Amount in Rs. lakhs

		Contractual cash flows			
Particulars	**Carrying value**	**Total**	**On demand**	**< 1 Yr**	**>1 Yr**
March 31, 2020					
Lease liabilities	1,276	1,276	-	483	793
Rental deposit	54	54	-	-	54
Bank overdraft*	-	-	-	-	-
Trade payables	1,284	1,284	-	1,284	-
Unpaid dividend	13	13	13	-	-
Employee related liabilities	781	781	781	-	-
	3,408	**3,408**	**794**	**1,767**	**847**
March 31, 2019					
Rental deposit	20	20	-	-	20
Bank overdraft*	-	-	-	-	-
Trade payables	1,479	1,479	-	1,479	-
Unpaid dividend	7	7	7	-	-
Employee related liabilities	701	701	701	-	-
	2,207	**2,207**	**708**	**1,479**	**20**

* Rounded-off to lakhs.

47. Capital management

The Group's objective is to maintain a strong capital base to ensure sustained growth in business and to maximise the shareholders value. The capital management focusses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Group's adjusted net debt to equity ratio is analysed as follows:

Amount in Rs. lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Total equity attributable to shareholders of the Company (A)	12,963	19,543
Total borrowings (B)* #	-	-
Total Capital (C) = (A)+(B)	**12,963**	**19,543**
Total borrowings as a percentage of total capital (B/C)		
Total equity as a percentage of total capital (A/C)	0.00%	0.00%
	100.00%	100.00%

*Total borrowings represents bank overdraft.

Rounded-off to lakhs

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

48. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

A. Contribution of net assets/(liability) in the consolidated financial statements:

Amount in Rs. lakhs

Particulars	As at March 31, 2020 Amount	As at March 31, 2020 % of total	As at March 31, 2019 Amount	As at March 31, 2019 % of total
Parent				
Mindteck (India) Limited	6,870	53%	13,291	68%
Foreign entities				
Mindteck, Inc.	3,753	29%	3,846	20%
Mindteck Singapore Pte Ltd.	780	6%	765	4%
Mindteck Software Malaysia SDN. BHD	729	6%	924	5%
Mindteck UK Limited	358	3%	227	1%
Mindteck Middle East Ltd S.P.C, Kingdom of Bahrain	179	1%	124	1%
Mindteck Solutions Philippines Inc.	-	0%	20	0%
Mindteck Canada, Inc.	126	1%	154	1%
Mindteck Netherlands BV	-	0%	2	0%
Mindteck Germany GmbH	120	1%	146	1%
Indian entities				
Mindteck Employee Welfare Trust	38	0%	34	0%
Hitech Parking Solutions Private Ltd.	10	0%	10	0%
Total	**12,963**	**100%**	**19,543**	**100%**
Adjustments arising out of consolidation	-	0%	-	0%
Total	**12,963**	**100%**	**19,543**	**100%**

B. Contribution of profit/(loss) in the consolidated financial statements:

Amount in Rs. lakhs

Particulars	As at March 31, 2020 Amount	As at March 31, 2020 % of total	As at March 31, 2019 Amount	As at March 31, 2019 % of total
Parent				
Mindteck (India) Limited	(5,924)	91%	719	262%
Foreign entities				
Mindteck, Inc.	(528)	8%	(292)	(107%)
Mindteck Singapore Pte Ltd.	(169)	3%	(45)	(16%)
Mindteck Software Malaysia SDN. BHD	100	(2%)	127	46%
Mindteck UK Limited	(46)	1%	(12)	(4%)
Mindteck Middle East Ltd S.P.C, Kingdom of Bahrain	48	(1%)	(58)	(21%)
Mindteck Solutions Philippines Inc.	(8)	0%	(26)	(9%)
Mindteck Canada, Inc.	(41)	1%	47	17%
Mindteck Netherlands BV	-	0%	-	0%
Mindteck Germany GmbH	(84)	1%	(186)	(68%)
Indian entities				
Mindteck Employee Welfare Trust	4	0%	-	0%
Hitech Parking Solutions Private Ltd.	-	0%	-	0%
Total	**(6,648)**	**103%**	**274**	**100%**
Adjustments arising out of consolidation	168	(3%)	-	0%
Total	**(6,480)**	**100%**	**274**	**100%**

