Mindteck

2017–18
Annual Report

Consolidated Financial Highlights

(Rs. in million)

	2017–2018	2016–2017	2015–2016	2014–2015	2013–2014
Revenue	**2,968.42**	3,416.56	3,116.30	3,191.48	3,288.12
EBITDA	**33.51**	135.74	229.24	300.76	299.10
Profit Before Tax (PBT)	**(1.24)**	114.88	207.82	278.11	285.32
Profit After Tax (PAT)	**(56.50)**	92.88	259.27	191.96	186.14
Earnings Per Share (Basic EPS)	**(2.26)**	3.74	10.50	7.80	7.59

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

Contents

LETTER TO SHAREHOLDERS

Dear Shareholders,

It is our pleasure to present Mindteck's financial statements for the year ended March 31, 2018, and to report that the Board of Directors has approved a 10% dividend, payable 30 days from the date of declaration to shareholders appearing on the Register of Members as on September 14, 2018.

For the fiscal year 2017-18, the Company reported standalone revenue of Rs. 88.4 crore, as compared to Rs. 83.6 crore for 2016-17, resulting in a profit of Rs. 1.9 crore. Consolidated revenue for the same period stood at Rs. 296.8 crore, as against Rs. 341.7 crore.

Yusuf Lanewala
Chairman

Sanjeev Kathpalia
Managing Director and
Chief Executive Officer

Notably, during the fiscal year 2017-18, the Company completed the implementation of IND-AS, per the 2015 mandate of the Ministry of Corporate Affairs (MCA). Financial statements for the year ended March 31, 2017 were restated, resulting in a negative variance of Rs. 1.0 crore in standalone and Rs. 5.86 crore in consolidated respectively which has been duly accounted for in this year's reporting.

For the period under review, the Company faced a variety of challenges, including fierce market competition, continued margin compression, and ongoing undersupply of high-quality talent. Despite this demanding environment, the Company nevertheless managed to execute on its growth objectives by capitalizing on a number of compelling business opportunities. Specifically, we are gratified to announce the addition of 26 new logos to our roster and proud to have won 43 unique follow-on engagements from our existing clientele.

ALIGNMENT

Alignment around the expectations of our clients in every aspect of our business

With each passing year, we take pleasure in the fact that the continuity of our long-standing client relationships remains one of our key competitive differentiators. We put a premium on the ongoing process of strengthening and nurturing these relationships in an increasingly transactional market environment. In order to achieve our targets for growth, however, we know that we must do more. Our success is very much dependent upon our ability to consistently execute on the deliverables our clients expect, and to improve our capacity to anticipate their future needs. Now, more than ever, discipline, agility, and innovation have become business imperatives, as we ensure we become more intensely proactive in everything we do. Over the course of 2017-18, we took meaningful steps toward this effort.

From a people perspective, we augmented our expertise and client-centric focus across the organization. We announced the appointment of two additional board members in May 2018, whom we believe will provide valuable contributions and insightful stewardship to the Company going forward. Separately, we added a new Chief Financial Officer and Chief People Officer to our Leadership Team; a new Quality head took the helm as well. Since the beginning of the year, we made other critical hires of heads of Delivery and US Managed Services Sales.

A turnkey fresher program was created to develop an accomplished talent pool of engineers for client deployment. New hires sourced from on- and off-campus drives throughout India have completed training programs in hard and soft skills for up to six months. Additionally, our own Mindteck Academy continued to support these efforts by offering a variety of cross-training and upskilling sessions on Core Java, Agile-Scrum, and MEAN (MongoDB, Express, Angular JS, Node JS) frameworks.

We relaunched MindFest, an internal intrapreneurship initiative, to spur creativity and the development of client-focused innovations in artificial intelligence, automation, cloud, IoT, machine learning, and process improvement. Monthly TechTalk sessions with industry experts were also instituted to foster employee engagement and personal development.

Streamlining processes and upgrading systems continued to be an operational priority with inherent challenges – particularly so in the context of digital transformation. Our Human Resource division has begun migrating to new systems, with other areas of the organization soon to follow. We believe these efforts to increase efficiency and productivity will result in positive contributions to both our financial performance as well as client experience.

Mindteck strives to deliver a consistent level of quality through well-defined processes and procedures. We are also mindful that our quality certifications provide us a with clear competitive edge. Achievements in Quality for the year at hand included:

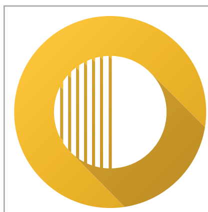
- Scored a perfect CSAT rating for a decade-long project.
- Maintained CMMI Dev Ver 1.3 Level 5 appraisal.
- Joined an elite group of companies as a designated CMMI Institute Partner, enabling us to provide official CMMI Institute services in Capability Maturity Model Integration and Data Management Maturity.
- Further enhanced our quality certifications with the attainment of ISO/IEC 20000-1:2011 – an international IT standard based on the IT Infrastructure Library (ITIL®) best practice framework.

The previously mentioned 43 follow-on engagements with existing clients represent persuasive evidence that we remain highly relevant to our customers – and in many cases, have earned 'first choice' provider preference with them. Two significant cases in point:

- 88% growth in the offshore team size of a long-standing client that develops technology-enabled knowledge solutions for improving business performance and assuring regulatory compliance.
- 30% growth in the team size of a key client in the storage domain. Separately, we won eight new projects predominantly of a development nature, as well as multiple platform projects.

EMERGENCE

Just like us, in the current disruptive technology landscape, our clients are feeling the pressure to consistently innovate and outshine the competition. Whether it's digital transformation, increasing productivity, speeding time-to-market, finding skilled talent, or a multitude of other challenges, we are all collectively striving to evolve rapidly.



Embracing the emergence of a reimagined Mindteck

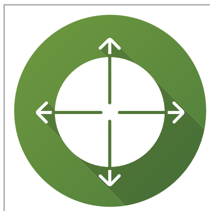
Over the past year, like many of our clients, we took stock not only of how we manage our business but also where we need to invest. At Mindteck, we are fortunate that our balance sheet remains strong and debt-free, providing us with the financial wherewithal to continue to make smart investments in people, training, new technologies, and other emerging growth opportunities. However, we will take a long-term perspective when it comes to managing our business and will execute opportunistically and prudently on attractive prospects as they arise.

Spurred by market demand and the certainty that our clients' requirements of us will continually evolve, our R&D group actively focused on Industry 4.0, artificial intelligence, machine learning, blockchain, and cloud projects this year. Developments in these areas were as follows:

- We developed a smart watch solution for shop floor operators at a large semiconductor fabrication plant which successfully reduced operator-induced equipment failures and increased equipment utilization by 30%. We are now in the process of developing an entire video analytics-based smart shop floor. This proof of concept project involves identifying and extracting manual manufacturing events data from shop floor IP cameras using advanced video analytics and machine learning.
- We began work on the development of a soil sensor device for a pioneer in the manufacturing and marketing of integrated hydrological, meteorological, and oceanographic monitoring instrumentation for enhanced forecasting. The sensor device is one of this company's next-generation IoT solutions that will act as the gateway between sensors and the cloud, wherein data communication and IT infrastructure will be merged under one user interface experience.
- We released a gateway for an industrial IoT platform for a leading technology company in India. Developed from concept to prototype in under four months, the solution has been delivered to the client for testing in the US.
- We developed a real-time location-based asset tracking system with advanced reporting and analytics for a large aerospace component manufacturing company.

EXPANSE

During 2017-18, we took key strategic steps to broaden our reach and gain local presence advantages by:



Furthering our growth through a wide expanse of opportunities

- Opening a representative office in Istanbul, Turkey.
- Establishing a subsidiary, Mindteck Canada, Inc., in Toronto, Canada to support project work for key Fortune 1000 clients.
- Securing local business development representation for our Frankfurt, Germany office.

We also made critical inroads in enhancing the delivery of best-in-class solutions to a diverse set of clients across a variety of industries:

- Won new business with a global IT, technology, and enterprise products and solutions company in Germany; a telecommunications software company headquartered in Ireland; a global pharmaceutical company headquartered in the US; an insurance and investment company in the APAC region; and a US-based supplier of environmental monitoring instrumentation, systems, and software.
- Initiated an innovative smart home automation project for a large semiconductor company in Belgium, led by a growing team managed from Bengaluru.
- Commenced an engineering support relationship with a prominent water monitoring solutions company in the US.
- Completed a high-end electronic board design for a leading Southeast Asian-based telecommunications company.
- Executed the design and development of a DALI-based lighting control product for a European customer which involved both hardware and firmware development.
- Began a new development project with a solar PV client.

We also collaborated with partners:

- A global lighting efficiency company to create retrofit solutions for commercial and government entities.
- An innovative health diagnostics start-up for the engineering of a mobile medical lab device.

FOCUS

Sharpening our focus on our competitive strengths

We are pleased to report that we continued to hone our expertise in niche competencies, which enabled us to profit from a diverse set of opportunities throughout the year.

In the smart cities space, Mindteck's implementation of India's first-ever smart parking solution for a large municipal corporation is on track to have fully operational sites live by year-end. On a related note, we registered a new entity, Hitech Parking Solutions Pvt. Ltd., as a wholly-owned subsidiary of Mindteck (India) Ltd., in order to conduct all business activities related to this project. Additionally, to enable seamless execution of such projects going forward, the R&D group has further strengthened our solution stack.

In the area of smart healthcare, we successfully delivered a portable health diagnostic device capable of diagnosing over 20 tests within minutes. Our medical device competencies were further enhanced by the establishment of a partnership with an FDA-registered and GMP-certified medical and life sciences contract manufacturing company. This will provide us with an expanded services portfolio to include device manufacturing beyond design and prototyping.

In storage testing, we had several notable successes, including a three-year renewal of a major client contract, superior accolades by the client, and the aforementioned growth in both team size and development projects.

Additionally, a significant analytical instruments engagement with an existing client got a boost when we were asked to develop hardware and firmware for their next generation gas chromatography system based on new sensor technology.

In keeping with our core values, Mindteck fulfilled its commitment to social responsibility again this year by funding allocations to the School Readiness Program led by Mantra4Change as well as to Western Railway's sanitation and hygiene project led by the Rotary Club of Bombay Kandivili.

We close the year with a sense of optimism, confident in our ability to respond to dynamic business and market conditions pre-emptively and thoughtfully. We remain proud of our corporate legacy and cognizant of the imperative to be one step ahead in an industry undergoing relentless change. We face the year ahead united and determined to grow and thrive.

In Appreciation

On behalf of our fellow Board Members and all Mindteckers, we would like to take this opportunity to recognize the outstanding service, commitment, and astute guidance provided by Mr. Narayan Menon, a seven-year Independent Director who passed away on December 11, 2017.

We also offer our most sincere thanks to all of those who continue to contribute to our longevity and success: our clients for their enduring trust and confidence; our shareholders and partners for their continuing commitment and guidance; and our employees around the globe for their unwavering hard work and dedication.

Yusuf Lanewala
Chairman

Sanjeev Kathpalia
Managing Director and Chief Executive Officer

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

Sanjeev Kathpalia
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

Narayan A. Menon ceased to be an Independent Director with effect from December 11, 2017

Javed Gaya ceased to be an Independent Director with effect from April 03, 2018

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: 022-28207201/03/04/05
Fax: 022-28207207

MANAGEMENT TEAM

Sanjeev Kathpalia
Managing Director and Chief Executive Officer

Prashanth Idgunji
Chief Financial Officer

Meenaz Dhanani
Director - US Operations

SALES

Santhosh Sampige Nagaraj
Senior Vice President – US Managed Services

Ranga Yeragudi
Regional Vice President - US Northeast

Harish Nair
Regional Vice President - IMEA

Arup Banerjee
Senior Vice President - ROW Sales

Jacob Pillay
Regional Vice President - APAC

RESEARCH AND DEVELOPMENT

Surjit Lahiri
Vice President

HUMAN RESOURCES

Mahendra Bala Gangadharan
Chief People Officer

DELIVERY

Shreerama Muniyoor
Senior Vice President

MARKETING AND COMMUNICATIONS

Karen Stark
Senior Vice President

Board's Report

To the Members,

The Directors hereby present the Twenty-Seventh Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2018. 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, 2018**	**Year ended March 31, 2017**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Revenue from operations	**884.15**	836.38	**2,968.42**	3,416.56
Other income	**19.01**	25.44	**20.83**	25.99
Employee benefits expense	**616.53**	563.58	**2,043.79**	2,228.24
Cost of technical sub-contractors	**11.43**	15.71	**536.86**	696.53
Other expenses	**218.69**	198.40	**375.09**	382.04
Profit before finance cost, depreciation, taxes, amortization and exceptional item	**56.51**	84.13	**33.51**	135.74
Finance cost	**2.21**	0.82	**5.50**	3.86
Depreciation and Amortization expense	**11.46**	14.00	**12.97**	17.00
Exceptional Item	**-**	-	**16.27**	-
Profit Before Tax	**42.84**	**69.31**	**(1.23)**	**114.88**
Tax expense	**23.69**	25.29	**55.27**	22.00
Profit After Tax	**19.15**	**44.02**	**(56.50)**	**92.88**
Paid-up Equity Share Capital	**256.22**	253.84	**252.06**	249.68
Earnings Per Share (EPS)	**0.75**	1.74	**(2.26)**	3.74

Note: The numbers pertaining to previous financial year are changed due to implementation of Indian Accounting Standards from the financial year 2017-18.

2. COMPANY AFFAIRS

Standalone

On a Standalone basis, your Company recorded revenue of Rs. 884.15 million, as against Rs. 836.38 million in the previous year. Mindteck's net profit stood at Rs. 19.15 million, as against Rs. 44.02 million in the corresponding previous year. At an operating margin level, Mindteck recorded EBITDA of Rs. 56.51 million (6.39%) this year as against Rs. 84.13 million (10.06%) last year.

Consolidated

During the year under review your Company recorded Consolidated revenue of Rs. 2,968.42 million as against Rs. 3,416.56 million in the previous year. Of the Consolidated revenue that was recorded, 65% is attributed to the US and the balance pertains to rest of the world.

Mindteck's Consolidated Net Loss for the year stood at Rs. 56.50 million, as against profit of Rs. 92.88 million in the corresponding previous year.

At an operating margin level, Mindteck recorded EBITDA of Rs. 33.51 million (1.13%) this year as against Rs. 135.74 million (3.97%) last year.

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

3. DIVIDEND

The Board has recommended a dividend of 10% (Re. 1 per Equity Share of Rs. 10 each) for the year ended March 31, 2018. This translates into a total outlay of Rs. 30,888,554 including Dividend Distribution Taxes.

4. BUSINESS FOCUS AND HIGHLIGHTS

Mindteck provides product engineering and information technology services to Fortune 1000 companies, start-ups, leading universities, and government entities around the globe. The Company is devoted to delivering knowledge that matters to help our clients compete, innovate, and propel forward. Mindteck's legacy expertise in embedded systems and enterprise applications is complemented by its recognized successes in IoT-based solutions. The Company is consistently recognized for its niche knowledge in storage testing, analytical instruments, medical devices, semiconductor equipment, and smart cities.

Mindteck is among a select group of global companies appraised at CMMI Dev Ver 1.3 Level 5 of the CMMI Institute's Capability Maturity Model Integration (CMMI). Mindteck is also one of the Founding Members of The Atlas of Economic Complexity, a visualization tool for research developed by the Center for International Development (CID) at Harvard University. Mindteck's global alliances and partnerships include Intel IoT Solutions Alliance, IoT Global Network, Oracle Gold, Oracle Cloud, GE Digital Alliance, Smart Cities Council India, and CMMI Institute Partner.

Storage

Mindteck's storage business spans over two decades. Over the past year, it has experienced significant growth consisting of a three-year renewal for multiple platform projects; the addition of eight new development projects; and a client-dedicated team increase of 30%.

For over 14 years, Mindteck has been performing testing and development work in India, Singapore and various locations within the US for a long-standing Fortune 500 storage client. A testing lab, established in Bengaluru, has provided ongoing added support for the client's evolving technology initiatives. Recently, the Company received special recognition for its outstanding expertise in test automation and execution, rigorous schedule adherence, business and project flexibility, technology innovation, contributions to achieving and exceeding project goals, and customized training programs.

For four consecutive years, Mindteck has been a technology partner for the Storage Networking Industry Association (SNIA)'s Storage Developer Conference. In addition, Mindteck is represented on the Board of SNIA-India. In the year ahead, the Company plans to host SNIA industry events to share best practices and facilitate thought leadership on storage-related technologies.

Mindteck's other notable achievements in this area include:

- Secured SaaS projects that will enhance our ability to work with clients, including start-ups and next-generation entities.
- Acquired business in the US from a new data protection team for a top storage client.
- Won a contract and began the transition of an eight-member team from a new storage client.
- Onboarded onsite resources for a new project at a leading storage and data management client.
- Incorporated the storage domain in Mindteck Academy's training portfolio.

Electronic Design

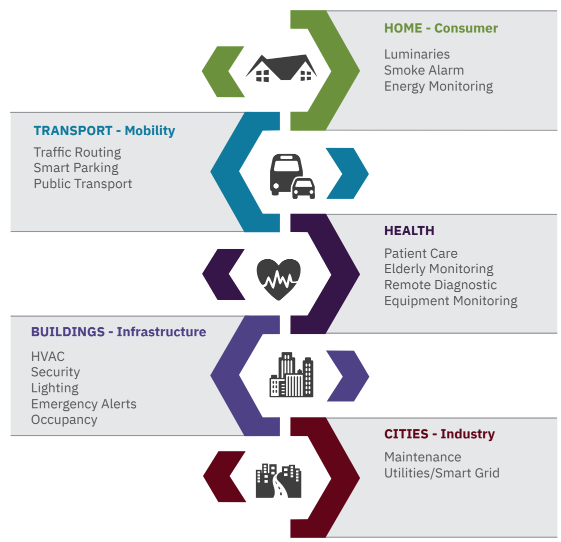
Mindteck provides core embedded technology solutions and services across a wide spectrum of domains, including industrial control systems, gas control and monitors, computer modules, electric vehicle chargers, instrumentation, storage, smart energy and IoT. Our integrated product design capabilities span hardware/firmware design, mechanical design, software development, connectivity solutions, and value engineering. Notable projects executed this year include:

- Successfully delivered a portable health diagnostic device capable of diagnosing over 20 tests within minutes.
- Completed a high-end electronic board design for a Singapore-based leading telecom company.
- Executed the design and development of a DALI-based lighting control product for a European-based customer. The project involved development of both hardware and firmware.
- Engaged with an existing customer in the area of analytical instruments to develop hardware and firmware for their next generation Gas Chromatography (GC) system based on new sensor technology.
- Completed multiple design projects for an industry pioneer in the automotive sector.
- Designed and developed a PCI-based single board computer for an existing US-based client.
- Won an innovative smart home automation project for a large semiconductor company in Belgium; the project, managed from Bengaluru, continues to grow in size.
- Currently working on the development of a soil sensor device for a pioneer in the manufacturing and marketing of integrated hydrological, meteorological, and oceanographic monitoring instrumentation for enhanced forecasting. The sensor device is one of the company's next-generation IoT solutions that will act as the gateway between sensors and the cloud, wherein data communication and IT infrastructure are merged under one user interface experience.
- Released a gateway for an Industrial IoT platform for a leading technology company in India. The prototypes, developed from concept to prototype within 3.5 months, were delivered to the client for testing in the US. Running on Linux, the gateway communicates with various sensors and devices using Ethernet, USB, RS485, and RS2323, among others.

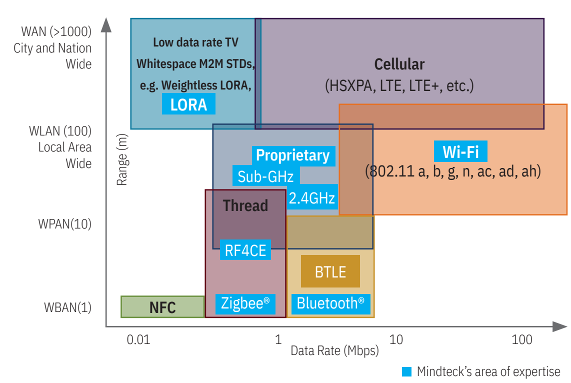
Internet of Things

Over the year, Mindteck continued to develop monitoring and control solutions required for wireless connectivity and system integration for IoT solutions. The Company's component designs included control nodes, gateways with multi-technology connectivity, and webserver/applications to support over the cloud for building automation and energy-efficient solutions across various industry verticals.

The development of in-house technologies in IoT and the smart city space has helped reduce solution costs and delivery timelines. In order to further enhance the company's existing solution suite, Mindteck US recently formalized a partnership with one of the world's leading IoT players.



IoT Expertise Landscape



Wireless Landscape Expertise

Smart Cities

Mindteck continues its ongoing commitment to the Indian Government's Smart Cities Mission by working with various Urban Local Bodies (ULBs). The Company is also a member of the Smart Cities Council India and has been a sponsor of several national and state conferences. To further strengthen its reach, Mindteck has also initiated a new business engagement with an established software services company that provides a myriad of business and technical solutions to public and private entities.

Recently, Mindteck successfully implemented Phase I of India's first-ever smart parking solution for a large municipal corporation. With currently one-third of the project operational, the Company expects all remaining sites to be live by year-end. Additionally, to enable seamless execution of such projects going forward, the R&D group has further strengthened our solution stack. During the year, the Company established a new entity, Hitech Parking Solutions Pvt. Ltd., as a wholly-owned subsidiary of Mindteck (India) Ltd., to conduct all business activities related to this project.

Industry 4.0

Mindteck is involved in a variety of Industry 4.0 projects, including:

- ***A video analytics-based smart shop floor for a major semiconductor manufacturing equipment company***
  This proof of concept project involved identifying and extracting manual manufacturing events data from shop floor IP cameras using advanced video analytics and machine learning. The extracted data is then correlated with additional order-specific manufacturing data. This solution allows our client to benchmark and track performance efficiency, best practices, and quality compliance at the subsystem manufacturing level.

- ***Real-time location system-based asset tracking for a large aerospace component manufacturing vendor***
  This proof of concept project implemented indoor position tracking in real-time for multiple work-in-progress component bins tagged to particular job orders in an indoor factory location. A component bin position ageing based alerting feature also helps in locating misplaced bins within factory locations. This solution minimizes delays in delivering work orders and results in cost savings relating to replacing otherwise misplaced parts. Advanced reporting and analytics help our client with performance efficiency benchmarking and the implementation of best practices at a subsystem operational level.

- ***Smart watch-based operational efficiency improvement solution for a large semiconductor fabrication plant***
  This smart watch-based solution enables fewer equipment operators to efficiently manage shop floor production in semiconductor manufacturing plants. Operators receive automated messages regarding production status enabling them to improve equipment utilization by 30% and optimize equipment run times. Mindteck designed, developed, and supplied the smart watches as well as the messaging software solution.

Health Sciences

Mindteck has been a pioneer in providing innovative engineering solutions to leading health science companies in three major areas – medical imaging, patient care, and telemedicine. Our long-standing relationships with multiple major medical device manufacturers and life sciences companies in the UK and the US have resulted in the following developments during the year:

- Added enhancements such as mobility, cloud adoptions, and web access to an existing solution for a leading UK-based remote patient monitoring company.

- Partnered with an FDA-registered and GMP-certified medical contract manufacturing organization. Mindteck expanded the clients' services portfolio to include medical device manufacturing services in addition to their existing design and prototyping capabilities.

- Initiated a smart healthcare device project for designing a next-generation diagnostic system with android-compatible applications and diagnostic tests. This device brings the diagnostic center to a patient's home.

- Continued R&D investments in several innovative healthcare solutions, including Remote ICU, E-ambulance, Health Analytics, and IoT-based asset management and tracking.

IT Services

Mindteck's expertise is comprised of a wide spectrum of IT services, including application development and support, Data Analytics and Artificial Intelligence (AI), Enterprise Mobility Management and Quality Assurance (Testing). Major wins during the past year include:

Application Development and Support

- Renewed the annual maintenance contract for the second consecutive year for a premier import-export bank. Additionally, the UI redesign for the client's intranet portal was successfully deployed; subsequent modules were completed in-house with no vendor dependency.

- Received approval from a multinational electronics company to complete a mobile application development project.

- Secured a web services tool development project from an investment holding company that designs, develops, implements, and markets financial management software in the APAC region.

- Awarded a perfect customer satisfaction survey rating for a project that is in its tenth year running.

- Won a Solar PV monitoring and reporting project for a leading transformative energy company.

Big Data, Data Analytics and AI

- Delivered the Proof of Concept on a Hadoop framework for a multinational storage and data management company; a proposal for the project is under discussion.

Testing

- Oversaw 88% growth in the offshore team size of a major long-standing client that develops technology-enabled knowledge solutions for improving business performance and ensuring regulatory compliance.

- Successfully delivered a Vulnerability Assessment and Penetration Testing project for a European stock market indices website.

Tech Talent

- Completed in-house native mobile application development and SharePoint integration to eliminate vendor dependencies.

- Continued building a readily available, highly competent talent pool and further enhanced our learning and development program.

Change in Nature of Business

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

5. QUALITY

Mindteck's Quality Management System (QMS) is a collection of business processes focused on consistently meeting customer requirements and enhancing client satisfaction. Mindteck continues to adhere to the following certifications: ISO 9001:2015, ISO 13485:2016, ISO/IEC 20000-1:2011, ISO 27001:2013, CMMI Dev Ver 1.3 Level 5, and CMMISVC/2.

Mindteck's appraisal at CMMI Dev Ver 1.3 Level 5 is a testament to its corporate commitment and attention to quality, providing significant benefits to clients and employees. Mindteck leveraged

CMMI-Dev Version 1.3 Maturity Level 5 to achieve improved customer satisfaction, and ultimately further profitability and growth.

ISO certifications demonstrate Mindteck's ongoing commitment to delivering a consistent level of quality to customers through its well-defined process and procedures. Mindteck is enterprise-wide certified against ISO 9001:2015 (Quality Management) and continues to hold domain-specific quality certification ISO 13485:2016 (for Medical Devices). This assures the Company's commitment to providing value to clients through process-driven innovation principles at every stage of medical device development and design. Mindteck understands that the confidentiality, integrity, and availability of information are vital to business operations and success. Mindteck uses a multi-layered approach to protect key information by constantly monitoring and improving our applications, systems, and processes to meet the growing demands and challenges of dynamic security threats.

Last year again, Mindteck successfully maintained CMMI Level 5 for software and hardware development projects in our Bengaluru and Kolkata locations. Additionally, the Capability Maturity Model Integration (CMMI) Institute has accepted us as a partner. In the recent past, Mindteck Quality team has steered the implementation and review of Mindteck's Delivery Dashboard, covered 100% of Managed Services projects as part of project health check on a monthly basis, and conducted 2 internal audits covering selected Managed Services projects on sampling basis. Management review meetings were also held to communicate QMS performance.

6. INFRASTRUCTURE

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

7. SUBSIDIARIES

On March 31, 2018, Mindteck had seven wholly-owned subsidiaries: Mindteck, Inc. (US), Mindteck Middle East 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 two subsidiaries – Mindteck Germany GmbH (Germany) & Mindteck Netherlands B.V. (Netherlands), Mindteck Singapore Pte. Ltd. has one subsidiary-Mindteck Solutions Philippines, Inc. (Philippines) and Mindteck, Inc. has one subsidiary-Mindteck Canada, Inc.

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

Further, the Company undertakes that the annual accounts of the Subsidiary Companies and the related detailed information will be made available to any investor seeking such information at any point of time. The annual accounts of the subsidiary companies and related detailed information will also be kept for inspection by any investor at Mindteck's registered office and that of the respective subsidiary companies. We shall furnish a hard copy of the accounts of subsidiaries to any shareholder on demand and a soft copy of accounts is available on the Investors section of the 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 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 significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives except with its wholly-owned subsidiaries. The particulars of such contracts or arrangements with related party are attached in ***Annexure-2.***

9. AWARDS AND RECOGNITION

Mindteck is among a select group of global companies appraised at CMMI Dev Ver 1.3 Level 5 from CMMI Institute. It is enterprise-wide certified against ISO 9001:2015 for Quality Management; holds domain-specific Quality Certification ISO 13485:2016 for Medical Devices, and ISO 27001:2013 for Information Security Management System. In June, Mindteck successfully completed the surveillance audit for ISO 20000-1:2011 - Service Management System.

10. LITIGATION

No material litigation is outstanding as on March 31, 2018 except one recovery suit filed in the year 2013 in connection with advance payment made for the proposed office premises, which was not occupied by the Company.

11. CHANGES TO SHARE CAPITAL

The Board of Directors of the Company allotted 16,200 Equity Shares on August 18, 2017, 71,868 Equity Shares on November 08, 2017 and 85,636 Equity Shares on February 13, 2018 pursuant to allotment of shares under the Employees Stock Option Schemes. In addition, 64,299 Equity Shares was allotted pursuant to Preferential Allotment on a share swap basis on March 30, 2018 to Black Horse Limited, an erstwhile investor of Chendle Holdings Limited, a wholly-owned subsidiary acquired in the year 2008. Consequently, the outstanding, issued, subscribed and paid up Equity Shares increased from 25,383,895 to 25,621,898 as on March 31, 2018.

12. 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.

13. 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.

14. TRANSFER TO RESERVES

During the year, the Company transferred Rs. 19,145,299 to its free reserves.

15. 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 notice for the Annual General Meeting.

Mr. Narayan A. Menon, Independent Director ceased to be a Director upon his demise with effect from December 11, 2017. Mr. Javed Gaya, Independent Director resigned with effect from April 03, 2018. Mr. Satish Menon and Mr. Subhash Bhushan Dhar were appointed as Additional Directors and designated as Independent Directors effective from May 14, 2018 and May 29, 2018 respectively for a period of five (5) years. The resolutions seeking the approval of members for the appointment of Mr. Satish Menon and Mr. Subhash Bhushan Dhar as Independent Directors form part of the notice for the 27th Annual General Meeting. A brief resume of Mr. Satish Menon and Mr. Subhash Bhushan Dhar are included in the notice for the Annual General Meeting.

Declarations by Independent Directors

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

Board Diversity

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

Policy on Directors' appointment and remuneration

Mindteck has an appropriate mix of Executive, 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 a Managing Director and Chief Executive Officer, 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 is uploaded in the Company's website **(www.mindteck.com)**. We affirm that the remuneration paid to the Directors is as per the terms.

Number of meetings of the Board

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

Vigil Mechanism/Whistleblower Policy

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

16. KEY MANAGERIAL PERSONNEL

Mr. Anand Balakrishnan resigned as Chief Financial Officer with effect from July 21, 2017 and Mr. Prashanth Idgunji was appointed as Chief Financial Officer with effect from November 08, 2018.

17. AUDITORS

Statutory Auditor

At the 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, who had confirmed their eligibility and willingness to accept office.

Secretarial Auditor

CS S Kannan a Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the FY 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2017-18 forms part of the Annual Report as ***Annexure-4*** to the Board's Report.

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

18. 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 the Board's Report.

19. SIGNIFICANT AND MATERIAL ORDERS

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

20. 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.

21. INDEPENDENT DIRECTORS FAMILIARISATION PROGRAMME

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

22. 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 the Board's report.

The list of employees who were employed throughout the financial year and are in receipt of remuneration of Rs.102 lakhs or more, or were 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 is as under:

Top 10 Employees of the Company based upon the remuneration drawn during the FY 2017-18

Employee Name	Designation	Remuneration Received	Nature of Employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age	Last Employment	Percentage of Equity shares held by the employee in the Company	Any such employee is a relative of any Director or manager of the Company and if so, name of such Director or manager
Sanjeev Kathpalia	Managing Director and CEO	12,537,504	Contractual	B.Tech (IIT), MBA (IIM)	36	01-Mar-17	65	Senior Advisor to the Prime Minister (Republic of Turkey)	NIL	NO
Sumit Goswami(1)	Executive Vice President - Managed Services (US)	5,000,243	Employee	B.E (Computer Technology), PGDBM	24	16-May-16	51	Wipro Limited	NIL	NO
Arup Banerjee	Senior Vice President - MS	4,634,770	Employee	B.Tech	29	08-Jul-11	52	HCL Technologies Ltd	0.02%	NO
Surjit Lahiri	Vice President - Technology	4,594,610	Employee	B.Tech	26	29-March-05	48	Novellus India Pvt Ltd	0.03%	NO
Shivarama Adiga S	Vice President -Legal and Company Secretary	3,581,855	Employee	C.S, M.Com, LLB	40	18-Mar-13	59	Diligent Media Corporation Limited	0.05%	NO
Satheesh Kumar Sreedharan(2)	Vice President - Delivery	3,149,243	Employee	M.Tech	31	14-Jun-11	58	GE Healthcare	0.02%	NO
Prashanth Idgunji(3)	Chief Financial Officer	3,102,691	Employee	C.A., CPA	31	28-Aug-17	53	LiquidHub India Private Limited	NIL	NO
Divya Parihar	Head Recruitments	3,041,229	Employee	B.Com, PGDBM	13	06-Feb-15	44	Aditi Staffing Private Limited	NIL	NO
Girish Chandrasekhar Pachuveetil	Associate Vice President - Delivery	3,015,672	Employee	MS	23	09-Apr-15	50	CGI Information Systems and Management Consultants Pvt Ltd	NIL	NO
Harish Nair	Regional Vice President – India, Middle East And Africa	2,854,509	Employee	MBA	21	11-Sep-13	44	EDC Creative Technology Solutions	0.04%	NO

(1) Part of the Year-Resigned w.e.f. February 14, 2018.

(2) Part of the Year-Resigned w.e.f. December 14, 2017.

(3) Part of the Year-Appointed w.e.f. August 28, 2017.

23. COMMITTEES OF THE BOARD

Currently, the Board has four Committees: The 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 Malkani – Chairman Mr. Satish Menon– Member Mr. Guhan Subramaniam – Member Mr. Sanjeev Kathpalia – 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 mechanism 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 the Board's report. ▪ In accordance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policies on related party transactions and material subsidiaries. The policies, including the Whistleblower Policy, are available on the Company's website.
Nomination and Remuneration Committee	Ms. Prochie Mukherji – Chairperson Mr. Jagdish Malkani – Member Mr. Guhan Subramaniam – 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 Managing Director and senior executives to align both short-term and long-term compensation with business objectives and to link compensation with the achievement of measurable performance goals. ▪ The Committee structures compensation to ensure that it is competitive in the global markets in which 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 in the Company's Website ***(Weblink: http://www.mindteck.com/assets/investor_pdf/Nomination_Remuneration_Policy.pdf).***
Corporate Social Responsibility Committee	Mr. Yusuf Lanewala – Chairman Mr. Satish Menon – Member Mr. Sanjeev Kathpalia – Member	▪ The Board has laid out the Company's policy on Corporate Social Responsibility (CSR), and the CSR activities of the Company are carried out as per the instructions of the committee. ▪ The Company allocates 2% of its average net profits of three years immediately preceding the financial year on CSR activities to various beneficiaries. ▪ Financial data pertaining to the Company's CSR activities to various beneficiaries for the FY 2017-18 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: http://www.mindteck.com/pdf/policies/CSR_Policy.pdf)***
Stakeholders Relationship Committee	Mr. Satish Menon – Chairman Mr. Meenaz Dhanani – Member Mr. Sanjeev Kathpalia – Member	▪ The Committee reviews and ensures redressal of investor grievances. ▪ The Committee notes all the grievances of the investors and takes suitable actions.

24. RISK MANAGEMENT POLICY

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

25. CORPORATE GOVERNANCE REPORT

Mindteck recognizes good Corporate Governance and is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability, for the benefit of its stakeholders and for long-term success. 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.

26. MANAGEMENT DISCUSSION AND ANALYSIS

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

27. 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, 2018, 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, 2018 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

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

28. WE CARE

WE CARE is a brand experience framework for honouring our commitments and making a lasting difference both inside and outside the organization. Constituents include shareholders, clients, employees, partners and communities. The cornerstones are knowledge, opportunity, advocacy, inclusion, goodwill and respect. Care is rooted in the ways we engage and enable, and fundamental to the way in which we build and nurture relationships, champion others, foster careers in technology, and steward community causes.

During 2017-18, we made further strides forging positive brand associations, building stronger relationships and innovating within the WE CARE framework:

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

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

Notable highlights for the year include:

- Placed graduates at JPMorgan Chase, eMoney, Independence Blue Cross/Shield and CtW Investment Group
- Attained inclusion in Course Report and SwitchUp
- Conducted internal training in Core Java, Agile-Scrum and MEAN (MongoDB, Express, Angular JS and Node JS)
- Mentored consultants who work for a public-sector client in .Net Entity and MVC frameworks.
- Expanded trainer relationships to accommodate the growing need for emerging technologies
- Teamed with Human Resources for monthly TechTalks
- Nine classroom-based and seven online courses, with 127 graduates to date.
- Courses on the radar: Machine Learning with Python; Hadoop, Spark and Scala; Python with MongoDB, and DevOps

Consultant Care focuses on retaining and developing our valued people assets who work onsite at client locations. On an ongoing basis, our Brand Ambassadors assist, educate and engage consultants in multiple states throughout North America and Canada. During the year, Consultant Care focused on assisting sales and recruiting with consultant redeployments; nurturing relationships with 'ambassador consultants'; engaging alumni and referrals; and Mindteck Academy cross-sell. On the radar for the coming year: more one-on one consultant meetings, expanded segmentation to help drive tailored campaigns, optimization of the consultant portal, and more robust redeployment efforts to stem attrition.

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

Client Care operates both cross-functionally and independently throughout our organization to ensure positive experiences and outcomes for our clients, and champion a caring culture and business approach. Key efforts during the year focused on: meeting clients one-on-one, fostering a client-centric focus through client knowledge sharing, developing best practices, and supporting sales and delivery. On the radar for the coming year:

more one-on-one client engagement and channel outreach, more robust knowledge sharing, and process improvements.

29. CSR INITIATIVES

India CSR:

In FY 2017-18, Mindteck allocated more than 2% of its previous three years' average net profits toward India CSR activities ranging from education, economic independence, and Swachh Bharat Abhiyan, as follows:

Mantra4Change - Addresses the lack of delivery of quality education in under-resourced schools. Mindteck contributed towards the 'School Readiness Program' for Early Childhood Education (ECE) for five schools located in Bengaluru. Highlights of Mantra4Change's 'School Readiness Program' in ECE during 2017-18 are as follows.

- Conducted 25 training programs for teachers, including story-telling techniques, that have resulted in a significant improvement in the quality of teacher delivery.
- Conducted 25 counselling sessions for parents and children alike. This has infused a higher degree of awareness among parents with reference to their roles and contribution towards their children's learning efforts at home.
- Identified, sourced, and delivered, creative and age-appropriate 'play & learn' kits that are environmentally safe to ECE classrooms.
- Sourced an age-appropriate and interesting collection of contextually relevant books to create library.

Western Railways, Mumbai - Addresses equitable community access to improved sanitation and hygiene at toilet facilities at Western Railway stations in Mumbai. As a key donor of the Global Grant Project of Repairs and Renovation of toilet facilities, Mindteck was recognized by the Rotary Club of Bombay Kandivli and the Rotary District 3141 for this project which benefits millions of train commuters yearly. At present, the renovation of seven toilet facilities at seven different suburban railway stations have been completed and are fully operational.

US CSR:

The US CSR initiative associated itself with child hunger, computer science learning for children, cancer survivors and their families, and the blind.

30. 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, 2018, under this Scheme, the Company granted 9,600 options on May 22, 2017 at an exercise price of Rs. 81.55 per share and 30,900 options on August 10, 2017 at an exercise price of Rs. 71.85 per share, and also issued and allotted 10,500 shares to eligible employees. There has been no variation in the terms of the ESOP Scheme during the year.

b. Mindteck Employees Stock Option Scheme 2008

During the year ended March 31, 2018, under this Scheme, the Company granted 118,600 options on November 08, 2017 at an exercise price of Rs. 79.65 and 193,400 options on February 13, 2018 at an exercise price of Rs. 73.60, and also issued and allotted 163,204 shares to eligible employees. There has been no variation in the terms of the ESOP Scheme during the year.

c. Mindteck Employees Stock Option Scheme 2014

During the year ended March 31, 2018, under this Scheme, the Company granted 250,000 options on April 10, 2017 at an exercise price of Rs. 81.30. There has been no variation in the terms of the ESOP Scheme during the year.

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

31. 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, 2018, the said Trust holds 416,000 shares of the Company and has not yet granted any shares to the Company's employees under the said scheme.

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

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

33. ACKNOWLEDGEMENTS

The Directors place on record their appreciation of cooperation 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)

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

Bengaluru, India
May 29, 2018

Annexure-1

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

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

(Amount in Rs.)

Name of the Subsidiary	Mindteck Germany GmbH	Mindteck Software Malaysia SDN. BHD.	Mindteck Middle East Ltd. S.P.C.	Mindteck Netherlands B V	Mindteck Singapore Pte. Ltd.	Mindteck (UK) Limited	Mindteck, Inc.	Chendle, Holdings Ltd.	Mindteck Solutions Philippines, Inc.	Mindteck Canada, Inc.	Hitech Parking Solutions Private Limited*
Sl. No.	1	2	3	4	5	6	7	8	9	10	11
Reporting Period	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18	01-04-17 to 31-03-18
Reporting Currency	EUR	MYR	BHD	EUR	SGD	GBP	USD	USD	PHP	CAD	INR
Exchange Rate	80.2135	16.8539	172.6486	80.2135	49.6452	91.2154	65.0730	65.0730	1.2481	50.2348	Not Applicable
Share Capital	1,622,110	3,016,212	5,750,500	1,041,030	38,047,091	77,207,393	309,507,354	20,030,000	13,743,619	153,155	-
Reserves & Surplus	(20,677,907)	57,854,566	(7,815,605)	(1,672,273)	75,519,312	(54,462,347)	95,241,036	-	(9,940,782)	(29,806)	-
Total Assets	22,706,046	92,863,621	22,216,345	114,144	157,263,899	61,119,156	623,376,532	20,030,000	4,002,202	3,110,548	-
Total Liabilities	41,761,843	31,992,843	24,281,450	745,387	43,697,496	38,374,110	218,628,142	20,030,000	199,364	2,987,199	-
Investments	-	-	-	-	13,743,619	2,663,140	162,810	20,030,000	-	-	-
Turnover	30,362,975	158,556,325	65,155,682	-	282,198,620	184,039,351	1,924,097,582	-	2,842,790	3,126,118	-
Profit before taxation	(2,880,842)	(4,428,169)	(3,566,211)	(10,552)	17,934,829	(842,737)	(60,318,133)	-	(3,934,130)	(28,430)	-
Provision for taxation	-	(6,012,487)	-	-	1,725,256	-	-	-	-	-	-
Profit after taxation	(2,880,842)	(10,440,656)	(3,566,211)	(10,552)	16,209,573	(842,737)	(60,318,133)	-	(3,934,130)	(28,430)	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	99.99	100	-

* Hitech Parking Solutions Private Limited was incorporated on March 14, 2018 and investment was made by Mindteck after March 31, 2018. Since there was no commercial operation conducted by the Subsidiary during the FY 2017-18, no information is available for disclosure.

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

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

Bengaluru, India
May 29, 2018

Annexure-2

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

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

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with the related parties referred to in Sub-section (1) of Section 188 of the 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 in to during the year ended March 31, 2018, which were not at an arm's length basis.

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

The details of material contracts or arrangement or transactions at an arm's length basis for the year ended March 31, 2018 are as follows:

Amount in Rs.

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any*	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Mindteck, Inc., US	Subsidiary	To render offshore services	01-04-2008 - ongoing	410,419,685	NA	314,213
Mindteck Software Malaysia SDN. BHD. Malaysia	Subsidiary	To render offshore services	01-04-2009 - ongoing	11,691,403	NA	1,531,428
Mindteck Middle East Limited S.P.C., Kingdom of Bahrain	Subsidiary	To render offshore services	01-04-2009 - ongoing	1,995,150	NA	1,830,149
Mindteck (UK) Limited, United Kingdom	Subsidiary	To render offshore services	01-04-2008 - ongoing	127,687,768	NA	2,223,510
Mindteck Singapore Pte. Limited, Singapore	Subsidiary	To render offshore services	01-04-2009 - ongoing	8,415,970	NA	1,048,246
Chendle Holdings Ltd, BVI	Subsidiary	NIL	NIL	NIL	NA	NIL
Hitech Parking Solutions Private Limited	Subsidiary	NIL	NIL	NIL	NA	32,460
Mindteck Netherlands BV, Netherlands	Step-Subsidiary	To render offshore services	01-04-2008 - ongoing	NIL	NA	NIL
Mindteck Germany GmbH, Germany	Step-Subsidiary	To render offshore services	01-04-2008 - ongoing	9,438,688	NA	5,265,955
Mindteck Solutions Philippines, Inc., Philippines	Step-Subsidiary	NIL	NIL	NIL	NA	10,477
Mindteck Canada, Inc., Canada	Step-Subsidiary	NIL	NIL	NIL	NA	NIL

*Based on TP Agreements.