C. Share in other Comprehensive income:

Amount in Rs. lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount	% of total	Amount	% of total
Parent				
Mindteck (India) Limited	(2)	(1%)	51	17%
Foreign entities				
Mindteck, Inc.	324	93%	241	77%
Mindteck Singapore Pte Ltd.	30	9%	28	9%
Mindteck Software Malaysia SDN. BHD	24	7%	(14)	(4%)
Mindteck UK Limited	9	3%	(1)	0%
Mindteck Middle East Ltd S.P.C, Kingdom of Bahrain	(9)	(3%)	(2)	(1%)
Mindteck Solutions Philippines Inc.	1	0%	1	0%
Mindteck Canada, Inc.	4	1%	(2)	(1%)
Mindteck Netherlands BV	(2)	(1%)	-	0%
Mindteck Germany GmbH	(29)	(8%)	10	3%
Indian entities				
Mindteck Employee Welfare Trust	-	0%	-	0%
Hitech Parking Solutions Private Ltd.	-	0%	-	0%
Total	**350**	**100%**	**312**	**100%**
Adjustments arising out of consolidation	-	0%	-	0%
Total	**350**	**100%**	**312**	**100%**

D. Share in total Comprehensive income:

Amount in Rs. lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount	% of total	Amount	% of total
Parent				
Mindteck (India) Limited	(5,926)	97%	770	131%
Foreign entities				
Mindteck, Inc.	(204)	3%	(51)	(9%)
Mindteck Singapore Pte Ltd.	(139)	2%	(17)	(3%_
Mindteck Software Malaysia SDN. BHD	124	(2%)	113	19%
Mindteck UK Limited	(37)	1%	(12)	(2%)
Mindteck Middle East Ltd S.P.C, Kingdom of Bahrain	39	(1%)	(60)	(10%)
Mindteck Solutions Philippines Inc.	(7)	0%	(27)	(5%)
Mindteck Canada, Inc.	(37)	1%	45	8%
Mindteck Netherlands BV	(2)	0%	-	0%
Mindteck Germany GmbH	(113)	2%	(175)	(30%)
Indian entities				
Mindteck Employee Welfare Trust	4	0%	-	0%
Hitech Parking Solutions Private Ltd.	-	0%	-	0%
Total	**(6,298)**	**103%**	**586**	**100%**
Adjustments arising out of consolidation	168	(3%)	-	0%
Total	**(6,130)**	**100%**	**586**	**100%**

49. The Board of Directors vide meeting dated May 28, 2019 approved the closure of Mindteck Netherlands B.V., Netherlands and Mindteck Solutions Philippines Inc., Philippines due to continuous losses in these entities. Mindteck Netherlands B.V., Netherlands has ceased to exist w.e.f. January 14, 2020. The closure process for Mindteck Solutions Philippines Inc., Philippines has been initiated. The impact of such closure has not been considered material for the year ended March 31, 2020.

50. The Group has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these consolidated financial statements, in determining the possible impact from the COVID-19 pandemic. The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial results and the Company will continue to closely monitor any material changes to its assessment of economic impact of COVID- 19 pandemic.

51. The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Company is in the process of carrying out transfer pricing study for the year ended March 31, 2020 in this regard, to comply with the requirements of the Income Tax Act, 1961. The management of the Company is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the consolidated financial statements, particularly on account of tax expense and that of provision for taxation.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number:
101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date: May 27, 2020

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

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 27, 2020

Notice of the Annual General Meeting

(CIN: L30007KA1991PLC039702)

NOTICE is hereby given that the **TWENTY-NINTH ANNUAL GENERAL MEETING** of the Members of Mindteck (India) Limited will be held on Friday, August 14, 2020, at 3:00 p.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

AS ORDINARY BUSINESS:

1. **Adoption of Financial Statements.**

   To receive, consider and adopt the Audited Financial Statements, including the Consolidated Financial Statements of the Company, for the financial year ended March 31, 2020, together with the Board's Report and Auditor's Report thereon.

2. **Re-Appointment of Mr. Yusuf Lanewala who Retires by Rotation.**

   To appoint a Director in place of Mr. Yusuf Lanewala [DIN: 01770426], who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS:

3. **Appointment of Mr. Anand Balakrishnan as a Director**

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

   "RESOLVED THAT pursuant to Article 66 of the Articles of Association of the Company, Sections 152 and 161(1) of the Companies Act, 2013 and Rules made thereunder, Mr. Anand Balakrishnan (DIN: 05311032), who was appointed as an Additional Director by the Board of Directors on February 14, 2020, 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. Anand Balakrishnan (DIN: 05311032) as a Director of the Company, be and is hereby appointed, who shall be liable to retire by rotation.