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

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

Bengaluru, India
May 29, 2018

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 company to constitute a vigil mechanism.

2. DEFINITIONS

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

a. **"Audit Committee"** - means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

e. **"Employee"** - 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 Wrongful Conduct' and other malpractices which have taken place involving, but not limited to:

- Any unlawful act, whether criminal or not.
- Breach of any Policy or Manual or Code of conduct adopted by the Company.
- Abuse (e.g. through physical, psychological or financial abuse, exploitation or neglect).
- Fraud and corruption (e.g. to solicit or receive any gift/ reward as a bribe).
- Any instance of failure to comply with legal or statutory obligation either on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
- Any kind of financial malpractice.
- Abuse of power (e.g. bullying/harassment).
- Negligence causing substantial and specific danger to public health and safety.
- Wastage/misappropriation of Company funds/assets.
- Any other unethical or improper conduct.

c. All employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any other subsidiaries.

d. This policy has been introduced by the Company to enable Mindteck employees to raise their Protected Disclosures about any 'Alleged Wrongful Conduct', malpractice, impropriety, abuse or wrongdoing at any stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage. However, employees are not to use this mechanism to question financial or business decisions taken by the Company Management or to reopen issues which have already been addressed pursuant to disciplinary or other procedures of the Company.

e. The Whistleblower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

f. Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Committee Heads.

4. EFFECTIVE DATE OF POLICY

This revised policy will be effective from April 01, 2014.

5. COMPANY GUARANTEES UNDER THE POLICY

Protection:

a. The Company, as a matter of policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection shall be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure.

b. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Employees who acted in good faith, raise genuine Protected Disclosures under this policy will not be at risk of losing their jobs or be subjected to any kind of harassment or pressure from the Management.

Protected Disclosures are not published.

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

Disqualifications

a. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a mala fide intention.

c. Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

6. PROCEDURE FOR DISCLOSURE, ENQUIRY AND DISCIPLINARY ACTION

How to disclose Protected Disclosures?

a. An employee intending to make any Protected Disclosure is required to disclose all relevant information at the earliest from the day on which he/she knew of the Protected Disclosure.

b. Protected Disclosures should preferably be reported in writing, so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in the regional language of the place of employment of the Whistleblower.

c. The Protected Disclosure, if forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee shall detach the covering letter and discuss the Protected Disclosure with Members of the Committee.

d. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible to interview the Whistleblowers.

e. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

To whom should Protected Disclosures be disclosed?

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

Chairman of 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. Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.

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

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

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

f. Subject shall co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

g. Subject has a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

h. Subject 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 is not confirmed by subsequent investigation, no action will be taken against the disclosing employees. In making disclosures, employees should exercise due care to ensure the accuracy of the information.

Maintaining confidentiality of the Protected Disclosure

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

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

Bengaluru, India
May 29, 2018

Annexure-4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH, 31, 2018

{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"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as amended up to the date of audit:
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;
   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. 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 with effect from 1st July 2017

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

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

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

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

I further report that:

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 except the preferential issue of 64,299 equity shares to Black Horse Limited one of the erstwhile shareholders of Chendle Holdings Limited which was acquired by the Company.

vii. During the period under review, Company has allotted 1,73,704 equity shares through various ESOP Schemes to its employees& 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
FCS No. 6261/C P No.: 13016

Place: Bangalore
Date: 19^{th} May 2018

Annexure-A

To,
The Members,
Mindteck (India) Limited
A M R Tech Park, Block 1
3^{rd} 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 & 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
FCS No. 6261/C P No.: 13016

Place: Bangalore
Date: 19^{th} May 2018

Annexure-5

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2018

{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 Software Services	62-620	86.63

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	100683427	Subsidiary	100	2(87)
3	Mindteck Middle East Ltd S.P.C. # 44, 3rd Floor, Suhail Centre, Building 81 Road 1702 Block 317, Diplomatic Area, PO Box-10795 Manama, Kingdom of Bahrain	49063	Subsidiary	100	2(87)
4	Mindteck Software Malaysia SDN. BHD. Galleria@Cyberjaya, Unit 16-5, Jalan Tecknokrat 6, Cyber 5 63000 Cyberjaya, Selangor, Darul Ehsan, Malaysia	718964	Subsidiary	100	2(87)
5	Mindteck Singapore Pte. Ltd. 7B keppel Road, #05-09 PSA Tanjong, Pagar Complex Singapore-089055	199904845D	Subsidiary	100	2(87)
6	Mindteck (UK) Ltd. 4 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire WD6 1JN, United Kingdom	3051828	Subsidiary	100	2(87)
7	Chendle Holdings Ltd. Mill Mall Suite 6, Wickhams Cay PO Box 3085, Road Town Tortola, British Virgin Islands	494087	Subsidiary	100	2(87)
8	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 Netherlands B.V. Schipholweg 103, 2316 XC Leiden, Netherlands	27313198	Step-Subsidiary	100	2(87)
11	Mindteck Solutions Philippines, Inc. U802 BSA Twin Towers, Bank Drive, Ortigas Center Mandaluyong 1550 Metro Manila, Philippines	CS201604851	Step-Subsidiary	99.99	2(87)
12	Mindteck Canada, Inc. 2-215 Traders Boulevard E. Mississauga ON L4Z 3K5	1057627-1	Step-Subsidiary	100	2(87)

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-2017] Demat	Physical	Total	% of Total Shares	No. of Shares held at the end of the year [As on 31-March-2018] 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.	16,431,604	-	16,43,1604	64.73%	1,6431,604	-	16,431,604	64.13%	(0.60%)
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (A)(2)	16,431,604	-	16,431,604	64.73%	16,431,604	-	16,431,604	64.13%	(0.60%)
TOTAL (A)	**16,431,604**	**-**	**16,431,604**	**64.73%**	**16,431,604**	**-**	**16,431,604**	**64.13%**	**(0.60%)**
B. Public									
(1) Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks/FI	-	25	25	0.00%	16,787	25	16,812	0.07%	0.07%
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%	16,787	25	16,812	0.07%	0.07%
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	242,026	1,262	243,288	0.96%	297,229	1,262	298,491	1.16%	(0.20%)
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,584,136	139,031	2,723,167	10.73%	2,540,885	135,836	2,676,721	10.45%	(0.28%)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	753,102	-	753,102	2.97%	988,857	-	988,857	3.86%	(0.89%)
c) Others (specify)									
Non-Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	432,655	17,000	449,655	1.77%	438,641	17,000	455,641	1.78%	0.01%
Foreign Nationals	530,987	16,000	546,987	2.16%	53,0987	16,000	546,987	2.13%	(0.03%)
Clearing Members	198,820	-	198,820	0.78%	165,438	-	165,438	0.65%	(0.13%)
Trusts	1,223,148	-	1,223,148	4.82%	1,223,148	-	1,223,148	4.77%	(0.05%)
Foreign Bodies	2,595,892	-	2,595,892	10.23%	2,477,732	64,299	2,542,031	9.92%	(0.31%)
LLP\Partnership Firm	-	-	-	0.00%	-	-	-	0.00%	0.00%
NBFC Registered with RBI	1,114	-	1,114	0.00%	-	-	-	0.00%	0.00%
HUF	217,093	-	217,093	0.85%	276,168	-	276,168	1.08%	0.23%
Sub-total (B)(2)	8,778,973	173,293	8,952,266	35.27%	8,939,085	234,397	9,173,482	35.80%	0.53%
Total Public (B)	**8,778,973**	**173,318**	**8,952,291**	**35.27%**	**8,955,872**	**234,422**	**9,190,294**	**35.87%**	**0.60%**
C.Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	**25,210,577**	**173,318**	**25,383,895**	**100.00%**	**25,387,476**	**234,422**	**25,621,898**	**100.00%**	**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	16,431,604	64.73%	NIL	16,431,604	64.13%	NIL	(0.60%)

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

				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			16,431,604	64.73%	16,431,604	64.73%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			16,431,604	64.13%	16,431,604	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			1,390,569	5.48%	1,390,569	5.48%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,390,569	5.43%	1,390,569	5.43%
2	Name: RAVI PRASAD THANTRY						
	At the beginning of the year			807,148	3.18%	807,148	3.18%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			807,148	3.15%	807,148	3.15%
3	Name: BANCO EFISA S.A.						
	At the beginning of the year			801,467	3.16%	801,467	3.16%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			801,467	3.13%	801,467	3.13%
4	Name: ABDOOL MAGID K						
	At the beginning of the year			427,744	1.69%	427,744	1.69%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			427,744	1.67%	427,744	1.67%
5	Name: MINDTECK EMPLOYEES WELFARE TRUST						
	At the beginning of the year			416,000	1.64%	416,000	1.64%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			416,000	1.62%	416,000	1.62%
6	Name: TADHAMON INTERNATIONAL ISLAMIC BANK						
	At the beginning of the year			403,856	1.59%	403,856	1.59%
	Changes during the year	28-04-2017	Transfer	(5,000)	(0.02%)	398,856	1.56%
	Changes during the year	12-05-2017	Transfer	(5,000)	(0.02%)	393,856	1.54%
	Changes during the year	21-07-2017	Transfer	(7,160)	(0.03%)	386,696	1.51%
	Changes during the year	13-10-2017	Transfer	(15,000)	(0.06%)	371,696	1.45%
	Changes during the year	20-10-2017	Transfer	(1,000)	0.00%	370,696	1.45%
	Changes during the year	10-11-2017	Transfer	(85,000)	(0.33%)	285,696	1.12%
	At the end of the year			285,696	1.12%	285,696	1.12%

7	Name: MAHESH THARANI						
	At the beginning of the year			200,971	0.79%	200,971	0.79%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200,971	0.78%	200,971	0.78%
8	Name: BASSAM MAHMOUD K JABR						
	At the beginning of the year			82,583	0.33%	82,583	0.33%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			82,583	0.32%	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: PREMKUMAR RADHAKISHAN GARG						
	At the beginning of the year			30,000	0.12%	30,000	0.12%
	Changes during the year	19-05-2017	Transfer	(22,800)	(0.09%)	7,200	0.03%
	Changes during the year	16-06-2017	Transfer	(2,200)	(0.01%)	5,000	0.02%
	Changes during the year	04-08-2017	Transfer	73,135	0.29%	78,135	0.30%
	Changes during the year	15-09-2017	Transfer	(25,000)	(0.10%)	53,135	0.21%
	Changes during the year	13-10-2017	Transfer	(1,050)	0.01%	52,085	0.20%
	Changes during the year	10-11-2017	Transfer	(47,085)	(0.18%)	5,000	0.02%
	Changes during the year	16-02-2018	Transfer	42,085	0.16%	47,085	0.18%
	Changes during the year	02-03-2018	Transfer	30,000	0.12%	77,085	0.30%
	At the end of the year			77,085	0.30%	77,085	0.30%

(v) Shareholding of Directors and Key Managerial Personnel:

				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Sl. No.	**Shareholding of each Director and each Key Managerial Personnel**	**Date**	**Reason**	**No. of shares**	**% of total shares**	**No. of shares**	**% of total shares**
1	Name: YUSUF LANEWALA						
	At the beginning of the year			50,000	0.19%	50,000	0.19%
	Changes during the year	06-10-2017	Transfer	(15,000)	(0.05%)	35,000	0.14%
	Changes during the year	12-10-2017	Transfer	(969)	0.00%	34,031	0.14%
	Changes during the year	13-10-2017	Transfer	(6,132)	(0.03%)	27,899	0.11%
	Changes during the year	08-11-2017	ESOP Allotment	50,000	0.18%	77,899	0.30%
	Changes during the year	23-11-2017	Transfer	(2,222)	0.00%	75,677	0.30%
	Changes during the year	27-12-2017	Transfer	(30,000)	(0.11%)	45,677	0.19%
	Changes during the year	12-01-2018	Transfer	(10,000)	(0.04%)	35,677	0.15%
	Changes during the year	25-01-2018	Transfer	(3,413)	(0.01%)	32,264	0.14%
	Changes during the year	13-02-2018	ESOP Allotment	75,000	0.28%	107,264	0.42%
	At the end of the year			107,264	0.42%	107,264	0.42%
2	Name: SANJEEV KATHPALIA						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
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: JAVED GAYA						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

5	Name: JAGDISH MALKANI						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year				0.00%	-	0.00%
6	Name: PROCHIE MUKHERJI						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
7	Name: 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%
8	Name: PRASHANTH IDGUNJI						
	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: SHIVARAMA ADIGA S.						
	At the beginning of the year			15,900	0.06%	15,900	0.06%
	Changes during the year	15-01-2018	Transfer	(900)	0.00%	15,000	0.06%
	Changes during the year	18-01-2018	Transfer	(400)	0.00%	14,600	0.06%
	Changes during the year	23-01-2018	Transfer	(287)	0.00%	14,313	0.06%
	Changes during the year	24-01-2018	Transfer	(113)	0.00%	14,200	0.06%
	Changes during the year	25-01-2018	Transfer	(1,000)	(0.01%)	13,200	0.05%
	At the end of the year			13,200	0.05%	13,200	0.05%

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)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	NIL	NIL	NIL	NIL
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs)
	Name	**Sanjeev Kathpalia**	**Meenaz Dhanani**	
	Designation	Managing Director and Chief Executive Officer	Executive Director*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,537,504	-	12,537,504
	(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	500,000	100,000	600,000 options
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	12,537,504	-	12,537,504
	Ceiling as per the Act	2,950,014	2,950,014	5,900,028

*Remuneration to Mr. Meenaz Dhanani is paid by the wholly-owned subsidiary Mindteck, Inc., USA and subsequently, on June 16, 2017, Mr. Meenaz Dhanani was re-designated as Non-Executive Director.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount (Rs)
		Yusuf Lanewala	Javed Gaya	Narayan Menon*	Jagdish Malkani	Prochie Mukherji	Guhan Subramaniam	
1	Independent Directors							
	Fee for attending board committee meetings	-	350,000	150,000	350,000	275,000	350,000	1,475,000
	Commission**	-	180,000	180,000	180,000	180,000	180,000	900,000
	Others, please specify	-	-	-	-	-		-
	Total (1)	**-**	**530,000**	**330,000**	**530,000**	**455,000**	**530,000**	**2,375,000**
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	350,000	-	-	-	-	-	350,000
	Commission	-	-	-	-	-	-	-
	Others (for Professional Services)	900,000	-	-	-	-	-	900,000
	Total (2)	**1,250,000**	**-**	**-**	**-**	**-**	**-**	**1,250,000**
	Total (B)=(1+2)	**1,250,000**	**530,000**	**330,000**	**530,000**	**455,000**	**530,000**	**3,625,000**
	Total Managerial Remuneration	-	-	-	-	-	-	16,162,504
	Overall Ceiling as per the Act	-	-	-	-	-	-	6,490,031

* Ceased to be Director w.e.f. December 11, 2017

**Commission paid during the year pertaining to FY 2016-17

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*****	**Shivarama Adiga S.**	
	Designation	CEO	CFO	CFO	CS	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,884,289	3,102,691	3,581,855	8,568,835
	(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	-	30,000 options	100,000 options	5,600 options	135,600 options
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	**-**	**1,884,289**	**3,102,691**	**3,581,855**	**8,568,835**

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

** Ceased to be CFO w.e.f. July 21, 2017

*** Appointed as CFO w.e.f. November 08, 2017

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)

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

Bengaluru, India
May 29, 2018

Annexure-6

DETAILS OF REMUNERATION OF DIRECTOR

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

Name of the Director	Ratio to the Median
Yusuf Lanewala	2.72
Sanjeev Kathpalia	27.29
Guhan Subramaniam	1.15
Jagdish Malkani	1.15
Javed Gaya	1.15
Meenaz Dhanani	NIL
Narayan A. Menon	0.72
Prochie Mukherji	0.99

(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	NIL
Sanjeev Kathpalia	NIL
Guhan Subramaniam	93%
Jagdish Malkani	NIL
Javed Gaya	NIL
Meenaz Dhanani	NIL
Narayan A. Menon	NIL
Prochie Mukherji	NIL
Prashanth Idgunji, KMP	NIL
Shivarama Adiga S., KMP	10%

(iii)	The percentage increase in the median remuneration of employees in the financial year;	7%
(iv)	The number of permanent employees on the rolls of Company;	The total number of Mindteck employees as on March 31, 2018 was 640.
(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 8% for all the employees and for managerial personnel in the financial year 2017-18. 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.

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

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

Bengaluru, India
May 29, 2018

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.	Company laid down its focus on the following CSR activities in line with the statute governing the 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: http://www.mindteck.com/assets/investor_pdf/CSR_Policy.pdf)***
2	Composition of CSR Committee	Yusuf Lanewala – Chairman (Committee Chairman) Sanjeev Kathpalia– Managing Director and Chief Executive Officer (Member) Satish Menon– Independent Director (Member)
3	Average net profit of the Company for last three financial years	Rs. 13,16,14,590
4	Prescribed CSR expenditure (2% of the average net profit as computed above)	Rs. 26,32,292
5	Details of CSR expenditure during the financial year: Total amount to be spent for the financial year: Amount spent: Rs. 27,00,000 Amount unspent: NIL	▪ Rotary Club of Bombay Kandivli Charitable Trust-Repair and major revamp of toilet blocks on suburban railway stations from Virar to Churchgate (Mumbai) for local Stations. ▪ 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 was undertaken	Amount outlay (budget) project or program wise (Rs.)	Amount Spent on the projects or programs Subheads: (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	Rotary Club of Bombay kandivli charitable trust	Repair and major revamp of toilet blocks on suburban railway stations from Virar to Churchgate (Mumbai) for local Stations.	Kandivli, Mumbai, Maharashtra	20,50,000	Direct Expenditure on project	20,50,000	Through Rotary Club of Bombay Kandivli charitable trust
2	Mantra Social Services	'School Readiness Program' in Early Childhood Education.	Bangalore	6,50,000	Direct Expenditure on project	6,50,000	Through Mantra Social Services

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

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

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

Bengaluru, India
May 29, 2018

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, 2017 to 31st March, 2018.

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

Place: Bangalore

Date: 21st May, 2018

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

Annexure-9

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:

i. Deployment of an LED-based smart lighting system at Bengaluru office

ii. Installation of bio-urinal mats for the reduction in water and energy consumption

iii. Further energy conservation initiatives:

- Monitors are turned off by the employees before leaving for the day. Desktops and laptops hibernate when not in use for more than ten minutes.
- 50% of the elevators are operational during holidays and weekends.
- Lights are switched off when offices are not in use.
- Use of sunlight is encouraged where possible to minimize the use of electric lighting.
- Air conditioners are switched off in the evenings and during holidays and weekends.
- Air conditioner runtimes have been minimized by altering the exhaust system.
- Within the premises, diesel generator sets are used in cases of extreme necessity, and are well maintained to increase efficiency, resulting in less wastage of fuel.
- The water pipes have been resized to reduce water consumption.

Waste Management:
Mindteck ensures the least possible level of waste accumulation through effective disposal and recycling.

- 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 ensure effective disposal.
- Food waste is processed by organic manure manufacturers.
- STP is operational on premises to ensure the use of treated water for common area cleaning and gardening.
- All e-waste is disposed and recycled through e-waste recycling agencies.

2. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Technology Absorption:

(i) The efforts made towards technology absorption:

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

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

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

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

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

Amount in Rs.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Earnings	559,086,941	507,031,589
Expenditure	2,994,524	9,257,205

for and on behalf of the Board of Directors

Yusuf Lanewala
Chairman
(DIN: 01770426)

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

Bengaluru, India
May 29, 2018

Corporate Governance Report

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

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

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

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

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

The overall responsibility for guiding Corporate Governance within the Company rests with the Board of Directors ('the Board'), which has put in place appropriate policies, guidelines and processes. The day-to-day implementation and monitoring of these policies, guidelines and processes rest with the Management of the Company and are in consonance with the requirements of the Companies Act, 2013 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 Board of the Company and Committees of Directors of appropriate composition, size and expertise.

(ii) Complete transparency in the operations of the Company.

(iii) Maintaining prescribed levels of disclosure and complete openness in communication.

(iv) Independent verification and safeguarding integrity of the Company's financial reporting.

(v) A sound system of risk management and internal control.

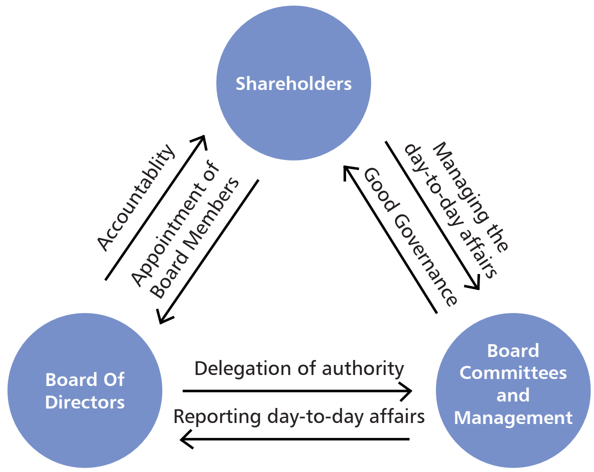
(vi) Timely and balanced disclosure of all material information concerning the Company to its stakeholders.

(vii) A system to ensure compliance with applicable laws of all countries in which the Company operates.

(viii) Maintenance of high standards of safety and health.

(ix) Adherence to good governance practices in spirit and not just in letter.

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 maximizing the 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 & Chief Executive Officer along with Senior Management are responsible for setting up business targets and day-to-day management of the Company in line with the objectives and principles set by the Board.

A. GOVERNANCE BY THE BOARD OF DIRECTORS

Composition:

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

As at March 31, 2018, the Company had Seven Directors, of which Four Directors were Independent, as defined in the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR). The Chairman of the Company conducts all the Board Meetings and Shareholders' Meetings. The Managing Director & Chief Executive Officer manages the day-to-day affairs of the Company. The Board periodically evaluates the need for change in its composition and size. None of the Directors of the Company are related inter se.

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

Table 01: The names and categories of Directors on the Board, their directorship and shareholding:

Name of the Director	Designation and Category	Age	Equity Shareholding (as on March 31, 2018)	No. of Directorship*		No. of Committees**	
				Public	Private	Chairman	Member
Mr. Yusuf Lanewala	Non-Executive Chairman	64	107,264 shares	-	1	-	-
Mr. Sanjeev Kathpalia	Managing Director and Chief Executive Officer	65	NIL	-	3	-	-
Mr. Meenaz Dhanani (1)	Non-Executive Director	61	NIL	-	-	-	-
Mr. Javed Gaya (2)	Independent Director	62	NIL	-	7	-	-
Mr. Narayan A. Menon (3)	Independent Director	68	NIL	-	-	-	-
Mr. Jagdish Malkani	Independent Director	62	NIL	-	4	-	-
Ms. Prochie Sanat Mukherji	Independent Director	69	NIL	-	-	-	-
Mr. Guhan Subramaniam	Independent Director	64	NIL	-	2	-	-
Mr. Satish Menon (4)	Independent Director	60	NIL	-	-	-	-
Mr. Subhash Bhushan Dhar (5)	Independent Director	52	NIL	-	3	-	-

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

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

(1) Mr. Meenaz Dhanani was redesignated as Non-Executive Director of the Company w.e.f June 16, 2017.

(2) Mr. Javed Gaya resigned as an Independent Director w.e.f. April 03, 2018.

(3) Mr. Narayan A. Menon ceased to be an Independent Director w.e.f. December 11, 2017, upon his demise.

(4) Mr. Satish Menon was appointed as an Independent Director w.e.f May 14, 2018 subject to the approval of the Shareholders at the Annual General Meeting of 2018.

(5) Mr. Subhash Bhushan Dhar was appointed as an Independent Director w.e.f May 29, 2018 subject to the approval of the Shareholders at the Annual General Meeting of 2018.

All the Independent Directors have furnished to the Company a declaration at the time of their appointment that they qualify the test of Independence as laid down in Section 149(6) of Companies Act, 2013 & Regulation 16(1)(b) of the SEBI (LODR) and certify annually regarding their independence. The process of selection of Independent Directors is rigorous, transparent, objective and is aligned with the needs of the Company. None of the Independent Directors have any material pecuniary relationship or transactions with the Company and served on the Board of the Company for more than ten years.

Pursuant to Regulation 25(3) of SEBI (LODR), the Independent Directors of the Company met once in the FY 2017-18.

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

Independent Directors Familiarisation Programme:
Mindteck has a well-established familiarisation programme for its Independent Directors. The Managing Director & Chief Executive Officer, Business Heads and Company Secretary make presentations on business models, nature of industry and its dynamism, 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 the Statutory and Internal Auditors on a quarterly basis.

(Weblink: http://www.mindteck.com/assets/investor_pdf/ IDFP050515.pdf).

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

The Board met four times in the FY 2017-2018:– May 22, 2017, August 10, 2017, November 08, 2017 and February 13, 2018.

Sitting Fees:
The Company paid sitting fees of Rs. 1, 00,000 per meeting to its Non-Executive Directors including Independent Directors for attending meetings of the Board and no fee was paid for attending the Committee meetings effective from September 01, 2017. The Company had paid Rs. 75,000 for Board meeting and no fee was paid for attending the Committee meetings prior to September 01, 2017.

Table No 02: Directors attendance and sitting fee paid details:

Name of the Director	No. of Board Meetings during FY 2017-18		Whether attended last AGM held on August 11, 2017	Sitting fees for Board and Committee meetings (in Rs.)
	Held	Attended		
Mr. Yusuf Lanewala	4	4	Yes	350,000
Mr. Sanjeev Kathpalia	4	4	Yes	NIL
Mr. Meenaz Dhanani	4	3	Yes	NIL
Mr. Javed Gaya (1)	4	4	Yes	350,000
Mr. Narayan A. Menon (2)	4	2	Yes	150,000
Mr. Jagdish Malkani	4	4	Yes	350,000
Ms. Prochie Sanat Mukherji	4	3	Yes	275,000
Mr. Guhan Subramaniam	4	4	Yes	350,000
Mr. Satish Menon (3)	4	-	No	NIL
Mr. Subhash Bhushan Dhar (4)	4	-	No	NIL

(1) Mr. Javed Gaya resigned as an Independent Director w.e.f. April 03, 2018.

(2) Mr. Narayan A. Menon ceased to be an Independent Director w.e.f. December 11, 2017.

(3) Mr. Satish Menon was appointed as an Independent Director w.e.f May 14, 2018 subject to the approval of the Shareholders at the Annual General Meeting of 2018.

(4) Mr. Subhash Bhushan Dhar was appointed as an Independent Director w.e.f May 29, 2018 subject to the approval of the Shareholders at the Annual General Meeting of 2018.

Non-Executive/Independent Directors' remuneration:

The Members at the Annual General Meeting of the Company on August 14, 2014, approved the payment of profit-related commission to the Non-Executive Directors including Independent Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The fees/compensation paid to Non-Executive/Independent Directors is fixed by the Board of Directors. The compensation is within the limits prescribed under the Companies Act, 2013. The remuneration paid to Independent Directors of the Company pertaining to FY 2017-18 is annexed to the Board's Report. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

Mr. Yusuf Lanewala, Chairman of the Company was paid Rs. 9,00,000/- during the year as fees for providing professional services to the Company apart from the sitting fees mentioned in the table above. Mr. Meenaz Dhanani, Non-Executive Director of the Company with effect from June 16, 2017, 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., USA.

None of the Non-Executive/Independent Directors hold shares or any convertible instruments in the Company, except Mr. Yusuf Lanewala, Chairman held 107,264 Equity shares as on March 31, 2018 and holds 100,000 Stock Options and Mr. Meenaz Dhanani holds 100,000 Stock Options of the Company.

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. ***(Web link: http://www.mindteck.com/assets/investor_pdf/Nomination_Remuneration_Policy.pdf)***

Remuneration to Managing Director & Chief Executive Officer:

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

The detailed remuneration of Mr. Sanjeev Kathpalia, Managing Director & Chief Executive Officer is as under:

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

Variable Salary: Rs. 55,00,000/- p.a.

Stock Options: 500,000 Stock Options

Mr. Sanjeev Kathpalia was granted 250,000 options at Rs. 78.10/- on March 30, 2017 and 250,000 options at Rs. 81.30/- on April 10, 2017 under Mindteck Employees Stock Option Scheme 2014. Both grants of stock options shall vest 1/3rd 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 did not hold any Equity shares of the Company as on March 31, 2018.

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 & Chief Executive Officer. Every Board Member can suggest additional items for inclusion in the agenda. Functional heads, who can provide additional insights into the items discussed in the Board Meetings, are also invited for the discussion. Report on the action items are placed before the Board at its succeeding meeting.

Information and updates to Board of Directors:

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results of the Company and its operating divisions or business segments
- Minutes of meetings of the Audit Committee and other Committees of the Board of Directors.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions.
- Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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

Recording minutes of proceedings at Board and Committee Meetings:
The Company Secretary records the Minutes of the proceedings of each Board and Committee Meetings. Draft minutes are circulated to all the Members of the Board/ Committees for their comments. The minutes are entered in the Minutes book 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 necessary to comply with the Listing Agreement and SEBI (LODR). An Action Taken Report on the decisions/minutes of the previous meeting(s) is placed at the following meeting of the Board/Committee for noting and taking on record. Thus, an effective post meeting follow up, review and reporting of the decisions taken at the Board/Committee Meetings is ensured.

B. GOVERNANCE BY COMMITTEES OF THE BOARD OF DIRECTORS

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

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

(i) Audit Committee

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

(a) Composition and Meetings of the Committee:

Meeting: The Audit Committee Meeting was conducted four times during the year on May 22, 2017, August 10, 2017, November 08, 2017 and February 13, 2018. The approved minutes of the meetings were placed before the Board at the succeeding Board Meeting for information.

Table 03: Composition and attendance details of Audit Committee meetings held during the year:

Members	No. of meetings Held	No. of meetings Attended
Mr. Jagdish Malkani, Chairman (1)	4	2
Mr. Guhan Subramaniam	4	4
Mr. Javed Gaya (2)	4	4
Mr. Narayan A. Menon (3)	4	2
Ms. Prochie Sanat Mukherji (4)	4	-
Mr. Sanjeev Kathpalia (5)	4	-
Mr. Satish Menon (6)	4	-
Mr. Yusuf Lanewala (7)	4	4

(1) Mr. Jagdish Malkani was a Member up to May 22, 2017 but ceased to be a Member thereafter and he was re-inducted as Member and the Chairman of the Committee w.e.f. February 13, 2018.

(2) Mr. Javed Gaya ceased to be a Member w.e.f. April 03, 2018.

(3) Mr. Narayan A. Menon ceased to be a Member and Chairman w.e.f. December 11, 2017.

(4) Ms. Prochie Sanat Mukherji ceased to be a Member w.e.f. May 22, 2017.

(5) Mr. Sanjeev Kathpalia was inducted as a Member w.e.f. May 29, 2018.

(6) Mr. Satish Menon was inducted as a Member w.e.f. May 16, 2018.

(7) Mr. Yusuf Lanewala ceased to be a Member w.e.f. May 29, 2018.

Mr. Shivarama Adiga S., Company Secretary, acted as Secretary for all the Audit Committee meetings held in FY 2017-18.

(b) Powers:

Powers of the Audit Committee include:

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

(c) Role and Responsibilities:

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

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

(iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

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

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

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

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

(vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

(viii) Approval or any subsequent modification of transactions of the Company with related parties.

(ix) Scrutiny of inter-corporate loans and investments.

(x) Valuation of undertakings or assets of the Company, wherever it is necessary.

(xi) Evaluation of internal financial controls and risk management systems.

(xii) Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.

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

(xiv) Discussion with internal auditors of any significant findings and follow up thereon.

(xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

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

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

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

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

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

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

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit reports relating to internal control weaknesses;
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 utilized 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: – on May 22, 2017, August 10, 2017, November 08, 2017 and February 13, 2018.

Table 04: 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 (1)	4	3
Mr. Guhan Subramaniam	4	4
Mr. Jagdish Malkani	4	4
Mr. Javed Gaya (2)	4	4
Mr. Narayan A. Menon (3)	4	1
Mr. Subhash Bhushan Dhar (4)	4	-

(1) Ms. Prochie Sanat Mukherji was appointed as the Chairperson w.e.f. May 29, 2018.

(2) Mr. Javed Gaya ceased to be a Member and the Chairman w.e.f. April 03, 2018.

(3) Mr. Narayan A. Menon ceased to be a Member w.e.f. May 22, 2017

(4) Mr. Subhash Bhushan Dhar was inducted as a Member w.e.f. May 29, 2018.

(b) Role 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 of its subsidiaries.

(ii) To determine and make suitable recommendations to the Board in all matters relating to qualification, appointment, evaluation and remuneration of the Independent Directors, Executive Directors, Non-Executive Directors and Key Managerial Personnel of the Company under the Companies Act, 2013 and SEBI (LODR).

(iii) To review performance and determine the remuneration payable to Executive Directors.

(iv) Establishment and administration of employee compensation and benefit plans.

(v) To decide and make suitable recommendations to the Board on any other matter that the Board may entrust to the Committee with or as may be required by any statutes/regulations/guidelines etc.,

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

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

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

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

(iii) Stakeholders Relationship Committee

(a) Composition and Meetings of the Committee:

Meeting: During the year, the Committee met once on May 22, 2017.

Table 05: Composition and attendance details of Stakeholders Relationship Committee Meetings held during the year:

	No. of meetings	
Members	Held	Attended
Mr. Satish Menon, Chairman (1)	1	-
Mr. Jagdish Malkani (2)	1	1
Mr. Javed Gaya (3)	1	1
Mr. Meenaz Dhanani (4)	1	-
Mr. Sanjeev Kathpalia (4)	1	-
Mr. Yusuf Lanewala (5)	1	1

(1) Mr. Satish Menon was inducted as a Member and the Chairman w.e.f. May 16, 2018.

(2) Mr. Jagdish Malkani ceased to be a Member w.e.f. May 29, 2018.

(3) Mr. Javed Gaya ceased to be Member and Chairman w.e.f. April 03, 2018.

(4) Mr. Meenaz Dhanani and Mr. Sanjeev Kathpalia were inducted as the Members w.e.f. May 29, 2018.

(5) Mr. Yusuf Lanewala ceased to be a Member w.e.f. May 29, 2018.

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

(b) Role and Responsibilities:

The Stakeholders Relationship Committee approves the transfer of shares, issue of split and duplicate share certificates, etc. The Committee also oversees redressal of the shareholders' grievances/complaints and compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Committee has delegated the power to approve the transfer of physical shares to Company Secretary and to Universal Capital Securities Pvt. Ltd, the Company's Registrar and Share Transfer Agent, not later than 15 days. The statement of the same along with the investors complaints are placed before the Board periodically for the purpose of noting.

Table 06: Report of Investor complaints received and disposed of during year ended March 31, 2018:

	No. of cases outstanding as on April 01, 2017	**No. of cases added during the year**	**No. of cases resolved during the year**	**No. of cases outstanding as on March 31, 2018**
No. of Investor issues	NIL	NIL	NIL	NIL
No. of Legal cases	NIL	NIL	NIL	NIL

There were no outstanding complaints and there were no cases 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 met on February 13, 2018.

Table 07: Composition and attendance details of Corporate Social Responsibility Committee Meetings held during the year:

	No. of meetings	
Members	Held	Attended
Mr. Yusuf Lanewala, Chairman	1	1
Mr. Jagdish Malkani (1)	1	1
Mr. Javed Gaya (2)	1	1
Mr. Satish Menon (3)	1	-
Mr. Sanjeev Kathpalia (3)	1	1

(1) Mr. Jagdish Malkani ceased to be a Member w.e.f. May 29, 2018.

(2) Mr. Javed Gaya ceased to be a Member w.e.f. April 03, 2018.

(3) Mr. Satish Menon was inducted as a Member w.e.f. May 16, 2018.

(4) Mr. Sanjeev Kathpalia was inducted as a Member w.e.f. May 22, 2017.

(b) Objective:

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

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

i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.

ii. Recommend appropriate targeted CSR funding to the Board.

iii. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

iv. Formulate a transparent monitoring mechanism for implementation of CSR projects/programs/activities.

v. Monitor implementation of CSR activities on a quarterly basis.

vi. Approve such projects/programs/activities as approved by the Central Government.

(v) Corporate Governance Committee

(a) Composition and Meetings of the Committee:

Meeting: During FY 2017-18, the Committee did not meet. The Board of Directors dissolved the Corporate Governance Committee w.e.f. May 22, 2017.

Table 08: Composition of Corporate Governance Committee:

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

(vi) Risk Management Committee

(a) Composition and Meetings of the Committee:

Meeting: During the FY 2017-18, the Committee did not meet. The Board of Directors dissolved the Risk Management Committee w.e.f May 29, 2018.

Table 09: Composition of Risk Management Committee:

Members
Mr. Sanjeev Kathpalia, Chairman (1)
Mr. Anand Balakrishnan (2)
Mr. Meenaz Dhanani
Mr. Yusuf Lanewala

(1) Mr. Sanjeev Kathpalia was inducted as a Member and the Chairman w.e.f. May 22, 2017.

(2) Mr. Anand Balakrishnan ceased to be a Member w.e.f. July 21, 2017.

(b) Objective:

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

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

i. Maximization of stakeholders' wealth.

ii. Promote an innovative and a less risk-averse culture.

iii. Encourage managers to take well-informed and calculated business risks.

iv. Ensure the efficient use and allocation of organizational resources.

v. Preserve, protect and enhance the Company's image and brand assets.

vi. Identify and assess risk elements.

vii. Implement suitable strategies to mitigate such risk.

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

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

C. GOVERNANCE BY MANAGEMENT

Other Disclosures:

Related Party Transactions:

During FY 2017-18, no materially significant Related Party Transactions were entered into by the Company with the Directors or Management or their relatives that may have a potential conflict with the interest of the Company at large. The details of the transactions with subsidiaries at arm's length basis are separately shown in Annexure to Board's Report and Notes to accounts 39 of the Standalone Financial Statements as at March 31, 2018. The Company's Related Party Transactions Policy is displayed on its website.

(Weblink: http://www.mindteck.com/assets/investor_pdf/RPT_Policy.pdf)

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

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

Compliance Certificates:

Certificate on Corporate Governance:

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

CEO and CFO Certificate:

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

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

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

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

Subsidiaries:
The Company has no Indian listed subsidiary. Hitech Parking Solutions Private Limited is an unlisted wholly owned Indian subsidiary of the Company which was incorporated on March 14, 2018. 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 twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

(Weblink: http://www.mindteck.com/pdf/policies/Material_Subsidiaries_Policy.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:

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

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

Code of Practices and Procedures for Fair Disclosure:
In pursuance to Clause 8 of Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code for timely, appropriate and adequate disclosure of unpublished price sensitive information.

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

Whistleblower:
The Company has adopted a Whistleblower Policy and has established the necessary vigil mechanism in line with the Companies Act, 2013 and SEBI (LODR), for persons to report concerns, alleged wrongful conduct, including unethical behavior, financial irregularities, sexual harassment, infringement and misuse of Intellectual Property. It also provides protection against victimization of 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.

(Web link: http://www.mindteck.com/pdf/policies/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:http://www.mindteck.com/pdf/policies/Policy-for-Determining-Material-Information.pdf)

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

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

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

SOFTWARE DEVELOPMENT CENTERS:

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

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

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

INVESTOR CONTACTS:

Registered Office Address for correspondence:

Mindteck (India) Limited

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

For additional information on the Company, please refer to its website: www.mindteck.com

For queries relating to financial statements:

Prashanth Idgunji
Chief Financial Officer
Tel: 91 80 4154 8000, Ext. 8002
E-mail: prashanth.idgunji@mindteck.com

For queries relating to shares/dividend/compliance:

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

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 - 400 093, India
Contact: Santosh Gamare
Tel: 91 22 28207203-05, Fax No: 91 22 2820 7207
Email: gamare@unisec.in

Addresses of Regulatory Authority/Stock Exchanges:

Securities and Exchange Board of India (SEBI)
Plot No. C4-A, G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, India
Tel: 91 22 2644 9000/4045 9000
Fax: 91 22 2644 9016/20
Email: sebi@sebi.gov.in

Registrar of Companies, Karnataka
'E' Wing, 2nd Floor
Kendriya Sadana, Koramangala
Bengaluru-560 034, India
Tel: 91 80 2563 3105/2553 7449
Fax: 91 80 2553 8531
E-mail: roc.bangalore@mca.gov.in

BSE Limited

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

National Stock Exchange of India Limited

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

Depository for Equity Shares - India:

National Securities Depository Limited

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

Central Depository Services (India) Limited

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

D. INFORMATION FOR SHAREHOLDERS

Corporate Profile:

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

Forthcoming Annual General Meeting (AGM):

AGM for the year 2017 -18 is scheduled on Friday, September 28, 2018 at 12:00 Noon at Hotel Paraag, #3, Rajbhavan Road, Bengaluru-560001, Karnataka, India

Table 10: Location and time of last three AGMs held:

Date of AGM	Time of AGM	Location
August 11, 2015	12.00 Noon	Hotel Woodlands, "Mini Hall" No-5, Rajaram Mohan Roy Road, Bengaluru-560025
August 11, 2016	12.00 Noon	Hotel Woodlands, "Sri Krishna Hall" No-5, Rajaram Mohan Roy Road, Bengaluru-560025
August 11, 2017	12.00 Noon	Hotel Woodlands, "Sri Krishna Hall" No-5, Rajaram Mohan Roy Road, Bengaluru-560025

Table 11: List of Special Resolutions passed by the Company at Annual General Meetings during last three years:

August 11, 2015	Payment of Profit related Commission to Mr. Yusuf Lanewala, Chairman and Managing Director.
August 11, 2016	To approve the re-appointment of Mr. Meenaz Dhanani as an Executive Director.
August 11, 2017	▪ To approve the appointment and Payment of Remuneration to Mr. Sanjeev Kathpalia as Managing Director and Chief Executive Officer ▪ 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)

Postal Ballot

During the FY 2017-18, the Company conducted Postal Ballot and the details of which are as under:

- Date of Postal Ballot Notice: January 31, 2018
- Voting Period: February 15, 2018 at 9.00 A.M. to March 16, 2018 at 5.00 P.M.
- Date of declaration of result: March 16, 2018
- Date of approval: March 16, 2018

Table 12: Details of the Postal Ballot Voting Pattern:

Resolution	Type of Resolution	No. of votes polled	No. of votes in favour	% of votes in favour	No. of votes against	% of votes against
Approval for the Payment of Remuneration to Mr. Sanjeev Kathpalia as Managing Director and Chief Executive Officer of the Company	Special	17,961,621	17,952,040	99.95	9,581	0.05

Mr. Gopalakrishnaraj H H., a Practicing Company Secretary (FCS No. 5654, CP No. 4152), was appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members, who do not have access to the e-voting process) in a fair and transparent manner

Financial year:

April 01, 2017 to March 31, 2018

Book Closure dates for the forthcoming AGM:

September 15, 2018 to September 28, 2018 (both days inclusive).

The Company's equity shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') as at March 31, 2018 and Scrip code is "517344" and Symbol is "MINDTECK" respectively.

The Annual Listing fee for the FY 2018-19 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited. The Annual Custodial fee for the FY 2018 -19 has been paid by the Company to NSDL and CDSL.

Dividend:

Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if approved at the ensuing Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear on the Register of Members as on September 14, 2018.

Share Transfer System:

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

Secretarial Audit:

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

During the year, CS S. Kannan, a Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the FY 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the FY 2017-18 is attached to the Board's Report as ***Annexure-4.***

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

Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available in both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.09% of the Company's equity share capital are dematerialized as on March 31, 2018. The Company continues to facilitate requests for dematerialization of shares on a regular basis and the request can be routed through RTA, Universal Capital Securities Private Limited. Under the Depository system, the International Securities Identification Number (ISIN) allotted to Mindteck shares is INE110B01017.