   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 Exchanges, as may be required or are necessary, so as to give proper effect to this Resolution."

4. **Appointment and Payment of Remuneration to Mr. Anand Balakrishnan as Managing Director and Chief Executive Officer of The Company.**

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

   "RESOLVED THAT pursuant to Article 77 of the Articles of Association and the provisions of Sections 196, 197 and 203 read with Schedule V of Companies Act, 2013 and all other applicable Acts, Rules and Regulations including any statutory modification(s) or re-enactment(s) thereof for the time being in force, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, and such terms and conditions as may be stipulated by the Members in the general meeting while granting approvals in that behalf, Mr. Anand Balakrishnan (DIN: 05311032), be and is hereby appointed as Managing Director & Chief Executive Officer of the Company, from March 01, 2020, for a period of three (3) years on a fixed remuneration of Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs only) per annum, and a variable remuneration of Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) per annum, as stipulated in the employment agreement and as recommended by the Nomination and Remuneration Committee of the Board, and agreed upon between the Board of Directors and Mr. Anand Balakrishnan, with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointee.

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee shall be paid the above fixed remuneration as the Minimum Remuneration as agreed between the Board of Directors and the appointee.

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

5. **Re-Appointment of Ms. Prochie Sanat Mukherji as an Independent Director.**

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

   "RESOLVED THAT pursuant to Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule IV to the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms. Prochie Sanat Mukherji (DIN-07158863), who was appointed as an Independent Director by the Members of the Company on August 11, 2015 at their Annual General Meeting for a term of five (5) years with effect from August 28, 2015 up to April 27, 2020, has submitted a declaration that she 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, and being eligible for re-appointment, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, be and is hereby re-appointed as an Independent Director for the second term of five (5) years from April 28, 2020 up to April 27, 2025 and shall not be liable to retire by rotation.

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 the Ministry of Corporate Affairs and intimation to Stock Exchanges, as may be required, so as to give proper effect to this Resolution."

Registered Office

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

May 27, 2020

BY ORDER OF THE BOARD

for Mindteck (India) Limited

Shivarama Adiga S.
Vice President
Legal and Company Secretary

NOTES:

1. In the light of the prevailing COVID-19 pandemic the requirement of social distancing, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Securities and Exchange Board of India (SEBI) vide its Circular dated May 12, 2020, have authorised the Company to hold the Annual General Meeting (AGM) through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as SEBI (LODR) Regulations] and above Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only.

2. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business, is annexed hereto.

3. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint a proxy to attend and cast a vote for the Members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, Members such as the President of India or the Governor of a State or Body Corporate intending to depute their authorised representatives to attend the AGM through VC/OAVM and vote on their behalf, are requested to send a scanned copy of the duly certified letter and Board Resolution respectively.

4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations 2015, as amended from time to time, and the above MCA Circulars, the Company is providing a facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means as an authorised e-voting agency. The facility of casting votes by a Member using remote e-voting, as well as the e-voting system on the date of the AGM, will be provided by CDSL.

5. Members may join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to 1,000 Members on a first come, first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of the first come, first serve basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Register shall remain closed from August 01, 2020 to August 14, 2020 (both days inclusive) for the purpose of the AGM.

8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the Members from August 11, 2020, 9:00 a.m. onwards, till the conclusion of the AGM. Members may log into the CDSL website (www.evotingindia.com) with their respective credentials and inspect the above referred documents and registers which will be made available under the Company's EVSN.

9. Members holding shares in dematerialised form are requested to intimate any changes pertaining to their name, address, email IDs, bank details, Electronic Clearing Services (ECS) or (NECS) compliant bank account numbers, mandates, nominations, Power of Attorney, etc., to their respective Depository Participant (DP). Changes intimated to the DP will be automatically reflected in the Company's records that will help the Company and its Registrar and Share Transfer Agent (RTA) to provide efficient and better services to Members. Members holding shares in physical form are requested to intimate such changes to the 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, Email ID: gamare@unisec.in. For Members holding shares in physical form, the formats to update your Electronic Clearing Services (ECS) and email IDs are available as part of the Annual Report.