Shareholding Pattern as on March 31, 2018:
The details of Shareholding pattern are attached to Board's Report as ***Annexure-6.***

Table 13: Distribution of Shareholding as on March 31, 2018:

	As on March 31, 2018				As on March 31, 2017			
Range	**Shareholders**		**Shares**		**Shareholders**		**Shares**	
No. of Shares	Numbers	% to Total	Numbers	% to Total	Numbers	% to Total	Numbers	% to Total
1 – 500	9,616	88.82	974,857	3.81	9,503	88.52	923,942	3.64
501 – 1000	596	5.51	488,306	1.91	563	5.24	462,606	1.82
1001 – 2000	265	2.45	395,223	1.54	298	2.78	453,917	1.79
2001 – 3000	96	0.89	243,863	0.95	115	1.07	292,564	1.15
3001 – 4000	31	0.28	109,218	0.42	42	0.39	147,253	0.58
4001 – 5000	48	0.44	222,971	0.87	51	0.48	235,329	0.93
5001–10000	91	0.84	670,181	2.62	98	0.91	742,170	2.92
10001 & above	83	0.77	22,517,279	87.88	65	0.61	22,126,114	87.17
Total	**10,826**	**100**	**25,621,898**	**100**	**10,735**	**100**	**25,383,895**	**100**

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 'the Rules') mandates that companies transfer Dividend that has been unclaimed for a period of seven years from Unpaid Dividend Account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of corresponding shares with respect to the dividend which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the Dividend for the years mentioned as under, if remains unclaimed within a period of seven years, and corresponding shares will be transferred to IEPF as per the date appended below.

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	108,654.00
2014-15	Final Dividend	10%	11-08-2015	15-10-2022	136,568.00
2015-16	Final Dividend	10%	11-08-2016	15-10-2023	651,604.60
2016-17	Final Dividend	10%	11-08-2017	15-10-2024	641,932.95

(1) Amount unclaimed as at March 31, 2018

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 IEPF, including all benefits accruing on such shares, if any, can be claimed back from the IEPF following the procedure prescribed in the Rules. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF account, no claim shall lie in respect thereof with the Company.

The statement of the entire unclaimed dividend amount as on last AGM i.e., August 11, 2017 has been published on the website of the Company as prescribed under IEPF-2.

In accordance with the above provision, during the FY 2017-18, no amount was due to be credited to the Investor Education and Protection Fund Account.

Communication to the Shareholders:
(i) Quarterly Results:
The Company has published its quarterly and year-end financial results in the Business Standard (English) and Hosadigantha (Bengaluru Edition - Kannada) newspapers during the FY 2017-18. The results have also been submitted to BSE Limited and National Stock Exchange of India Limited where the Company's equity shares are listed and published on the Company's website (www.mindteck.com).

(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 the shareholders' information is available, along with the full Annual Reports of the Company.

(iv) Annual Report:
The physical copy of the Annual Report of the Company containing the annual audited financial statements, both standalone and consolidated, along with the Auditors' Report thereon, the Board's Report, Management Discussion and Analysis Report and other important information, is circulated to all the shareholders, whose email IDs are not registered with the Company. We have also sent soft copies of the Annual Report, along with all the above listed documents, to all the investors whose email IDs are registered/ made available to us as per the Regulation 36 of SEBI (LODR) and Section 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014.

(v) Electronic/ Soft Copies:

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

Market Price Data:

Table 15: High/Low of BSE Sensex and Company's share price on BSE Limited, month wise for FY 2017-18:

	Sensex		Share Price		Trade	
Month	High	Low	High Rs.	Low Rs.	No. of shares traded	Value Rs.
April 2017	30,184.22	29,241.48	91.90	78.85	294,181	25,160,568
May 2017	31,255.28	29,804.12	88.20	76.00	289,724	23,925,275
June 2017	31,522.87	30,680.66	85.90	73.00	135,832	10,735,066
July 2017	32,672.66	31,017.11	86.75	75.05	256,982	20,751,694
August 2017	32,686.48	31,128.02	78.40	66.00	106,054	7,438,935
September 2017	32,524.11	31,081.83	72.50	62.65	183,214	12,692,550
October 2017	33,340.17	31,440.48	81.50	67.00	234,874	17,799,619
November 2017	33,865.95	32,683.59	88.65	68.00	540,321	43,380,268
December 2017	34,137.97	32,565.16	79.30	69.00	208,125	15,497,933
January 2018	36,443.98	33,703.37	85.00	74.00	345,003	27,760,213
February 2018	36,256.83	33,482.81	78.50	64.00	125,729	8,683,582
March 2018	34,278.63	32,483.84	70.00	51.10	111,593	6,358,980

Table 16: High/Low of Nifty and Company's share price on NSE, month wise for FY 2017-18:

	Nifty		Share Price		Trade	
Month	High	Low	High Rs.	Low Rs.	No. of shares traded	Value Rs.
April 2017	9,367.15	9,075.15	91.10	76.20	485,874	41,290,338
May 2017	9,649.60	9,269.90	88.00	76.10	396,324	33,066,967
June 2017	9,709.30	9,448.75	83.45	76.00	310,166	24,570,321
July 2017	10,114.85	9,543.55	90.00	76.00	441,191	35,810,635
August 2017	10,137.85	9,685.55	78.75	65.50	178,772	12,707,451
September 2017	10,178.95	9,687.55	73.20	63.65	371,453	25,725,089
October 2017	10,384.50	9,831.05	81.85	66.70	504,433	38,468,088
November 2017	10,490.45	10,094.00	88.70	67.90	2,029,072	163,339,404
December 2017	10,552.40	10,033.35	79.45	68.20	741,386	55,586,695
January 2018	11,171.55	10,404.65	85.95	72.90	1,232,012	99,225,854
February 2018	11,117.35	10,276.30	77.50	64.00	421,901	29,086,547
March 2018	10,525.50	9,951.90	69.40	51.00	356,637	20,826,061

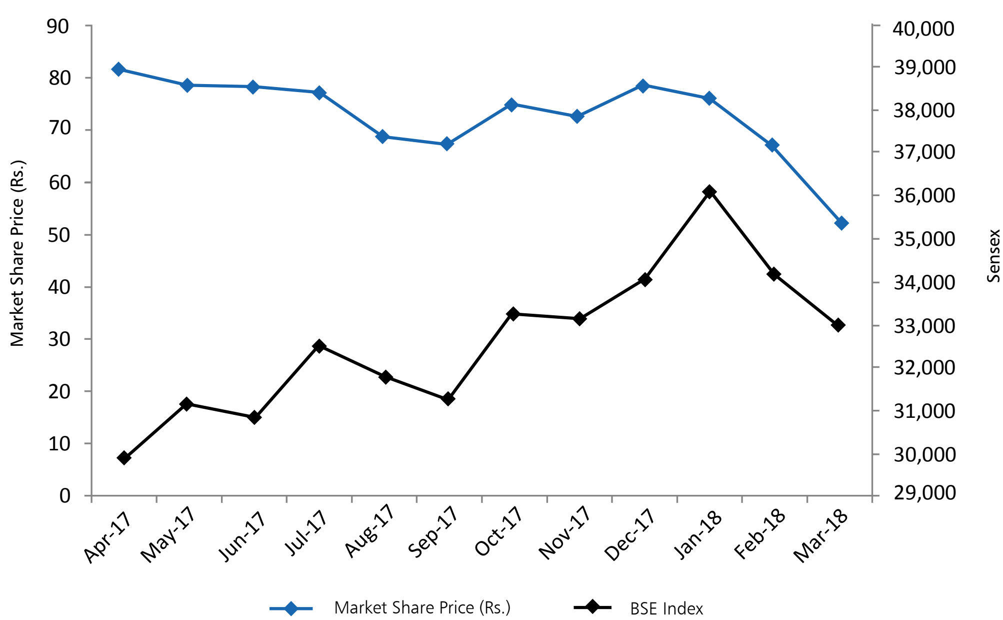
Table 17: Company's quoted share price in comparison to broad-based BSE Index and BSE IT Index:

Month	Closing share price on month's last trading day (Rs.)	BSE Index	BSE IT Index
April 2017	81.55	29,918.40	9,618.99
May 2017	78.10	31,145.80	10,229.52
June 2017	77.85	30,921.61	9,833.46
July 2017	77.05	32,514.94	10,437.79
August 2017	68.70	31,730.49	10,063.83
September 2017	67.20	31,283.72	9,946.60
October 2017	74.65	33,213.13	10,362.22
November 2017	72.45	33,149.35	10,730.87
December 2017	78.35	34,056.83	11,277.81
January 2018	75.90	35,965.02	12,556.98
February 2018	66.80	34,184.04	12,505.73
March 2018	52.15	32,968.68	12,100.55

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

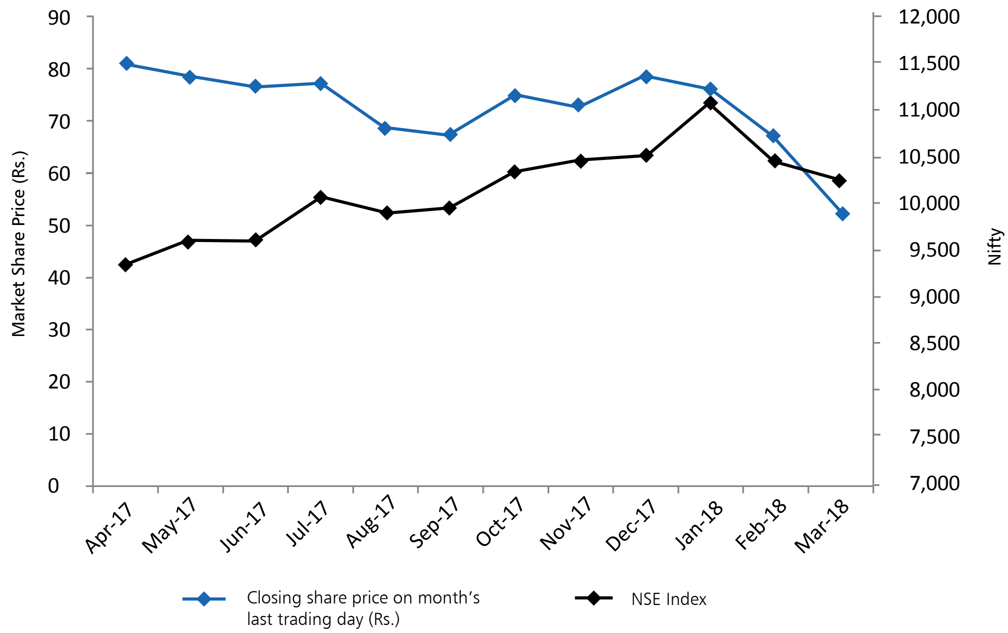
Month	Closing share price on month's last trading day (Rs.)	NSE Index	NSE IT Index
April 2017	81.10	9,351.85	9,943.70
May 2017	78.25	9,621.25	10,549.10
June 2017	76.75	9,616.10	10,155.05
July 2017	77.30	10,077.10	10,755.75
August 2017	68.60	9,904.15	10,558.25
September 2017	67.35	9,952.20	10,475.35
October 2017	74.55	10,363.65	10,837.90
November 2017	72.75	10,451.80	11,115.30
December 2017	78.15	10,530.70	11,665.75
January 2018	75.95	11,083.70	12,986.40
February 2018	66.80	10,452.30	12,809.00
March 2018	52.35	10,242.65	12,511.55

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 the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Business Conduct and Ethics as applicable to them in respect of the FY ended March 31, 2018.

for and on behalf of the Board of Directors

Sanjeev Kathpalia
Managing Director and CEO
(DIN - 05257060)

Place: Bengaluru
Date: May 29, 2018

Management Discussion and Analysis

In addition to historical information, this Annual Report contains certain forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that may cause actual results to differ materially from those reflected in the forward-looking statements. Factors that may impact results include, but are not limited to, those discussed in this Management Discussion and Analysis 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 Forecasts Constructive Looking Ahead to 2018-19

According to the International Monetary Fund, global growth increased 3.8% in 2017, buoyed by a rebound in trade worldwide. Advanced economies continued their steady recovery; emerging Asia benefited from robust growth; Europe experienced a welcome upswing; and commodity exporters began to show signs of resurgence. Worldwide growth is expected to reach 3.9% this year and next, driven by strong economic momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of an expansionary fiscal policy in the United States. The outlook for the US is remains positive largely due to an improvement in domestic demand driven by proposed tax policy changes.

Growth rates for many European economies have been revised upwards, particularly in the case of Germany, Italy, and the Netherlands, reflecting greater domestic demand and better external demand. Growth forecasts for 2018-19 have also been adjusted higher for other advanced economies, reflecting a more upbeat environment in developed Asia which is particularly sensitive to improving global trade and investment trends.

In emerging and developing Europe, activity in 2018-19 is projected to remain stronger than previously anticipated, driven by improved growth forecasts for Poland and Turkey. These revisions reflect a favorable external environment, with stronger export demand from the Eurozone, and, in the case of Turkey, an accommodative policy stance. As part of its strategic growth initiatives this year, Mindteck announced its expansion into the Turkish market with the establishment of an office in Istanbul.

Emerging and developing Asia are anticipated to grow at around 6.5% over 2018–19, roughly the same pace as in 2017. The region continues to account for over half of global GDP. Growth is expected to moderate in China, increase in India, and remain broadly stable in the ASEAN-5 region. Economies in the Middle East, North Africa, Afghanistan, and Pakistan are also expected to strengthen in 2018-19. In other developed economies, the Eurozone saw further expansion on the back of falling unemployment rates, improving investment optimism, and lower interest rates which have stimulated consumption further.

Overall, the IMF reiterates that despite recent mixed economic data, advanced economies are expected to register solid investment gains and above-average potential growth in the 2018-19 period.

INDUSTRY OUTLOOK

IT Outsourcing Trends 2018-19

Gartner, a global research and advisory firm, reaffirms that Artificial Intelligence (AI), immersive experiences, digital twins, event-driven thinking, and continuous adaptive security will create the foundation for the next generation of digital business models and ecosystems. Amidst this wave of emerging technologies, AI will have the most significant impact to the technological landscape in the coming year. A recent Gartner survey showed that 59% of organizations have yet to implement AI strategies, while the remainder have already made progress in piloting or adopting AI solutions.

Artificial Intelligence

The ability to use AI to enhance decision-making, reinvent business models and ecosystems, and remake the customer experience will drive the payoff for digital initiatives through 2025. Over the next few years every app, application, and service will incorporate AI at some level. AI has become the next major battleground in a wide range of software and service markets, including aspects of ERP.

Digital Twins

A digital twin is a digital representation of a real-world entity or system. In the context of IoT, digital twins are linked to real-world objects and offer information on the state of the counterparts, respond to changes, improve operations, and add value. Digital twins offer help with asset management, but will eventually offer value in operational efficiency and insights into how products are used and how they may be improved.

Cloud to the Edge

Edge computing describes a computing topology in which information processing, content collection, and delivery are placed closer to the sources of this information. Gartner suggests that enterprises should begin using edge design patterns in their infrastructure architecture, particularly for those with significant IoT elements.

Conversational Platforms

Conversational platforms will drive a paradigm shift in which the burden of translating intent shifts from user to computer. These platforms will continue to evolve to more complex actions. The challenge that these platforms face is that users must communicate in a very structured way, often resulting in frustrating experiences. A primary differentiator among these platforms will be the robustness of their conversational models, as well as the API and event models used to access, invoke, and orchestrate third-party services to deliver complex outcomes.

Immersive Experience

Augmented reality (AR), virtual reality (VR), and mixed reality are changing the way that people perceive and interact with the digital world. Combined with conversational platforms, a fundamental shift in the user experience to an invisible and immersive experience will emerge. Over the next five years the focus will be on mixed reality, which is emerging as the immersive experience of choice, where the user interacts with digital and real-world objects while maintaining a presence in the physical world.

Blockchain

This technology holds the promise to transform industries. Blockchain has many potential applications in government, healthcare, content distribution, supply chain, and more. However, many blockchain technologies are immature and unproven, and are largely unregulated.

Event-Driven

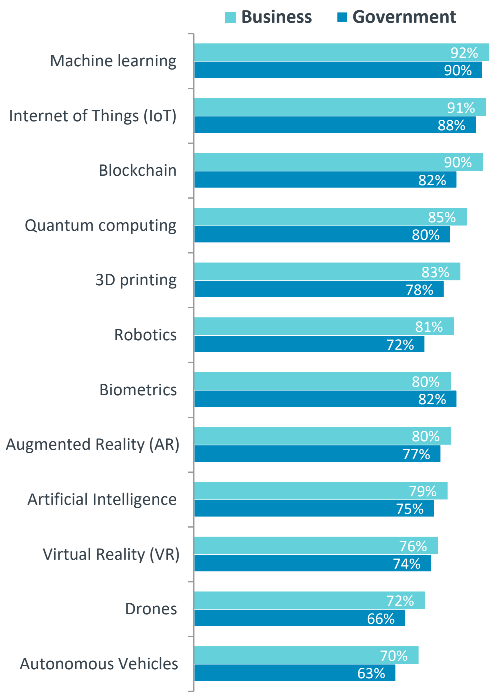
With the advent of AI, IoT, and other technologies, business events can be detected more quickly and analyzed in greater detail. Enterprises should embrace event thinking as part of their digital business strategy. By 2020, event-sourced, real-time situational awareness will be a required characteristic for 80% of digital business solutions, and 80% of new business ecosystems will require support for event processing.

Continuous Adaptive Risk and Trust

Digital transformation results in a complex and evolving security environment. The use of increasingly sophisticated tools only increases potential threats. Continuous Adaptive Risk and Trust Assessment (CARTA) allows for real-time, risk- and trust-based decision-making with adaptive responses to security enable digital business.

The chart below from CompTIA highlights the impact of emerging technologies in the coming years.

Degree to which businesses and governments believe emerging technologies will impact them over the next 4 years



Base: 1,000 U.S. business and government technology decision makers

MARKET OUTLOOK BY INDUSTRY FOR 2018-19

Storage

Mindteck's Storage Center of Excellence has a long-term vision for its storage product line with a well-articulated implementation plan to deliver a diverse range of storage engineering services.

Forbes has stated that 2018-19 will be the year of persistent Storage Class Memory (SCM). SCM—also known as Persistent Memory, or PM—provides byte-addressable persistent memory that lives on a system's memory bus. While applications may treat SCM the same as they do existing system memory, they do so with the added benefit of persistence. It effectively blends solid-state drive (SSD) storage capabilities with memory bus DRAM semantics. In order to fully leverage SCM, the industry must agree on a set of interfaces, and re-architect applications to leverage them. The Storage Networking Industry Association (SNIA), the standards body for the storage industry, has been driving standards around persistent memory for several years. Mindteck has been a consistent contributor to the SNIA not only as a member, but also as a technology partner for their Storage Developer Conference (SDC).

In 2018-19 the industry will see in-memory computing, big database, and analytics applications begin to adopt SCM as a core part of their architectures. Similarly, hardware offerings will emerge to support these new applications.

Optane™ and 3D XPoint™ begin to make an impact

Optane and 3D XPoint are flash technologies that claim to provide up to 1000 times more endurance, 1000 times more speed, and ten times the storage density of traditional flash architecture. Optane and 3D XPoint will drive both traditional SSD and SCM. Mainstream adoption, however, will lag into 2019 as costs normalize.

HCI will grow, but cautiously

Hyperconverged Infrastructure (HCI) will continue to grow at a rapid pace, but largely in the small- and medium-sized business space. Broad adoption of HCI in the enterprise data center will remain elusive.

Predictive analytics

Intelligent insights are derived from the deep analysis of operations data—insights and recommendations that enable better IT decision-making. Predictive analytics uses many techniques from data mining, statistics, modeling, machine learning, and AI to analyze current data in order to make predictions about the future.

NVMe commoditizes and NVMe-oF begins to take hold

NVMe (Non-Volatile Memory Express) is a high-speed controller-less interface that connects flash memory to a storage bus, providing nearly six times the performance of traditional flash interconnect technologies. Adoption of NVMe began in earnest in 2017, but 2018-19 should see most new flash offerings featuring an NVMe interface. Innovative early adopters are delivering products with NVMe-oF (NVMe over Fabrics) and are achieving impressive results.

Flash

As per sources in Information Age, the demand for solid-state flash storage will continue to rise steadily in 2018-19 through to 2020, as investments being made by flash vendors increase, allowing for more capacity and less cost per unit.

Tape

With the evolution of tape and its ongoing potential for capacity and speed improvements, such as the new tape head technology, TMR (Tunneling Magnetoresistance), this medium will become increasingly attractive in fulfilling a deep market need as an inexpensive storage option. Tape will prove to be a valuable technology for any organization with significant data sets (into petabyte levels), but also for its ability to integrate well with cloud strategies in disaster recovery plans. The data migration to the cloud trend will continue, and cloud providers with the incentive of lowering the cost per GB of storage for customers will increasingly look to tape media as the solution to long-term storage.

Cloud

In comparison to other technologies, cloud computing has been the fastest to influence the data center today. In 2018-19, cloud providers will continue to consume increasing volumes of the storage market, making best use of the opportunity to adopt new storage technologies. Meanwhile, storage providers will ensure their products and services are optimized for these environments.

Object Storage

More protocols embedded into the operating systems of object storage will continue to offer increased opportunities to simplify data management. Forward-looking end users will focus on R&D for object-based storage. Vendors will introduce more integration between different tiers of object storage. Hardware manufacturers will put forth joint solutions, rather than leave integration to customers. Object storage lowers complexity, middleware maintenance, upgrades and costs, and simplifies overall infrastructures.

Optical disk storage

Due to the high cost of optical disk storage, a downward trend in this market will continue going into 2018-19. Though still an appropriate option for definitive long-term archival requirements, this medium is approximately ten times more expensive than tape.

ELECTRONIC DESIGN SERVICES

The electrical and electronics industry comprises a variety of products, including: aerospace products; lamps and light fixtures including light-emitting diodes; consumer electronics such as television sets;

electrical household appliances; electronic medical equipment; microelectronic components and automation systems; and automotive telematics such as on-board diagnostics (OBD), in-car touch screens, parking cameras, and navigation systems.

According to Frost and Sullivan, the electronics product market dominated with an approximate 81% market share in the Electronic System Design and Manufacturing (ESDM) industry in 2017, whereas Component and Electronic Manufacturing Services (EMS) markets are expected to witness higher growth rates from 2018 to 2020.