10. AS PER SEBI CIRCULAR NO. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED APRIL 20, 2018, **ANY MEMBERS STILL HOLDING THEIR SHARES IN PHYSICAL FORM** ARE REQUESTED TO SUBMIT THE PARTICULARS OF THEIR PAN NUMBER AND BANK ACCOUNT, i.e. BANK ACCOUNT NUMBER, NAME OF THE BANK, ADDRESS OF THE BRANCH, IFSC, MICR CODE OF THE BRANCH AND TYPE OF ACCOUNT, TO THE COMPANY'S RTA AT 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, EMAIL ID: gamare@unisec.in, IN RESPECT OF WHICH SEPARATE COMMUNICATIONS HAVE ALREADY BEEN SENT TO SUCH SHAREHOLDERS BY THE COMPANY IN LINE WITH SEBI REQUIREMENTS.

11. AS PER SEBI PRESS RELEASE PR No.: 12/2019 DATED MARCH 27, 2019, IT IS INFORMED THAT WITH EFFECT FROM APRIL 01, 2019, THE TRANSFER OF SHARES SHALL NOT BE PROCESSED UNLESS THE SHARES ARE HELD IN DEMATERIALISED FORM WITH A DEPOSITORY. HOWEVER, MEMBERS ARE NOT PROHIBITED FROM HOLDING SHARES IN PHYSICAL FORM.

12. **MEMBERS HOLDING SHARES IN PHYSICAL FORM** ARE REQUESTED TO CONVERT THEIR HOLDING TO DEMATERIALISED FORM TO ELIMINATE ANY KIND OF RISKS ASSOCIATED WITH THE PHYSICAL SHARES AND FOR EASE IN PORTFOLIO MANAGEMENT, SINCE PHYSICAL SHARE TRANSFERS ARE PROHIBITED BY SEBI FROM APRIL 01, 2019.

13. MEMBERS ARE REQUESTED TO NOTE THAT, IF THE DIVIDENDS ARE NOT ENCASHED FOR A CONSECUTIVE PERIOD OF SEVEN (7) YEARS FROM THE DATE OF TRANSFER TO THE UNPAID DIVIDEND ACCOUNT OF THE COMPANY, IT SHALL BE TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF"). THE SHARES IN RESPECT OF SUCH UNCLAIMED DIVIDENDS, SHALL ALSO BE TRANSFERRED TO THE DEMAT ACCOUNT OF THE IEPF AUTHORITY. IN THIS REGARD, MEMBERS ARE REQUESTED TO CLAIM THEIR DIVIDENDS FROM THE COMPANY. MEMBERS WHOSE UNCLAIMED DIVIDENDS/SHARES ARE TRANSFERRED TO IEPF MAY CLAIM THE SAME BY MAKING AN ONLINE APPLICATION TO THE IEPF AUTHORITY THROUGH E-FORM NO. IEPF-5 AVAILABLE ON WWW.IEPF.GOV.IN. MEMBERS ARE REQUESTED TO CLAIM ANY OUTSTANDING DIVIDENDS BY WRITING TO THE COMPANY SECRETARY AT **shivarama.adiga@mindteck.com** OR TO THE COMPANY'S RTA AT **gamare@unisec.in**. MEMBERS' ATTENTION IS PARTICULARLY DRAWN TO THE **"CORPORATE GOVERNANCE REPORT"** OF THE ANNUAL REPORT IN RESPECT OF UNCLAIMED DIVIDENDS ON PAGE NUMBER 52.

14. Pursuant to MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY2019-20 is sent only through electronic mode to those Members whose email IDs are registered with the Company/Depositories. Members may note that the AGM Notice and Annual Report for FY 2019-20 will also be available on the Company's website www.mindteck.com and websites of the Stock Exchanges: BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) at www.evotingindia.com. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with above mentioned Circulars.

15. Members requiring any information or copies of financials of the Subsidiaries may refer to the same on the website of the Company under the Investors Section.

16. Since the AGM will be held through VC/OAVM, the Route Map, Proxy Form and Attendance Slip are not annexed to this Notice.

17. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 44 of SEBI (LODR) Regulations, Members are provided with the facility to cast their vote electronically through the e-voting services provided by CDSL on all resolutions set forth in this Notice.