India's pro-business policies, stable leadership, and turmoil elsewhere around the globe have contributed to an attractive investment environment. India should also benefit from continued robust local demand and a boost in domestic manufacturing. Furthermore, "Make in India" initiatives will accelerate investment activity in core and allied sectors. Additionally, government schemes such as the National Optical Fiber Network (NOFN), the National Knowledge Network, and the Digital India initiative continue to drive momentum in the EMS industry.

Electronics Segment	Key Products Driving Manufacturing to 2020 and Beyond
Automotive	HVAC, ECU, Airbags, ABS, AMT
Consumer	FPD TVs, Washing Machines, Set-Top Boxes
Industrial	Process Machinery, Boilers, Printing Machinery, Machine Tools
IT/ OA	Notebooks, Desktops, Servers
Mobile Phones	Feature Phones, Smart Phones
Telecom	Media Gateways, BTS, Enterprise Routers, IP PBX
Lighting	LED Lighting
Other Electronics	Smart Cards, PoS Terminals, Medical Devices, ATM

Source: Frost & Sullivan

As per Frost & Sullivan, India's manufacturing competitiveness is set to soar further as the economy continues on its positive growth trajectory. Significant electronics demand domestically will further necessitate the development of local ecosystems.

As per *Electronicsb2b*, the Indian electronics market is one of the largest in the world. A growing customer base and increased demand for consumer durables have led to substantial growth in the sector. In addition, increased broadband penetration in the country will create further avenues for expansion. Considering the huge demand for communication and broadband equipment, including mobile handsets and their accessories, this segment is also likely to drive the demand for electronic components and products. Other storage-related developments include:

- A new class of System on a Chip (SoC)-based devices, with provisions for optimal power and connectivity features as well as sensor integration, will be in demand to make products smart enough to support the wide adoption of IoT. The first generation of such chips are in use, although it will probably be a few generations before they will be able to deliver all the functionalities required.
- New sensors based on Microelectromechanical Systems (MEMS) technology will rapidly be developed for IoT products, and will have applications beyond motion and image sensing. These include products that measure humidity, altitude, food calorie composition, and human health indicators.
- Constant miniaturization and the addition of multiple functions also represent meaningful trends. The miniaturization of products has led to the development of smaller devices or components, while convergence has led manufacturers to integrate multiple devices. The demand from consumers to reduce the size of products to make them more easily manageable has resulted in these products becoming increasingly smaller in size, leading to a greater density of components, made possible through VLSI designs. This has resulted in lower production costs, as well as a decrease in product prices. Miniaturization is expected to continue and will meaningfully impact the traditional component market, as most traditional components will be replaced by chip components and integrated circuits.
- Consumers are increasingly technology-conscious, demanding products with built-in AI capabilities. This has led to the development of electronics and consumer durable products embedded with intelligent functions.
- Integrated circuits and modules for high frequencies will be in demand considering the large amount of data needed to be transmitted rapidly.
- Consumer demand for smart and connected devices will drive the electronics market. Such devices will require a microcontroller to add intelligence to the device, one or more sensors to allow for data collection, one or more chips for connectivity and data transmission, and a memory component. The connected devices that transmit information across relevant networks will rely on innovations from semiconductor players—highly integrated microchip designs, for instance, and very low power functions in certain applications.

INTERNET OF THINGS

The Internet of things (IoT) is growing rapidly and shows no sign of deceleration. The research firm Gartner predicts there will be nearly 20 billion devices connected to the IoT by 2020, with IoT product and service suppliers generating more than $300 billion in annual revenues.

The Top 10 IoT technologies Gartner has identified as critical to successful IoT navigation over the next two years are as follows:

IoT Security

The IoT introduces a wide range of new security risks and challenges to IoT devices themselves, their platforms and operating systems, their communications, and even the systems to which they're connected. Security technologies will be required to protect IoT devices and platforms from both information attacks and physical tampering, to encrypt communications, and to address new challenges such as impersonating 'things' or denial-of-sleep attacks. IoT security will be complicated by the fact that many 'things' use simple processors and many operating systems may not support sophisticated security approaches.

IoT Analytics

IoT business models will exploit information collected by 'things' in many ways — to understand customer behavior, to deliver services, to improve products, and to identify and intercept business moments. New IoT analytic tools and algorithms are needed now, but as data volumes are forecasted to increase through 2021, the needs of IoT may diverge further from traditional analytics.

IoT Device/'Thing' Management

Long-lived nontrivial 'things' will require device monitoring, firmware and software updates, diagnostics, crash analysis and reporting, physical management, and security management. The IoT also brings new problems of scale to management tasks. Tools must also be capable of managing and monitoring millions of devices.

Low-Power, Short-Range IoT Networks

Selecting a wireless network for an IoT device involves balancing many conflicting requirements, such as range, battery life, bandwidth, density, and endpoint and operational costs. Low-power short-range networks will dominate wireless IoT connectivity through 2025, far outnumbering connections using wide area IoT networks.

IoT Processors

The processors and architectures used by IoT devices will define their capabilities, such as security and encryption, and power consumption, as well as their ability to support an operating system, updatable firmware, and embedded device management agents.

IoT Operating Systems

Traditional operating systems (OSs) such as Windows and iOS were not designed for IoT applications. They consume too much power, require fast processors, and in some cases, lack features such as guaranteed real-time response.

Event Stream Processing

Some IoT applications will generate large amounts of data that must be analyzed in real-time. Systems creating tens of thousands of events per second are common, and millions of events per second may occur in some telecommunications and telemetry applications. To address such requirements, Distributed Stream Computing Platforms (DSCPs) have emerged.

IoT Platforms

IoT platforms bundle many of the infrastructure components of an IoT system into a single product. The services provided by such platforms fall into three main categories: 1) low-level device control and operations such as communications, device monitoring and management, security, and firmware updates; 2) IoT data acquisition, transformation and management; and 3) IoT application development, including event-driven logic, application programming, visualization, analytics, and adapters to connect to enterprise systems.

IoT Standards and Ecosystems

Although ecosystems and standards aren't precisely technologies, most eventually materialize as Application Programming Interfaces (APIs). Standards and their associated APIs will be essential as IoT devices will need to interoperate and communicate, and many IoT business models will rely on sharing data between multiple devices and organizations.

Many IoT ecosystems will emerge, and commercial and technical battles between these ecosystems will dominate domains such as smart home, smart city, and smart healthcare. Product developers may need to develop variants to support multiple standards and ecosystems and be prepared to update products during their life spans as new standards evolve and related APIs emerge.

In a new report, "Predictions 2018: IoT Moves from Experimentation to Business Scale", Forrester predicts that IoT will become the backbone of future customer value. IoT infrastructure will shift to the edge into specialized IoT platforms, developers will have a significant impact on platforms and initiatives, and security will remain a key concern.

FORRESTER'S LEADING IOT TRENDS FOR 2018-19

Enterprises will ramp up their efforts to pilot and rollout voice-based services to consumers

The complexity, breadth, and quality of voice-based services from the Fortune 500 will grow in 2018-19 with available services likely doubling.

New European guidelines will give the green light for commercializing IoT data

45% of US data and analytics decision-makers report that they already commercialize their data, whereas only 35% of those at French and 38% at German enterprises do so. Recognizing this disparity, the European Commission will issue guidelines to encourage the use of advanced technology and spark the data economy.

Marketers will wake up to the IoT opportunity, while wearables remain a niche

The hype and growing adoption of intelligent devices such as Amazon's Alexa and Google Assistant will open marketers' eyes to new ways of interacting with customers. Building more intimate brand experiences, they will extend their mobile moment strategies to include new interfaces with smart home speakers or smartwatches. Despite estimated incremental sales of more than 12 million smartwatches in the US alone by the end of 2018, Forrester expects the outlook for wearables to remain strong.

Key use cases will drive a spike in the deployment of edge solutions

Today, IoT-enabled business processes primarily occur in on- premises data centers or in the cloud. In 2018-19, we will see significant momentum among firms deploying business processes requiring local data analysis close to the connected devices that enable these processes. These edge IoT devices act locally based on data they are able to generate, and harness the power of the cloud for security, scalability, configuration, deployment, and management.

Builders of Industrial IoT platforms will exit the IaaS business

Over the past 12 months, all major Industrial IoT platforms have worked to make at least some of their industry- or IoT-specific capabilities available through hyperscale cloud providers such as AWS, IBM, and Microsoft. As these hyperscale clouds extend their geographic reach, acquire further evidence for compliance with strict regulatory environments, and strengthen their own IoT capabilities, this trend will accelerate.

IoT platform offerings will begin to specialize in design and operate scenarios

Product designers building IoT into products and experiences need capabilities for remote product management, monitoring, and control. IoT business operators need orchestration software that integrates their diverse set of IoT-enabled business assets into cohesive business processes so they can focus on running their business, not manually managing IoT bits. They will increasingly choose IoT platforms that are built for their needs.

A developer drive to the edge will precipitate IoT platform consolidation

More enterprises will push processing and analysis of data to the edge of the network in order to cut data ingestion costs and reduce network latency. It will become increasingly unacceptable for an IoT platform to only have services at the core of their network. The expense of supporting both edge and core with a consistent programming and analytical model will pressure all but the most committed of IoT platform providers to shift strategies or exit the market over the next 3 years.

Developers will pursue device integration via public cloud IoT platform services

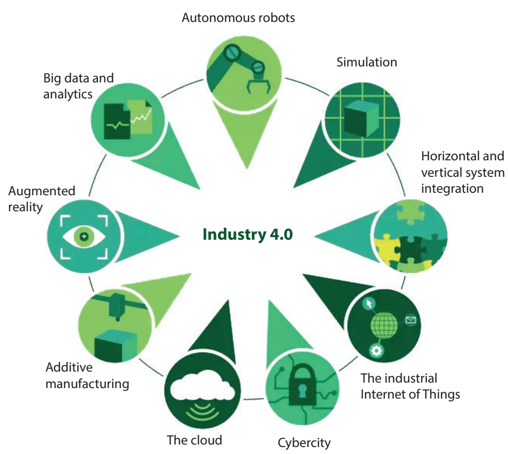
Developer requirements for low adoption costs, quick deployment for prototyping, global reach, easy integration with systems of record and engagement, and a minimal maintenance burden will translate to accelerated IoT platform adoption from public cloud providers.

IoT will be at the center of broader and more damaging cyberattacks
While IoT security awareness is growing, customer experience, costs, and time-to-market requirements continue to take precedence over security requirements. This makes it challenging to implement strong security controls or, worse, leaves specific security functionality out of final production deployments. There will be more IoT-related attacks both on endpoint devices and on the cloud backplane as hackers seek to compromise systems to extract sensitive data.

Blockchain-based IoT adoption rises
Blockchain is not yet ready for large-scale deployments requiring reliability, stability, and seamless integration with existing technology infrastructure. But promising pilot projects are beginning to emerge and the maturation of IoT and blockchain technologies and products will drive blockchain adoption in 2018-19 and beyond.

INDUSTRY 4.0

Industry 4.0 will Transform Production
The Boston Consulting Group estimates that Industry 4.0 will lead to greater efficiencies and change traditional production relationships among suppliers, producers, and customers—as well as between humans and machines.



Source: BCG Analysis

Likewise, according to Deloitte, Industry 4.0 is resulting in the combination of many physical and digital technologies through analytics, AI, cognitive technologies, and IoT to create digital enterprises that are both interconnected and capable of more informed decision-making.

Big Data and Analytics
In an Industry 4.0 context, the collection and comprehensive evaluation of data from many different sources—production equipment and systems as well as enterprise and customer management systems—will become standard to support real-time decision-making.

Autonomous Robots
Robots will eventually interact with one another, work safely side by side with humans, and learn from them. These robots will cost less and have a greater range of capabilities than those used in manufacturing previously.

Simulation
Simulations will be used more extensively in plant operations to leverage real-time data and mirror the physical world in a virtual model, which might include machines, products, and humans. This will allow operators to test and optimize machine settings for the next product line in the virtual world before the physical changeover occurs, thereby driving down machine setup times and increasing quality.

Horizontal and Vertical System Integration
With Industry 4.0, companies, departments, functions, and capabilities will become much more cohesive, as cross-company, universal data integration networks evolve and enable truly automated value chains.

The Industrial Internet of Things
Industry 4.0 means that more devices—sometimes even unfinished products—will be enriched with embedded computing. This will allow field devices to communicate and interact both with one another and with more centralized controllers as necessary. It will also decentralize analytics and decision-making, enabling real-time responses.

Cybersecurity
With the increased connectivity and use of standard communications protocols that come with Industry 4.0, the need to protect critical industrial systems and manufacturing lines from cybersecurity threats increases dramatically. As a result, secure and reliable communications as well as sophisticated identity and access management of machines and users are essential.

The Cloud
More production-related undertakings will require increased data sharing across sites and company boundaries. At the same time, the performance of cloud technologies will improve, achieving reaction times of several milliseconds. As a result, machine data and functionality will increasingly be deployed to the cloud, enabling more data-driven services for production systems.

Additive Manufacturing
Companies have just begun to adopt additive manufacturing, such as 3D printing, predominantly to prototype and produce individual components. With Industry 4.0, these additive manufacturing methods will be widely used to produce small batches of customized products that offer construction advantages, such as complex, lightweight designs.

Augmented Reality
Augmented reality-based systems support a variety of services, such as selecting parts in a warehouse and sending repair instructions over mobile devices. These systems are currently in their infancy; however, companies will make much broader use of augmented reality to provide workers with real-time information to improve decision-making and work processes.

HEALTH SCIENCES

Health Sciences refers to the application of both biology and technology to improve healthcare, and includes companies specializing in biopharmaceuticals, medical technology, genomics, diagnostics, and digital health. The sector covers a wide range of products including medications, medical technology, diagnostics, and digital tools. Emerging technologies and the Fourth Industrial Revolution are creating increased patient expectations, while the growth of personalized medicine is disrupting the delivery of healthcare solutions worldwide.

Today, both the physical and digital worlds are increasingly connected, collecting massive amounts of data which may be continuously accessed in real-time. As data volumes grow, the cloud will be expected to provide on-demand scale. Blockchain technology pilots are starting to emerge and cybersecurity remains a critical priority. With advances in science and the growth of new technologies, new roles within life sciences will be created to mine innovative insights from massive amounts of data.

According to Deloitte, 3D printing is being explored in biologics as a better way to manufacture cell and tissue products. Both new medications as well as disease models may be tested on 3D printed tissues instead of on animals or humans.

AI in Drug Discovery

A growing number of global biopharmaceutical companies are using AI to streamline the drug discovery process. AI algorithms may be used to analyze large data sets from clinical trials, health records, genetic profiles, and preclinical studies. Patterns and trends derived from this data will help develop hypotheses at a much faster rate than researchers alone and lead to the delivery of new insights more quickly.

Technologies in the Connected Journey of Care

Cognitive computing is also being used to improve patient outcomes. Companies are partnering with large and small technology companies to derive insights from the high volumes of data generated from electronic health records (EHRs), medical claims, clinical trials, and other sources. Many inpatient healthcare services may now be delivered more effectively at home or in outpatient ambulatory facilities. Clinical roles have been optimized and providers use cognitive technologies to deliver more seamless, integrated care, designed around patient needs. Social media, mHealth, wearables, connected devices, and telemedicine all have the potential to transform how patients engage in clinical trials. Mindteck has significant experience working with clients on projects related to these areas.

Cloud Computing

Another trend is the adoption of cloud technologies for the speed, scalability, flexibility, and security they provide. More than 60% of life science leaders surveyed by Deloitte have communicated the importance of access to scalable environments. As data volumes grow, the cloud provides on-demand scale, allowing users to access computing and storage resources when needed. Combined with newer big data technologies, use of the cloud can improve analytical systems' overall ability to manage real world data.

Technology Accelerating R&D

The use of big data for evidence generation could vastly improve the speed and outcomes of clinical development. AI, Real World Evidence (RWE), and robotic and cognitive automation are expected to bring transformational change to R&D. These emerging technologies will improve study design, physician and patient recruitment, and in-trial decision-making as well as increase efficiency and accuracy in repetitive tasks on the path to regulatory filing.

In 2018-19 the healthcare industry will step up its pursuit of efficiency to improve performance and offset risks. Working largely behind the scenes, AI will help employees make better use of their time and expertise, and streamline decision-making, financial reporting, supply chains, and other functions.

As per PwC, healthcare has become one of India's largest sectors—both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services, and increasing expenditure by public as well private players. With the arrival of the Fourth Industrial Revolution, the life sciences sector continues to embark on a transformative technology journey. Companies are preparing for the future by embracing these technologies and building a more patient-centric culture.

Pharmaceutical companies have adopted digital technologies for advancing patient centricity, however, low levels of health and digital literacy as well as corporate reputation may also undermine patient trust and ultimately engagement. Emerging technological implementations such as the ones highlighted below should enhance the patient care journey of tomorrow:

- Embedded blockchain technology to improve efficiency, safety, and traceability
- Gamification to enhance patient engagement and health literacy
- 3D printing to transform all stages of the pharmaceutical value chain
- Optimizing the potential of the connected patient to develop outcomes-based solutions

Care Delivery

Exponential technologies are driving less expensive, more efficient, and more accessible patient care delivery on a global scale. These technologies will reshape health care by impacting synthetic biology, 3D printing, nanotechnology, and companion diagnostics, amongst others. Hospitals of the future will feature redefined patient care delivery, digital and AI technologies, and enhanced talent development.

SMART CITIES

The global smart cities market was valued at USD 529.55 billion in 2017, and is forecasted to reach USD 1944.67 billion by the end of 2023, with an estimated CAGR of 24.21%, during the 2018 – 2023 time period.

IoT—The Driving Force Behind Smart Cities

In 2017, smart cities occupied a major share in IoT implementations, from monitoring energy usage to tracking traffic flows and measuring water levels. The effective use of IoT in smart cities is totally reliant on infrastructure development and a smart supply chain.

Deloitte notes that while smart cities earlier focused on connecting infrastructure for better insights, the spotlight is slowly shifting to more actively engage governments, citizens, and businesses with the goal of providing improved urban services and enhanced quality of life—namely Smart City 2.0. The evolution to Smart City 2.0 will further enhance citizen experience and city decision-making using the 3Ds—data, digital, and (user) design. Ultimately, the smart cities of tomorrow will involve not just government, but citizens, tourists, and businesses in an intelligent, connected ecosystem built on a sensor-based physical infrastructure.

Rising Revenue from Smart Home

Smart home is commonly defined as a residence that utilizes smart devices/products, such as air conditioners, televisions, computers, entertainment systems, and security systems. Devices communicate with each other, and may be controlled remotely. The overall demand for smart homes is forecasted to grow rapidly, owing to strong consumer interest, incremental technological innovations, and greater accessibility. Also, the rising levels of disposable income has enabled consumers to opt for solutions that make their lives more convenient. Smart homes not only improve energy conservation through the use of smart meters, but also have the ability to convert an analog home into a high-tech one, connected by the IoT.

Privacy Critical for Smart Cities by 2021

McKinsey estimates that by 2025, cities that deploy smart mobility applications could decrease commuting times by 15–20% on average. The potential associated with each application is highly variable, depending on each city's density, existing transit infrastructure, and commuting patterns. Real-time navigation enables drivers to receive alerts regarding delays and assists them in selecting fastest alternate routes. Smart Parking apps identify available spots, eliminating unnecessary time wastage.

IoT Sensors Enhance Existing Physical Infrastructure

In general, cities with extensive transit systems benefit from applications that enhance user experience. Using digital signage or mobile apps to deliver real-time information regarding delays or disruptions enables riders to adjust their routes on the fly. Installing IoT sensors on existing physical infrastructure can help crews perform predictive maintenance, fixing problems before they turn into breakdowns and service interruptions. Collecting and analyzing data on public transit usage and traffic also helps cities make more informed decisions on modifying bus routes, installing traffic signals and turn lanes, adding bike lanes, and allocating infrastructure budgets.

Improved Chronic Disease Treatment

Remote patient monitoring systems, which take a proactive and preventive approach to treatment, have the potential to reduce the healthcare burden in high-income cities by more than 4%. These systems use digital devices to measure vital readings, then transmit them securely to doctors in alternate locations for assessment. This data can alert both patients and doctors when early intervention is needed, potentially preventing complications and hospitalizations.

The Use of Data to Fight Preventable Diseases

Cities can use data and analytics to identify demographic groups with elevated risk profiles and target interventions more precisely. Telemedicine, which provides clinical consultations by videoconference, decreases barriers to seeking treatment. This technology has the power to save lives in low-income cities with doctor shortages. Underlying digital infrastructure is required, including a network of data-collecting sensors and devices, comprehensive broadband and wireless networks, and platforms on which data may be stored and shared.

The IoT is Everywhere

RFID tags in packages track cargo shipments, GPS systems guide drivers to their destinations, and smart thermostats turn off heat and air conditioning when rooms are unoccupied. Adoption has accelerated as the costs of IoT sensors, processing power, and cloud storage have steadily fallen. According to one estimate, the number of connected IoT devices exceeded the world's population in 2017.

OPPORTUNITIES AND THREATS

Opportunities from Emerging Technologies

Mindteck has made important forays into emerging technologies—including AI, blockchain, cloud computing, big data, mobile communication, smart cities, and Industrial IoT.

R&D and Centers of Excellence

Mindteck possesses the IP sets, skills, and expertise to act as a valuable partner in these growth-oriented segments. Our Centers of Excellence use best practices around specific domains and offer our clients faster time-to-market and lower costs. We have initiated Proof of Concepts projects in emerging areas of Industry 4.0 including video analytics, IoT-based asset tracking, and machine learning.

Niche Industry Knowledge

Clients across the globe come to us for our deep technology skills and know-how. Our niche offerings and innovative approach have consistently provided our clients with optimized solutions to provide cost advantages, reduced integration risk, and improved user productivity.

Diverse Clientele

Mindteck serves a wide range of diverse clients globally. Our legacy expertise in embedded systems and enterprise applications is complemented by dedicated Centers of Excellence in wireless design, smart energy, storage testing, medical devices, and life sciences.

Our additional project experience in AI, blockchain, cloud computing, and big data has attracted clients from a variety of industries across the globe.