A. Instructions for shareholders voting electronically are as under:

(i) The voting period begins on August 11, 2020 (9:00 a.m.) and ends on August 13, 2020 (5:00 p.m.). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of August 07, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date will not be entitled to vote on the meeting date.

(iii) Shareholders should log on to the e-voting website at www.evotingindia.com.

(iv) Click on Shareholders

(v) Now enter your User ID

a. For CDSL: 16 digit beneficiary ID,

b. For NSDL: 8 character DP ID followed by 8 digit Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next, enter the Image Verification as displayed, and Click on Login.

(vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then use your existing password.

(viii) If you are a first time user follow the steps provided below:

For Members holding shares in Demat Form and Physical Form	
PAN	• Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number indicated in the PAN field, which will be shared to Shareholders whose email IDs are registered with their respective Depository Participants/Company. • Shareholders who have not updated their PAN with the Company/ Depository Participant and also not updated their email IDs are requested to send an email to the Company/RTA to obtain unique sequence number to be used inplace of PAN in e-voting login. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Example: if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your Demat account or in the Company records in order to login. • If both the details are not recorded with the Depository or Company, please enter the Member ID/Folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting on resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take the utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for Mindteck (India) Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution for which you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", or to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You may also print the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password, and enter the details as prompted by the system.

(xix) Shareholders may also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app may be downloaded from Google Play Store. Apple and Windows phone users may download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non-individual Shareholders and Custodians**

a. Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as 'Corporates'.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User will be able to link the account(s) on which they wish to vote.

d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they will be able to cast their vote.

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

f. Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/Authority letter, etc., together with an attested specimen signature of the duly authorised signatory who is authorised to vote, to the Scrutiniser and to the Company at shivarama.adiga@mindteck.com – if voted from the individual tab and not uploaded the same in the CDSL e-voting system for the scrutiniser to verify the same.

g. In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under the help section or write an email to helpdesk.evoting@cdslindia.com. Alternatively, call 1800225533.

h. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com. Alternatively, call 1800225533.

Process for those Shareholders whose email addresses are not registered:

1. *Physical shareholders:* Please provide the necessary details, i.e. Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card), by email to the Company/RTA email ID.
2. *Demat Shareholders:* Please provide the Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + Client ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to the Company/RTA email ID.

B. Instructions to Shareholders attending the AGM through VC/OAVM are as under:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of the Company will be displayed. The above link shall be open 15 minutes before the scheduled AGM time: 2:45 p.m. on Friday, August 14, 2020.
2. Shareholders are encouraged to join the Meeting through laptops/iPads for a better experience.
3. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven (7) days prior to the meeting to shivarama.adiga@mindteck.com. Please provide your name, demat account number/folio number, email ID and mobile number.
6. Shareholders who would like to express their views/have questions may send their questions in advance, at least seven (7) days prior to the meeting to shivarama.adiga@mindteck.com. Please provide your name, demat account number/folio number, email ID, and mobile number. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. If Members face any difficulty in participating in the meeting through VC/OAVM, they may contact CDSL at 1800225533 for support.

C. Instructions for Shareholders voting on the day of the AGM on e-voting system are as under:

1. The procedure for e-voting on the day of the AGM is the same as provided for remote e-voting.
2. Only those shareholders, who are present in the AGM through the VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through the VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

D. Other Instructions:

(i) The remote e-voting period commences on August 11, 2020 (9:00 a.m.) and ends on August 13, 2020 (5:00 p.m.). During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on August 07, 2020 (cut-off date), may cast their vote electronically.

(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 07, 2020 (cut-off date).

(iii). Those investors who became shareholders of the Company after dispatch of the AGM Notice and holding shares as of August 07, 2020 (cut-off date) may obtain the login ID and password by sending a request to helpdesk.evoting@cdslindia.com or shivarama.adiga@mindteck.com.

(iv). Mr. Gopalakrishnaraj H H., Practicing Company Secretary (Membership No. FCS 5654), has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

(v). The Scrutiniser shall, within a period not exceeding 24 hours from the conclusion of the AGM, unblock all the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(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 CDSL (www.evotingindia.com) within 48 hours of the passing of the Resolutions at the Twenty-Ninth AGM of the Company on August 14, 2020, and shall be communicated to the Stock Exchanges where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 and 4: Appointment of Mr. Anand Balakrishnan as Director liable to retire by rotation, Managing Director & Chief Executive Officer of the Company and Payment of Remuneration.