Global Delivery Teams

Mindteck's global delivery capabilities provide clients a single point of contact to ensure projects are executed as per their specific requirements with the right expertise to deliver quality solutions. Offshore delivery centers are located in Bengaluru and Kolkata in India and onshore in Singapore.

Cross-Selling Opportunities

Increased collaboration between our delivery and sales teams has led to many opportunities to cross-sell our services within our blue-chip client base.

Competition

Mindteck continues to face new competition in the marketplace from offshore providers. The strength of our long-standing client relationships, depth of expertise, and proven track record have enabled us to remain relevant and in demand in a hypercompetitive environment.

Threats and Security Breaches

The research firm Gartner highlights that the rapid growth of public cloud utilization has resulted in a greater body of sensitive material potentially at risk. Businesses must build out skilled security teams to protect against a variety of cyberattacks.

RISKS AND CONCERNS

Trade Tensions

The IMF notes that despite a largely positive global economic outlook, the prospect of a broad-based conflict over trade presents a real and potentially significant concern.

Niche Skills Gap, Rising Talent Costs

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

High Attrition Rates

High demand for skilled employees in the market increases attrition rates. Many Indian companies face significant challenges in attracting and retaining talent with attrition rates as high as 14%, which exceed the global average, according to a report by Towers Watson. Our Consultant Care initiative, part of our We Care framework, strives to retain valuable IT talent and avoid project disruptions.

Selling, General, and Administrative Cost Containment (SG&A)

It is imperative to prudently manage SG&A. Efforts to reengineer internal processes and revamp systems have increased productivity and helped contain costs. Improvements in customer relationship management, time and expense reporting, asset management, as well as job posting and recruiting processes, have been implemented with positive results.

DISCUSSION ON FINANCIAL PERFORMANCE

Business

During the year under review your Company recorded Consolidated Revenue of Rs. 2,968.42 million as against Rs. 3,416.56 million in the previous year. Of the revenues that were recorded, 65% were attributed to the US and the remainder to Europe and Asia.

Mindteck's Consolidated Net Loss for the year stood at Rs. 56.50 million, as against a Profit of Rs. 92.87 million in the corresponding previous year. On an operating margin level, Mindteck recorded

Consolidated EBIDTA (including other income) of Rs. 33.51 million this fiscal year as against Rs. 135.74 million last year.

Share Capital

Mindteck has an issued share capital base of 25,621,898 equity shares at 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, 2018 in relation to the discharge of consideration for the acquisition of Chendle Holdings Ltd., one of the Company's wholly-owned subsidiaries. The allotment has been pending owing to the non–availability of Permanent Account Numbers (PANs) for these shareholders.

Furthermore, issued capital also includes 416,000 equity shares allotted to the Mindteck Employees Welfare Trust (MEWT). The Trust was established with the objective of transferring its holdings in Mindteck (India) Ltd to reward employees by way of equity-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 premium accounts of the Consolidated Financial Statements.

During the year, 40,500 options were granted to employees under the Mindteck Employees Stock Option Scheme 2005. An additional 312,000 options were granted under the Mindteck Employees Stock Option Scheme 2008, and a further 250,000 options were granted under the Mindteck Employees Stock Option Scheme 2014.

Reserves and Surplus

Mindteck has retained a balance of Rs. 470.31 million in the Consolidated Statement of Profit and Loss as at March 31, 2018. Consolidated Shareholders' funds, excluding capital reserves, decreased from Rs. 1,885.59 million in FY 2017 to Rs. 1,837.72 million in FY 2018.

Non-Current Liabilities

Non-current liabilities include a term loan, rental deposit, rent equalization reserve, and provisions for employee benefits. Non-current liabilities increased from Rs. 24.29 million in FY 2017 to Rs. 70.47 million in FY 2018. The increase was mainly due to provisions made for employee benefits and service concession arrangements.

Current Liabilities

Current liabilities include a current portion of a term loan, trade payables, provisions for employee benefits, provisions for taxes, provisions for a proposed dividend, and other current liabilities. Current liabilities decreased from Rs. 414.01 million in FY 2017 to Rs. 367.31 million in FY 2018.

Trade payables decreased from Rs. 146.81 million in FY 2017 to Rs. 98.79 million in FY 2018. Other current liabilities comprise unearned income, unpaid dividends, statutory liabilities such as PF, TDS, etc., and payroll payables amounting to Rs. 63.74 million as at March 31, 2018 compared to Rs. 50.65 as at March 31, 2017.

Provisions under current liabilities stood at Rs 85.81 million as at March 31, 2018 compared to Rs 79.96 million as at March 31, 2017. The increase is mainly due to employee benefits. (Refer to consolidated notes 25).

Non-Current Assets

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

Mindteck invested Rs. 21.56 million in fixed assets during the fiscal year, which primarily relates to computer equipment, computer software, and lease hold improvements.

Loans under non-current assets comprise security deposits totaling Rs. 23.93 million as at March 31, 2018 compared to Rs. 17.55 million as at March 31, 2017.

Other non-current assets consist of taxes paid under protest and prepaid expenses amounting to Rs. 29.83 million as at March 31, 2018.

Current Assets

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

Mindteck 's accounts receivables as at March 31, 2018 amount to Rs. 573.41 million, representing about 75 days of sales. All debts doubtful of recovery have been provided for in the financial statements.

Cash and bank balances amounted to Rs. 311.99 million compared to Rs. 391.44 million in the previous year which includes both rupee and foreign currency accounts.

Loans under current assets include security deposits. Theses balances as at March 31, 2018 stood at Rs. 12.29 million compared to Rs. 44.94 million as at March 31, 2017.

Other current assets include prepaid expenses and service tax input credit. The balance as at March 31, 2018 stood at Rs. 37.75 million.

Investments

Mindteck (India) Limited has seven wholly-owned subsidiaries and four step-down subsidiaries as at March 31, 2018. The nature of operations of these subsidiaries is as follows:

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

RESULTS OF OPERATION

Income

The Company recorded Rs. 2,968.42 million in FY18 as against Rs. 3,416.56 million in FY17. The items of other income include rental income from our own property, net foreign exchange gains, interest income from deposits, provisions no longer required, and other miscellaneous items.

Expenses

Employee benefit expenses and costs of technical sub-contractors for the FY18 stood at Rs. 2,580.64 million as against Rs. 2,924.76 million in FY17. Manpower expenses increased to 87% of revenue compared to 85% last year.

Finance costs in FY18 were Rs. 5.49 million as compared to Rs. 3.86 million in FY17, representing a marginal increase compared to the previous year.

Other expenses in FY18 amounted to Rs. 375.09 million compared to Rs. 382.04 million last year. The Company contributed Rs. 27.00 Lakhs towards Corporate Social Responsibility during the FY18. In addition, the Company implemented several cost rationalization measures to reduce its expense base. Mindteck will continue to focus on cost-effective measures to further enhance productivity and increase operational efficiencies.

Tax expense for the year amounting to Rs. 55.27 million (net) is the aggregate of current and deferred tax liabilities in all tax jurisdictions in which Company operates. Tax provisions in India are based on the normal tax computation in accordance with the prevailing tax laws.

Operating Profit and Net Profit

EBIDTA for the year amounted to Rs. 17.23 million as against Rs. 135.74 million the previous year. Net Loss is Rs. 56.50 million in FY18, as against Profit of Rs 92.87 Million in FY17.

HR Initiatives

In 2017-18, major HR initiatives included:

- Campus and off-campus drives PAN India. Provided 3-6 months of training to freshers and built a talented pool of engineers ready to be deployed to client projects/locations.
- Held TechTalk meet-ups to keep employees abreast with the most promising technologies, explained by industry experts.
- MindFest, an intrapreneurship program to foster innovation was hosted globally.
- To enhance efficiency, data security and reduced time consumption, HR process automation was initiated.
- Upskilling and cross skilling was the main focus during the year. Cross functional skills ensured ready availability of resources to be deployed to client projects.
- Fun activities like Annual Sports Day and Family Day brought employees and families together.
- To promote physical and mental well-being, conducted dental and eye checkup, yoga, and meditation sessions.

Year	Permanent	Contractual	Total
2017-18	640	17	657
2016-17	578	21	599

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

To,

The Board of Directors

Mindteck (India) Limited

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

1) We have reviewed financial statements for the Quarter and Year ended March 31, 2018 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, 2018, 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	**Sanjeev Kathpalia**	**Prashanth Idgunji**
May 29, 2018	*Managing Director and Chief Executive Officer*	*Chief Financial Officer*

Independent Auditor's Report

To the Members of Mindteck (India) Limited

Report on the Standalone Ind AS Financial Statements

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, 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Companies Act, 2013 ("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 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 22, 2017 and May 20 , 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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 purpose 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, 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32 to the standalone Ind AS financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   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

Place: Bengaluru
Date : May 29, 2018

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

c. According to the information and explanations given by the management, the title deeds of immovable properties included in investment property/ property, plant and equipment 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 by the management, 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 and hence not commented upon.

(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 products/ services of the Company.

(vii) a. Undisputed statutory dues of income-tax have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. Further, undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been serious delays in remittance of provident fund and goods and services tax in a few cases.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, 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, except for amounts as mentioned in table below:

Name of the Statute	Nature of the Dues	Amount (Rs. Lakh)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Withholding taxes	65.94	FY 2013-2017	Various	May 10, 2018
Income Tax Act, 1961	Withholding taxes	23.52	FY 2014-2017	Various	Not paid

(c) According to the records of the Company, 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 under protest (Rs. in Lakhs)	Period to which the amount relates (Assessment year)	Forum where dispute is pending
		81.61	81.61*	2006-07	Deputy Commissioner of Income tax
		351.18	150.00	2009-10	High Court, Karnataka
Income Tax Act, 1961	Income tax	225.59	0.88#	2010-11	Assessing officer/ Transfer pricing officer
		47.44	20.00	2012-13	High Court, Karnataka
		34.38	-	2012-13	Assistant Commissioner of Income tax

* includes Rs. 31.60 lakhs of refund for AY 2008-09 adjusted by tax department.

pertains to refund for AY 2013-14 adjusted by tax department.

(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 / debt instruments and term loans during the year. Hence, reporting under paragraph 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 its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and read with Note 39(ii)(e) to the Standalone Ind AS Financial Statements, 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 by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partly convertible debentures during the year.

(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 by the management, 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

Place: Bengaluru
Date: May 29, 2018

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 and for the year ended March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company as of and for the year then ended.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls 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 (the "Guidance Note"). 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 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 standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 were 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 qualified audit opinion on the Company's 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 controls 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 controls 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 disposition 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2018:

a) The Company's internal control system with respect to its financial statement close process were not operating effectively, which may result in potential misstatement in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal controls 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, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Standalone Ind AS Financial Statements of Mindteck (India) Limited, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 standalone Ind AS financial statements of Mindteck (India) Limited and this report does not affect our report dated May 29, 2018, which expressed an unqualified opinion on those Standalone Ind AS Financial Statements.

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

Rajeev Kumar

per Rajeev Kumar
Partner
Membership number: 213803

Place: Bengaluru
Date : May 29, 2018

Standalone Balance Sheet as at March 31, 2018

All amounts in Rs. lakhs unless otherwise stated

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	256.25	83.34	173.40
Capital work in progress	3	-	37.21	-
Investment property	4	70.04	71.69	73.34
Intangible assets	5	606.14	63.26	42.28
Financial assets				
Investments	6	12,368.86	12,347.48	12,323.75
Loans	7	617.03	549.00	798.43
Other financial assets	8	26.61	26.30	30.19
Deferred tax assets (net)	37	286.67	191.32	147.63
Income tax assets (net)	9	670.60	549.95	290.26
Other non-current assets	10	297.21	291.84	264.54
		15,199.41	**14,211.39**	**14,143.82**
Current assets				
Financial assets				
Investments	11	810.40	-	-
Trade receivable	12	1,894.97	1,470.29	1,416.52
Cash and cash equivalents	13	953.39	2,537.75	3,038.39
Other bank balances	13	345.77	8.63	2.21
Loans	14	182.94	509.23	100.19
Other financial assets	15	653.51	425.59	259.69
Other current assets	16	275.98	355.79	450.21
		5,116.96	**5,307.28**	**5,267.21**
Total assets		**20,316.37**	**19,518.67**	**19,411.03**

Standalone Balance Sheet as at March 31, 2018 (Contd.)

All amounts in Rs. lakhs unless otherwise stated

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	17	2,562.19	2,538.39	2,517.31
Other equity	18	15,433.78	15,340.45	15,055.34
		17,995.97	**17,878.84**	**17,572.65**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	19	18.59	17.31	16.12
Other non-current liabilities	20	28.69	43.89	3.72
Provisions	21	657.50	181.71	132.93
		704.78	**242.91**	**152.77**
Current liabilities				
Financial liabilities				
Borrowings	22	1.34	100.68	-
Trade and other payables	23	560.97	441.75	893.84
Other financial liabilities	24	32.50	110.01	40.29
Provisions	25	482.33	293.89	326.89
Income tax liabilities (net)	9	239.16	245.34	239.15
Other current liabilities	26	299.32	205.25	185.44
		1,615.62	**1,396.92**	**1,685.61**
Total liabilities		**2,320.40**	**1,639.83**	**1,838.38**
Total equity and liabilities		**20,316.37**	**19,518.67**	**19,411.03**
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 attached
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 29, 2018

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

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

All amounts in Rs. lakhs unless otherwise stated

	Notes	Year ended March 31 2018	Year ended March 31 2017
INCOME			
Revenue from operations	27	8,841.53	8,363.82
Other income	28	190.10	254.38
Total income		**9,031.63**	**8,618.20**
EXPENSES			
Cost of technical sub-contractors		114.30	157.06
Employee benefits expense	29	6,165.27	5,635.81
Finance costs	30	22.13	8.22
Depreciation and amortization expense	3, 4 & 5	114.60	140.03
Other expenses	31	2,186.95	1,983.97
Total expenses		**8,603.25**	**7,925.09**
Profit before tax		**428.38**	**693.11**
Tax expense (net):	37		
Current tax		329.03	298.19
Deferred tax charge/(credit)		(92.10)	(45.28)
Total tax expense		**236.93**	**252.91**
Profit for the year		**191.45**	**440.20**
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		(12.89)	4.59
Income tax relating to items that will not be reclassed to profit or loss		3.59	(1.58)
Other comprehensive income for the year (net of taxes)		**(9.30)**	**3.01**
Total comprehensive income for the year		**182.15**	**443.21**
Earning per share (equity shares, par value Rs. 10 each) (March 31, 2017: Rs. 10 each)	34		
Basic (in Rs.)		0.75	1.74
Diluted (in Rs.)		0.71	1.71
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 attached
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 29, 2018

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

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Standalone Statement of Changes in Equity for the year ended March 31, 2018

A. Equity share capital

All amounts in Rs. lakhs unless otherwise stated

	Number	Amount
Balance at the beginning of the year - As at April 01, 2016	25,173,101	2,517.31
Changes in equity share capital during the year: 2016-17	210,794	21.08
Balance at the end of the year March 31, 2017	**25,383,895**	**2,538.39**
Changes in equity share capital during the year: 2017-18	238,003	23.80
Balance at the end of the year March 31, 2018	**25,621,898**	**2,562.19**

B. Other equity

All amounts in Rs. lakhs unless otherwise stated

	Share application money pending allotment	Reserves & Surplus				Total other equity
		Capital reserve	Securities premium	Retained earnings	Employee stock options reserve	
Balance at the beginning of the reporting period - April 01, 2016	**75.66**	**356.90**	**10,325.56**	**4,001.09**	**-**	**14,759.21**
Ind AS Adjustments as on April 01, 2016	-	-	6.49	217.31	72.33	296.13
Restated balance at the beginning of the reporting period - April 01, 2016	**75.66**	**356.90**	**10,332.05**	**4,218.40**	**72.33**	**15,055.34**
Add: Profit for the year	-	-	-	440.20	-	440.20
Add: Changes in remeasurement of defined benefit plan through other comprehensive income, net of taxes	-	-	-	3.01	-	3.01
Less: Cash dividend	-	-	-	(252.00)	-	(252.00)
Less: Dividend distribution tax	-	-	-	(51.29)	-	(51.29)
Add/ (less): Additions during the year on exercise of employee stock options	-	-	76.27	-	(18.65)	57.62
Add/ (less): Transfer to retained earnings in the expiry or lapse of employee stock options after vesting	-	-	-	5.74	(5.74)	-
Add: Employee share-based expense (refer Note no. 41)	-	-	-	-	87.57	87.57
Balance at the end of the reporting period March 31, 2017	**75.66**	**356.90**	**10,408.32**	**4,364.06**	**135.51**	**15,340.45**
Add: Profit for the year	-	-	-	191.45	-	191.45
Less: Changes in remeasurement of defined benefit plan through other comprehensive income, net of taxes	-	-	-	(9.30)	-	(9.30)
Less: Cash dividend	-	-	-	(253.95)	-	(253.95)
Less: Dividend distribution tax	-	-	-	(51.70)	-	(51.70)
Add/ (less): Additions during the year on exercise of employee stock options	-	-	67.77	-	(26.59)	41.18
Add/ (less): Transfer to retained earnings in the expiry or lapse of employee stock options after vesting	-	-	-	19.34	(19.34)	-
Add/ (less): Allotment of shares	(47.29)	-	40.86	-	-	(6.43)
Add: Employee share-based expense (refer Note no. 41)	-	-	-	-	182.08	182.08
Balance at the end of the reporting period March 31, 2018	**28.37**	**356.90**	**10,516.95**	**4,259.90**	**271.66**	**15,433.78**

Corporate information and significant accounting policies (refer Note no. 1 & 2)

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

As per our report of even date attached
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 29, 2018

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

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Standalone Statement of Cash Flows for the year ended March 31, 2018

All amounts in Rs. lakhs unless otherwise stated

	Year ended March 31, 2018	Year ended March 31, 2017
Operating activities		
Profit before taxation	428.38	693.11
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	114.60	140.03
Provision for doubtful allowance	(4.23)	4.23
Provision for doubtful debts	76.94	3.38
Provision for doubtful input credit receivable	78.85	-
Finance costs	4.67	1.19
Interest income	(131.74)	(228.69)
Unrealised exchange differences	(8.26)	2.49
Loss on sale of assets	1.23	-
Share based payment expenses	160.69	63.83
Rental income	(1.17)	(1.17)
Rent expense	4.09	85.11
Fair value gain on mutual funds	(7.11)	-
Changes in operating assets and liabilities:		
(Increase) / Decrease in trade receivables	(488.41)	(219.47)
(Increase) / Decrease in loans and advances and other assets	(75.21)	(269.44)
Increase / (Decrease) in current liabilities and provisions	317.62	(231.54)
Net cash from operating activities before taxes	**470.94**	**43.06**
Income taxes paid	(455.52)	(571.69)
Net cash from/ (used in) operating activities	**15.42**	**(528.63)**
Investing activities		
Purchase of property, plant and equipment, intangible assets and capital work-in-progress	(245.69)	(78.99)
Interest income received	128.12	229.69
Movement in fixed deposits	(0.31)	-
Investment in mutual funds	(1,000.00)	-
Proceeds from sale of mutual fund	196.71	-
Net cash from/ (used in) investing activities	**(921.17)**	**150.70**

Standalone Statement of Cash Flows for the year ended March 31, 2018 (Contd.)

All amounts in Rs. lakhs unless otherwise stated

	Year ended March 31, 2018	Year ended March 31, 2017
Financing activities		
Issue of share capital	58.55	78.70
Movement in working capital loans (net)	(99.34)	100.68
Finance cost paid	(0.22)	-
Dividends paid (including distribution tax)	(300.46)	(296.89)
Net cash used in financing activities	**(341.47)**	**(117.51)**
Net decrease in cash and cash equivalents	**(1,247.22)**	**(495.44)**
Cash and cash equivalents at the beginning of the year	2,546.38	3,040.60
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	1.22
Cash and cash equivalents at the end of the year (refer Note no. 13)	**1,299.16**	**2,546.38**
Supplementary information		
Restricted cash balance (refer Note no.13)	**345.77**	**8.63**

Cash and cash equivalents net off bank overdraft

Corporate information and significant accounting policies (refer Note no. 1 & 2)

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

As per our report of even date attached
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 29, 2018

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

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Notes To Standalone Financial Statements for the year ended March 31, 2018

1. Corporate Information

Mindteck (India) Limited ('Mindteck' or 'the Company'), a public limited company incorporated in the year 1991 and 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 centres in Bengaluru and Kolkata are 100% Export Oriented Units ('EOU') set up under the Software Technology Parks of India (STPI) Scheme of the Government of India.

Mindteck has subsidiaries (including step-down subsidiaries) in the United States of America, Singapore, Philippines, Malaysia, Bahrain, United Kingdom, Netherlands, 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, 2018 are approved by the Board of Directors on May 29, 2018.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of preparation:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under The Companies (Indian Accounting Standards) Rules, 2015 (amended from time to time). For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note no. 46 for information on how the Company adopted Ind AS.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of standalone financial statements under Accounting Standards notified under section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2014 ("Previous GAAP") to Ind AS in respect of Shareholders' equity as at March 31, 2017 and April 01, 2016 and in respect of comprehensive net income for the year ended March 31, 2017 (refer note no. 46 for reconciliations and effects of transition).

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 recognized in the year in which the estimates are revised and future periods are affected.

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 no. 41.

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 no. 38.

Determination of applicability of Appendix A of Service Concession Arrangement ('SCA'), under Ind AS - 11 'Construction contracts'):

The Company has entered into concession arrangement in relation to smart/IT 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 A of Service Concession Arrangement ('SCA'), under Ind AS - 11 'Construction contracts') applies. Refer note no. 42.

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 no. 43 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.

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 no. 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 recognized 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 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 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 recognized entirely in the standalone 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 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 recognized 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 recognized 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 recognized 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 recognized 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 derecognized 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 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 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 recognized 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 recognized in 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 standalone 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 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 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 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 recognized 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 recognized in standalone statement of Profit and Loss in the year of occurrence.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, plant and equipment recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Property, plant and equipment.

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. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation.

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 and Printers	3 years
Office equipment	5 years
Motor Car	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. Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognized as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

iii. 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 recognized in the standalone statement of Profit and Loss when the asset is derecognized.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

i. Impairment of non-financial assets:

Non-financial assets including Property, plant and equipment 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 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 recognized 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 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 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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognized as an expense in the standalone statement of Profit and Loss on a straight line basis unless the lease escalations are linked to inflation, in such a case the lease expense is recognized as per the terms of the lease arrangement.