Mr. Anand Balakrishnan (DIN: 05311032) was appointed as an Additional Director of the Company by the Board with effect from February 14, 2020, pursuant to Sections 152 and 161(1) of the Companies Act, 2013, read with Article 66 of the Articles of Association of the Company and subject to the approval of shareholders in the ensuing AGM.

Pursuant to the provisions of Sections 152 and 161(1) of the Companies Act, 2013, Mr. Anand Balakrishnan, 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 proposing the candidature of Mr. Anand Balakrishnan for the office of Director.

Mr. Anand Balakrishnan has given a declaration to the Company provided under Section 164 and other applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations. In the opinion of the Board, the Director fulfils the conditions specified in the Companies Act, 2013 and Rules framed there under as well as SEBI (LODR) Regulations, for the appointment as Managing Director & Chief Executive Officer of the Company.

The appointment and payment of remuneration to the Managing Director and Chief Executive Officer is placed before the Shareholders for approval.

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

A. **Term of Appointment:** March 01, 2020 to February 28, 2023.

B. **Compensation:** The annual Remuneration of the Managing Director and Chief Executive Officer, Mr. Anand Balakrishnan, shall be Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs only) as under:

Fixed Pay: Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs only)

Variable Pay: Rs. 25,00,000/- (Rupees Twenty Five Lakhs only)

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

Insurance: Group Medical and Group Accident Policies.

Other Benefits: Leave as per existing Company policy.

C. **Notice of Termination Period:** 90 Days.

D. The intention of the Company for the appointment of Mr. Anand Balakrishnan is to manage and control the Company's business and operations with the aim of securing a significant, sustained increase in the value of the Company for its shareholders. He is entrusted with substantial powers of management of the operations, performance, and all other areas of Mindteck and all its subsidiaries, subject to the superintendence, control and direction of the Board.

The Resolution seeks the approval of the Members in terms of Sections 196, 197, 203 read with Rules made thereunder along with Schedule V and other applicable provisions of the Companies Act, 2013, for the appointment and payment of remuneration to Mr. Anand Balakrishnan for a period of three (3) years from March 01, 2020.

Copies of relevant resolutions of the Board and documents with respect to the appointment are available for inspection by the Members electronically from August 11, 2020, 9:00 a.m. onwards till the conclusion of the Annual General Meeting. Members may log into the CDSL website (www.evotingindia.com) with their respective credentials and inspect the above referred documents and registers which will be made available under the Company's EVSN.

Details of Mr. Anand Balakrishnan, pursuant to the requirement of the SEBI (LODR) Regulations, relating to Corporate Governance, are provided in the Annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise, except Mr. Anand Balakrishnan and his relatives, in the Resolution set out at Item No. 3 and 4 of the Notice.

Additional Information as per Secretarial Standards

Name	Mr. Anand Balakrishnan
Age	47 years
Date of first appointment on the Board	February 14, 2020
Qualifications	Mr. Anand Balakrishnan is an Associate Member of both the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India. He holds a Bachelor’s degree in Commerce from Bangalore University, and has also passed the CPA examination held by American Institute of Certified Public Accountants.
Experience	Over 20 years
Remuneration last drawn	Rs. 1,15,00,000/- p.a. as Chief Operating Officer and Interim Chief Financial Officer of the Company
Shareholding in the Company (as on March 31, 2020)	7,350 shares
Relationship with other Directors/KMP of the Company	NIL
Number of Board Meetings attended during the FY 2019-20	One (1) Board Meeting
Directorships in other Companies	Hitech Parking Solutions Private Limited
Chairman/Member of the Committee(s) of Board of Directors in other Companies in which he is a Director	NIL

Item No. 5: Re-appointment of Ms. Prochie Sanat Mukherji as an Independent Director.

Ms. Prochie Sanat Mukherji (DIN-07158863) was appointed as an Independent Director of the Company with effect from April 28, 2015 to April 27, 2020. Upon completion of her term, she was eligible for re-appointment for a second term of up to five (5) years. The Board of Directors has re-appointed Ms. Prochie Sanat Mukherji as an Independent Director of the Company for another term of five (5) years from April 28, 2020 subject to the approval of the Members at the ensuing AGM.

Ms. Prochie Sanat Mukherji has given a declaration to the Board of the Company that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) & 25 of SEBI (LODR) Regulations. Further, she has also provided the Company her consent in writing to act as a 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 she is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Ms. Prochie Sanat Mukherji fulfills the conditions specified in the Companies Act, 2013 and Rules framed thereunder, as well as SEBI (LODR) Regulations, for the re-appointment as an Independent Director for a second term of five (5) years and is Independent of the Management.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the re-appointment of Ms. Prochie Sanat Mukherji as an Independent Director of the Company for a term of five (5) years from April 28, 2020 is placed before the Shareholders for approval.

The terms and conditions of appointment of the Independent Director shall be open for inspection by the Members electronically from August 11, 2020, 9:00 a.m. onwards till the conclusion of the Annual General Meeting. Members may log into the CDSL website (www.evotingindia.com) with their respective credentials and inspect the above referred documents and registers which will be made available under the Company’s EVSN.

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

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

Information as per Secretarial Standards

Name	Ms. Prochie Sanat Mukherji
Age	70 years
Date of first appointment on the Board	April 28, 2015
Qualifications	Ms. Mukherji holds BA (Hons.) and LL.B. degrees from the University of Bombay where she topped the University in 2nd and 3rd LL.B. She also holds a Master's degree in Law (LLM) from Yale Law School in the US.
Experience	Over 42 years
Remuneration last drawn	No remuneration drawn except sitting fees for attending the Board and Committee Meetings, if any, as approved by the Board and the profit-related Commission as approved by the Board and the Members of the Company from time to time.
Shareholding in the Company	NIL
Relationship with other Directors/KMP of the Company	NIL
Number of Board Meetings attended during the FY 2019-20	Three (3) Board Meetings
Directorships in other Companies	NIL
Chairman/Member of the Committee(s) of Board of Directors in other Companies in which she is a Director	NIL
Terms and Conditions of Re-appointment	Ms. Mukherji was re-appointed as an Independent Director of the Company for a period of five (5) years from April 28, 2020 by the Board subject to the approval of the shareholders in the ensuing AGM.
Remuneration to be paid	Ms. Mukherji shall be paid the sitting fees for attending the Board and Committee Meetings, if any, as approved by the Board and the profit-related Commission as approved by the Board and the Members of the Company from time to time.
Performance evaluation report/summary thereof	The detailed performance evaluation of Ms. Mukherji, an Independent Director has been done by the Company on a regular basis, and in the opinion of the Chairman of the Company, the evaluation/rating of the Director exceeds the expectation level.

Registered Office

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

May 27, 2020

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 THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Name of the Director	Mr. Yusuf Lanewala	Mr. Anand Balakrishnan	Ms. Prochie Sanat Mukherji
Appointment/ Re-appointment	Re-appointment	Appointment	Re-appointment
Brief Resume and nature of expertise in specific functional areas	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.	Anand Balakrishnan is a highly accomplished financial management and accounting executive with over two decades of experience at leading organizations, such as PwC, KPMG, Jardine Lloyd Thomson, and GE Healthcare. His tenures at Mindteck include Chief Financial Officer from September 2014 to July 2017, and more recently Chief Operating Officer since January 2019. Anand is an Associate Member of both the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India. He holds a Bachelor's degree in Commerce from Bangalore University, and has also passed the CPA examination held by American Institute of Certified Public Accountants.	Prochie Sanat Mukherji is a seasoned business professional with over 42 years of experience in the fields of Industrial Relations, Labour and Consumer Laws, and Human Resources. She has held senior positions at both Indian and multinational companies in diverse industries, including consumer products, white goods, financial services, pharmaceuticals and light engineering. Hindustan Lever, Glaxo, ICICI and the Tata Group are among the companies she has served. Presently, she serves as Senior Vice President and Chief of Staff to the Chairman and Managing Director of Mahindra Group, and also serves as the Convener of the Group Executive Board. She has deep interest in the areas of corporate history, education, core values and social responsibility. Ms. Mukherji holds BA (Hons.) and LL.B. degrees from the University of Bombay where she topped the University in 2nd and 3rd LL.B. She also holds a Master's degree in Law (LLM) from Yale Law School in the US.
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/ she is a Director	NIL	NIL	NIL
Shareholding/Stock Options in the Company	29,705 shares and 1,00,000 Stock Options	7,350 shares and 1,00,000 Stock Options	NIL
Relationship with other Directors/KMP of the Company	NIL	NIL	NIL

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

E-mail: shivarama.adiga@mindteck.com

SHAREHOLDERS HOLDING SHARES IN DEMAT MODE

Please inform your respective Depository Participant

Dear Sir,

I hereby request the Company to register my e-mail address as given below and give my 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

Signature of the first registered holder as per the specimen signature with the Company

Name

Place

Date _ /_ /____

ECS MANDATE FORM

To

FOR SHARES HELD IN PHYSICAL MODE
Please complete this form and send it to:

Shivarama Adiga S.
VP-Legal & Company Secretary
Mindteck (India) Limited
A. M. R. Tech Park, Block-1, 3rd Floor
#664, 23/24, Hosur Main Road, Bommanahalli
Bengaluru - 560068

E mail: shivarama.adiga@mindteck.com

SHAREHOLDERS HOLDING SHARES IN DEMAT MODE
Please inform your respective Depository Participant

Dear Sir,
I hereby declare to have the amount of dividend on my equity shares 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 Account or Current Account

☐ Savings Account	☐ Current Account

- Nine-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 first registered holder as per the specimen signature with the Company

Date:__/__/____

Name: ___________________________________

Address: _________________________________

Note:

1. This form is meant for shareholders holding shares in physical mode.
2. Shareholders holding shares in Demat mode should register their ECS particulars with their Depository Participants (DPs).

INFORMATION AT A GLANCE

Particulars	Details
Date and time of AGM	Friday, August 14, 2020 at 3:00 p.m.
Mode	Video Conferencing (VC) or Other Audio-Visual Means (OAVM)
Participation through Video Conferencing	https://www.evotingindia.com
Helpline number for VC participation	1800225533
AGM Transcript*	https://www.mindteck.com/investors
Cut-off date for e-voting	Friday, August 07, 2020
Remote E-voting start time and date	Tuesday, August 11, 2020 at 9:00 a.m.
Remote E-voting end time and date	Thursday, August 13, 2020 at 5.00 p.m.
E-voting website of CDSL	https://www.evotingindia.com
Name, address and contact details of e-voting service provider	**Contact name:** Mr. Rakesh Dalvi, *Manager* **Central Depository Services (India) Limited** A Wing, 25th Floor, Marathon Futurex Mafatlal Mills Compound, N.M. Joshi Marg Lower Parel (E) Mumbai – 400013, India **Contact details:** Email ID: helpdesk.evoting@cdslindia.com; Contact number: 91 22 23058542/ 1800225533
Name, address and contact details of Registrar and Transfer Agent.	**Contact name:** Mr. Santosh Gamare **Universal Capital Securities Private Limited** #21/25, Shakil Niwas Opp. Satya Saibaba Temple Mahakali Caves Road Andheri (East) Mumbai-400093, India **Contact details:** Email ID: gamare@unisec.in; Contact number: 91 22 28207203-05

*The AGM Transcript will be available for Shareholders' review after 48 hours from the conclusion of the AGM.

BSE: Scrip Code 517344
NSE: MINDTECK

GLOBAL LOCATIONS

INDIA

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Bengaluru - 560048

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Unit: T-2 9C, Tower II, Level IX
Plot No: 62, Block DN
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Kolkata 700091

Tel: 91 33 2367 4337/8
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Pulau Pinang, Malaysia

Tel: 604 6158 029

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Manama - Kingdom of Bahrain

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Fax: 1 717 732 2927

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Tel: 1 510 490 1905
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Fax: 49 (0) 696 7733 200

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Maxwell Road,
Borehamwood
Hertfordshire WD6 1JN
United Kingdom

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Mindteck is a global engineering and technology solutions company devoted to delivering knowledge that matters to help clients compete, innovate and propel forward along the digital continuum. The Company's legacy expertise in Embedded Systems, Enterprise Applications and Testing are a powerful complement to competencies in Data Services, Cloud and IoT. Since its establishment in 1991, Mindteck's clientele has included top-tier Fortune 1000 companies, start-ups, leading universities, and government entities. The company is publicly traded on the Bombay Stock Exchange (BSE 517344) and the National Stock Exchange (NSE Mindteck). Founding Member: 'The Atlas of Economic Complexity' for the Center for International Development (CID) at Harvard University.

Office Locations: *India, United States, Canada, Singapore, Malaysia, Bahrain, Philippines, Germany and United Kingdom*
Development Centers: *Kolkata and Bengaluru, India*

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