Company as a lessor:

In the case of investment property which is given under operating lease, operating lease receipts are recognized as other income in the standalone statement of Profit and Loss on a straight-line basis.

k. Equity investments in Subsidiary:

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 recognized, 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.

Transition to Ind AS:

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

l. Revenue recognition:

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

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. 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 A of Service Concession Arrangement ('SCA'), under Ind AS - 11 'Construction contracts').

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' included in the current liabilities represent billings in excess of revenues recognized.

The Company collects goods and services tax, service tax, sales 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.

ii. Other income:

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

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

Rental Income from investment property is recognized as part of other income in the standalone statement of Profit or Loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognized as an integral part of the total rental income, over the term of lease.

iii. Service concession arrangements (SCA):

The Company implement or upgrades infrastructure (implementation or upgrade services) used to provide the smart/IT-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 A to Ind AS 11 – Service Concession Arrangements, 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 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.

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 recognized 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.

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 based on the taxable income for that period. 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 recognized outside Profit and Loss is recognized outside Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognized 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. Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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 re-assessed 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 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.

o. Provision and contingencies:

Provisions are recognized 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 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 Company; 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 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 recognized 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 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 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 recognized as at the beginning and end of that period and is recognized 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 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.

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 provident fund, ESI, gratuity and compensated absences.

Defined contribution plans:

Contributions payable to recognized provident funds, ESI 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 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 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 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 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.

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.

u. 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.

Transition to Ind AS

Effective April 01, 2017, the Company adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material effect on the standalone financial statements.

v. Corporate Social Rresponsibility (CSR) expenditure:

CSR expense is recognized as it is incurred by the Company or when the Company has entered into any legal or constructive obligation for incurring such an expense.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3. Property, plant and equipment

Amount in Rs. lakhs

Particulars	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total	Capital work in progress*
Cost							
As at April 01, 2016 (Deemed Cost)	88.56	69.78	11.88	3.18	-	173.40	-
Additions	9.71	1.85	2.33	-	-	13.89	37.21
Disposals / Adjustments	-	-	-	-	-	-	-
As at March 31, 2017	**98.27**	**71.63**	**14.21**	**3.18**	**-**	**187.29**	**37.21**
Additions	10.64	65.20	8.04	-	129.63	213.51	-
Disposals / Adjustments	-	(2.30)	(10.02)	-	-	(12.32)	
Transfer from capital work-in progress	-	-	-	-	37.21	37.21	(37.21)
As at March 31, 2018	**108.91**	**134.53**	**12.23**	**3.18**	**166.84**	**425.69**	**-**
Accumulated depreciation							
As at April 01, 2016	-	-	-	-	-	-	-
Charge for the year	72.64	21.71	6.65	2.95	-	103.95	-
Disposals / Adjustments	-	-	-	-	-	-	-
As at March 31, 2017	**72.64**	**21.71**	**6.65**	**2.95**	**-**	**103.95**	**-**
Charge for the year	19.28	30.99	5.16	0.23	20.92	76.58	-
Disposals / Adjustments	-	(2.07)	(9.02)	-	-	(11.09)	-
As at March 31, 2018	**91.92**	**50.63**	**2.79**	**3.18**	**20.92**	**169.44**	**-**
Net block as at April 01, 2016	**88.56**	**69.78**	**11.88**	**3.18**	**-**	**173.40**	**-**
Net block as at March 31, 2017	**25.63**	**49.92**	**7.56**	**0.23**	**-**	**83.34**	**37.21**
Net block as at March 31, 2018	**16.99**	**83.90**	**9.44**	**-**	**145.92**	**256.25**	**-**

* Capital work in progress of Rs. 37.21 lakhs as at March 31, 2017 represents cost incurred towards leasehold improvements at AMR Tech Park located at Hosur Main Road, Bengaluru which has been capitalized during financial year 2017-18.

4. Investment property

Amount in Rs. lakhs

Particulars	Building - Asset given under operating lease
Cost	
As at April 01, 2016 (Deemed Cost)	73.34
Additions	-
As at March 31, 2017	**73.34**
Additions	-
As at March 31, 2018	**73.34**
Accumulated depreciation	
As at April 01, 2016	-
Charge for the year	1.65
As at March 31, 2017	**1.65**
Charge for the year	1.65
As at March 31, 2018	**3.30**
Net block as at April 01, 2016	**73.34**
Net block as at March 31, 2017	**71.69**
Net block as at March 31, 2018	**70.04**

Information regarding income and expenditure of Investment property

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental income derived from investment property	26.02	25.66
Less: Direct operating expenses from property that did not generate rental income (including repairs and maintenance)	0.60	0.72
Profit arising from investment properties before depreciation and indirect expenses	**25.42**	**24.94**
Less: Depreciation	(1.65)	(1.65)
Profit arising from investment property before indirect expenses	**23.77**	**23.29**

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, 2018	March 31, 2017	April 01, 2016
		Area of subject unit (sq. ft.)	3,000.66	3,000.66	3,000.66
		Adopted market rent per sq.ft. per month	68	68	68
		Derived unit rate (per sq.ft.)	11,000	10,800	10,800
		Estimated rental value (per sq. ft.)	Rs. 65 - 70	Rs. 65 - 70	Rs. 65 - 70
		Discount rate	7.50%	7.45%	7.42%

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.

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.

Reconciliation of fair value

Amount in Rs. lakhs

Particulars	Amount
Opening balance as at April 01, 2016	324.10
Fair value differences	-
Closing balance as at March 31, 2017	**324.10**
Fair value differences	5.90
Closing balance as at March 31, 2018	**330.00**

5. Intangible assets

Amount in Rs. lakhs

Particulars	Computer software	Service concession arrangement	Total
Intangible Assets:			
Cost			
As at April 01, 2016 (Deemed Cost)	42.28	-	42.28
Additions	55.41	-	55.41
As at March 31, 2017	**97.69**	**-**	**97.69**
Additions	7.23	572.02	579.25
As at March 31, 2018	**104.92**	**572.02**	**676.94**
Accumulated depreciation			
As at April 01, 2016	-	-	-
Charge for the year	34.43	-	34.43
As at March 31, 2017	**34.43**	**-**	**34.43**
Charge for the year	27.77	8.60	36.37
As at March 31, 2018	**62.20**	**8.60**	**70.80**
Net block as at April 01, 2016	**42.28**	**-**	**42.28**
Net block as at March 31, 2017	**63.26**	**-**	**63.26**
Net block as at March 31, 2018	**42.72**	**563.42**	**606.14**

6. Investments - Non-current

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments - Non-current **Un-quoted equity instruments at cost,** **Investment in equity instruments- foreign subsidiaries**			
13,000 (March 31, 2017: 13,000, April 01, 2016: 13,000) equity shares of USD 1 par value of Mindteck Inc, USA, fully paid	9,361.63	9,339.67	9,320.10
500 (March 31, 2017: 500, April 01, 2016: 500) equity shares of BHD 100 par value of Mindteck Middle East SPC, Bahrain, fully paid	18.30	18.30	18.30
250,000 (March 31, 2017: 250,000, April 01, 2016: 250,000) equity shares of MYR 1 par value of Mindteck Software Malaysia SDN. BHD, fully paid	31.98	33.19	31.30
1,310,500 (March 31, 2017: 13,10,500, April 01, 2016: 1,310,500) equity shares of SGD 1 par value of Mindteck Singapore Pte Ltd., fully paid	851.20	850.75	849.39
968,408 (March 31, 2017: 968,408, April 01, 2016: 968,408) equity shares of GBP 1 par value of Mindteck (UK) Limited, fully paid	151.55	151.37	150.46
2 (March 31, 2017: 2, April 01, 2016: 2) equity shares of USD 1 par value of Chendle Holdings Limited, fully paid	1,954.20	1,954.20	1,954.20
Aggregate amount of unquoted investments in subsidiaries	**12,368.86**	**12,347.48**	**12,323.75**

a. On March 14, 2018, Hitech Parking Solutions Private Limited (Hitech) has been incorporated as a subsidiary of the Company. As of March 31, 2018, there is no investment made in Hitech.

b. Also refer Note no. 41(h)

7. Loans - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security deposits	215.89	147.86	397.29
Advances to related party (refer Note no. 39)	401.14	401.14	401.14
Unsecured, considered doubtful			
Security deposits	50.00	54.23	50.00
Provision for doubtful deposits*	(50.00)	(54.23)	(50.00)
Total	**617.03**	**549.00**	**798.43**

* Balance of Rs. 4.23 lakhs has been written off during the year ended March 31, 2018 (March 31, 2017 - Nil, April 01, 2016- Nil).

8. Other financial assets - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed deposits with bank with original maturity of more than 12 months*	26.61	26.30	30.19
Total	**26.61**	**26.30**	**30.19**

*Represents restricted bank balances of Rs. 26.61 lakhs (March 31, 2017: Rs. 26.30 lakhs, April 01, 2016: Rs. 30.19 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, 2018	As at March 31, 2017	As at April 01, 2016
Income tax assets (net) - Non-current	670.60	549.95	290.26
Income tax liabilities (net) - Current	239.16	245.34	239.15

Also, refer to Note no. 37 for further details.

10. Other non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Taxes paid under protest	249.00	249.00	229.00
Prepaid expense	48.21	42.84	35.54
Total	**297.21**	**291.84**	**264.54**

11. Investments - Current

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Quoted mutual funds measured at fair value through statement of profit and loss			
20,069.901 Units (March 31, 2017; April 01, 2016 - Nil) in AXIS Liquid Fund - Daily Dividend	200.98	-	-
1,071,593.138 Units (March 31, 2017; April 01, 2016 - Nil) in AXIS Short Term Fund - Growth	201.97	-	-
10,407.427 Units (March 31, 2017; April 01, 2016 - Nil) in AXIS Treasury Advantage Fund - Growth	201.54	-	-
38,911.729 Units (March 31, 2017; April 01, 2016 - Nil) in ICICI Prudential savings Fund - Direct Plan- Growth	105.20	-	-
660,044.223 Units (March 31, 2017; April 01, 2016 - Nil) in HSBC Low Duration Fund - Growth	100.71	-	-
Aggregate amount of quoted investments in mutual funds	**810.40**	**-**	**-**

12. Trade receivables - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, carried at amortized cost			
Considered good			
Other than related parties	1,033.92	901.03	805.69
Related parties (refer Note no. 39)	861.05	569.26	610.83
Considered doubtful	103.86	26.92	23.55
Less: Provision for doubtful debts and loss allowance	(103.86)	(26.92)	(23.55)
Total	**1,894.97**	**1,470.29**	**1,416.52**

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, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	1.64	0.09	0.12
Balances with banks			
in current accounts	447.97	55.25	337.35
in fixed deposits with original maturity for less than three months	503.78	2,482.41	2,700.92
	953.39	**2,537.75**	**3,038.39**
Other bank balances - Current assets			
Balances with banks			
Fixed deposits with original maturity > 3 months but less than 12 months	331.95	-	-
Unpaid dividend account	13.82	8.63	2.21
	345.77	**8.63**	**2.21**
Total	**1,299.16**	**2,546.38**	**3,040.60**

Cash and cash equivalents as at March 31, 2018, March 31, 2017 and April 01, 2016 include restricted cash and bank balances of Rs. 345.77 lakhs, Rs. 8.63 lakhs and Rs. 2.21 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:

Amount in Rs. lakhs

Particulars	As at April 01, 2017	Cash flows	As at March 31, 2018
Borrowings	100.68	(99.34)	1.34
Total liabilities from financing activities	**100.68**	**(99.34)**	**1.34**

Amount in Rs. lakhs

Particulars	As at April 01, 2016	Cash flows	As at March 31, 2017
Borrowings	-	100.68	100.68
Total liabilities from financing activities	**-**	**100.68**	**100.68**

14. Loans - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security deposits	60.70	418.90	11.84
Advances to related party (refer Note no. 39)	122.24	90.33	88.35
Total	**182.94**	**509.23**	**100.19**

15. Other financial assets - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Claimable expenses	176.46	47.83	13.18
Unbilled revenue	389.72	310.20	131.82
Accrued interest	4.48	18.02	51.99
Employee advances	82.85	49.54	62.70
Total	**653.51**	**425.59**	**259.69**
Break up of financial assets carried at amortized cost:			
Trade receivable (current) (Note no. 12)	1,894.97	1,470.29	1,416.52
Cash and cash equivalents (current) (Note no. 13)	953.39	2,537.75	3,038.39
Other bank balances (current) (Note no. 13)	345.77	8.63	2.21
Fixed deposits with bank with original maturity of more than 12 months (Note no. 8)	26.61	26.30	30.19
Claimable expenses (current) (Note no. 15)	176.46	47.83	13.18
Unbilled revenue (current) (Note no. 15)	389.72	310.20	131.82
Accrued interest (current) (Note no. 15)	4.48	18.02	51.99
Employee advances (current) (Note no. 15)	82.85	49.54	62.70
Security deposits (non-current) (Note no. 7)	215.89	147.86	397.29
Advances to related party (non-current) (Note no. 7)	401.14	401.14	401.14
Security deposits (current) (Note no. 14)	60.70	418.90	11.84
Advances to related party (current) (Note no. 14)	122.24	90.33	88.35
Total	**4,674.22**	**5,526.79**	**5,645.62**

16. Other current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances recoverable in cash or kind	11.76	19.35	5.65
Balances with government authorities *	260.77	268.02	378.84
Less: Provision for doubtful input credit receivable	(78.85)	-	-
Net balance with government authorities	**181.92**	**268.02**	**378.84**
Prepaid expenses	82.30	68.42	65.72
Total	**275.98**	**355.79**	**450.21**

* Represents amount of service tax input credit receivable

17. Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised capital			
Equity shares			
28,000,000 (March 31, 2017: 28,000,000; April 01, 2016: 28,000,000) equity shares of Rs 10 each	2,800.00	2,800.00	2,800.00
Preference shares			
500,000 (March 31, 2017: 500,000, April 01, 2016: 500,000) cumulative, non-convertible, redeemable preference shares of Rs 100 each	500.00	500.00	500.00
Issued, subscribed and paid-up share capital			
25,621,898 (March 31, 2017: 25,383,895; April 01, 2016: 25,173,101) equity shares of Rs 10 each	2,562.19	2,538.39	2,517.31
	2,562.19	**2,538.39**	**2,517.31**

Notes:

a. **Deconsolidation of the Mindteck Employees Welfare Trust ('Trust')**
Effective January 01, 2015, the Trust was deconsolidated subsequent to the SEBI (Share Based Employee Benefits) Regulations, issued on October 28, 2014.

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, 2017: 102,878 equity shares; April 01, 2016: 102,878 equity shares) have been reserved for allotment to certain shareholders of Chendle Holdings, subject to the furnishing of Permanent Account Number ('PAN') and other requirements by these shareholders. The submission of PAN is a pre-requisite to complete the allotment of shares. The Company is in the process of following up with the shareholders of Chendle Holdings to obtain the PAN and upon receiving the PAN, the Company would allot the 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, 2018		As at March 31, 2017		As at April 01, 2016	
Particulars	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)
Outstanding at the beginning of the year	25,383,895	2,538.39	25,173,101	2,517.31	25,062,971	2,506.30
Add: Additions during the year on exercise of employee stock options (refer Note no. 41)	173,704	17.37	210,794	21.08	110,130	11.01
Add: Shares issued to shareholders of Chendle Holdings (refer Note no. 17(b))*	64,299	6.43	-	-	-	-
Outstanding at the end of the year	**25,621,898**	**2,562.19**	**25,383,895**	**2,538.39**	**25,173,101**	**2,517.31**

* Represents shares issued for consideration other than cash or kind

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, 2018		As at March 31, 2017		As at April 01, 2016	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	16,431,604	64.13%	16,431,604	64.73%	16,431,604	65.27%

f. Equity shareholders holding more than 5 percent shares in the Company:

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	16,431,604	64.13%	16,431,604	64.73%	16,431,604	65.27%
First Asian Investments S.A	1,390,569	5.43%	1,390,569	5.48%	1,390,569	5.52%

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

h. Shares reserved for issue

Terms attached to stock options granted to employees are described in Note no. 41 regarding share based payments. Also, refer Note no. 17(b) above.

18. Other Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital reserve	356.90	356.90	356.90
Securities premium	10,516.95	10,408.32	10,332.05
Retained earnings	4,259.90	4,364.06	4,218.40
Other component of equity (Share application money pending allotment)	28.37	75.66	75.66
Employee stock option reserve account	271.66	135.51	72.33
Total	**15,433.78**	**15,340.45**	**15,055.34**

Notes:

i. **Capital reserve**
The Company has in the past created capital reserve in accordance with the provisions of the Act.

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 no. 41 for further details on these plans.

iv. **Distribution made and proposed**

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash dividends on equity shares declared and paid			
Final dividend	253.95	252.00	0.02
Dividend distribution tax (DDT)	51.70	51.29	-
Total	**305.65**	**303.29**	**0.02**
Dividend proposed			
Final dividend	256.22	253.95	252.00
Dividend distribution tax	52.17	51.70	51.29
Total	**308.39**	**305.65**	**303.29**

On May 29, 2018, the Board of Directors of the Company proposed final dividend of Re. 1 per equity share for the year ended March 31, 2018. The total dividend payable amounting to Rs. 308.39 lakhs (including dividend distribution tax) is not recognised as a liability as at March 31, 2018.

19. Other non-current financial liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Rental deposit	18.59	17.31	16.12
Total	**18.59**	**17.31**	**16.12**

20. Other non-current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred lease rental income	1.37	2.55	3.72
Rent equalization reserve	27.32	41.34	-
Total	**28.69**	**43.89**	**3.72**

21. Provision - Non- current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provisions for employees benefits			
Provision for Gratuity (refer Note no.38)	232.75	181.71	132.93
Other provisions			
Provision towards obligation under service concession arrangements	424.75	-	-
Total	**657.50**	**181.71**	**132.93**

22. Borrowings - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Loan repayable on demand from banks (Secured)			
Bank overdraft	1.34	100.68	-
Total	**1.34**	**100.68**	**-**

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, 2018	As at March 31, 2017	As at April 01, 2016
Dues to Micro, Small and Medium Enterprises (refer note below)	0.91	3.62	-
Payable to related parties (refer Note No. 39)	250.37	78.93	264.45
Payable to other than related parties	309.69	359.20	629.39
Total	**560.97**	**441.75**	**893.84**

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 no. 44.

The dues to Micro and Small enterprises as defined in "The Micro, Small & Medium Enterprises Development Act, 2006" are as follows:

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.91	3.62	-
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, 2018	As at March 31, 2017	As at April 01, 2016
Unpaid dividend	13.82	8.63	2.21
Employee related liabilities	18.68	101.38	38.08
Total	**32.50**	**110.01**	**40.29**
Break up of financial liabilities carried at amortized cost:			
Rental deposit (non-current) (Note no. 19)	18.59	17.31	16.12
Borrowings (current) (Note no. 22)	1.34	100.68	-
Trade and other payables (current) (Note no. 23)	560.97	441.75	893.84
Unpaid dividend (current) (Note no. 24)	13.82	8.63	2.21
Employee related liabilities (current) (Note no. 24)	18.68	101.38	38.08
Total	**613.40**	**669.75**	**950.25**

25. Provisions - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for compensated absences	89.77	84.74	86.38
Provision towards obligation under service concession arrangements	59.56	-	-
Other provision	333.00	209.15	240.51
Total	**482.33**	**293.89**	**326.89**

26. Other current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unearned income	114.30	51.25	92.74
Capital creditors	2.57	27.52	-
Statutory dues	168.42	112.45	92.70
Rent equalization reserve	14.03	14.03	-
Total	**299.32**	**205.25**	**185.44**

27. Revenue from operations

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of services	8,841.53	8,363.82
Total	**8,841.53**	**8,363.82**

28. Other income

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance income (includes interest income on deposits for year ended March 31, 2018: Rs. 115.45; March 31, 2017: Rs. 195.72)	131.74	228.69
Rental income	26.02	25.66
Fair value gain on mutual fund	7.11	-
Foreign exchange gain, net	10.25	-
Gain on sale of investments in mutual funds	3.29	-
Other non-operating income	11.69	0.03
Total	**190.10**	**254.38**

29. Employee benefits expense

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	5,562.26	5,144.17
Contribution to provident and other funds	244.02	232.60
Staff welfare expenses	120.40	141.83
Gratuity (refer Note no. 38)	77.90	53.38
Share-based payment expense (refer Note no. 41)	160.69	63.83
Total	**6,165.27**	**5,635.81**

30. Finance costs

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on deposits for premises	4.45	1.19
Interest expense and bank charges	17.68	7.03
Total	**22.13**	**8.22**

31. Other expenses

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	484.67	731.85
Hiring charges	56.74	43.40
Travel expenses	262.77	148.62
Foreign exchange loss, net	-	40.16
Power and fuel	145.41	108.23
Communication expenses	43.44	52.69
Professional charges	171.07	157.12
Repairs and maintenance		
-Buildings	0.39	-
-Others	132.28	139.04
Project supply and services	400.81	243.68
Rates and taxes	64.53	18.71
Insurance	17.38	16.18
Remuneration to auditors (refer Note no. 33)	44.59	42.43
Membership and subscription	25.76	38.35
Printing and stationery	8.68	9.32
Recruitment expenses	61.62	81.11
Provision for doubtful advances (net)	-	4.23
Provision for doubtful debts (net) and loss allowance	76.94	3.37
Contribution towards corporate social responsibility (refer Note no. 36)	27.00	33.80
Loss on sale/disposal of fixed assets, net	1.23	-
Miscellaneous expenses	82.79	71.68
Provision for doubtful input credit receivable	78.85	-
Total	**2,186.95**	**1,983.97**

32. Contingent liabilities and commitments

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Income tax matters: The Company is involved in certain tax disputes pertaining to transfer pricing and other adjustments in relation to AY: 2006-07, AY: 2009-10, AY: 2010-11 and AY: 2012-13 which are pending at various forms. Management is confident that the Company has a good case to defend as such cases are not tenable and no liability is expected in this regard.	859.78	328.14	1,231.17
(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.	513.74	125.79	88.69
(iii) Corporate Guarantee has been provided by the Company in favour of a banking institution in the United States of America with respect to the extension of credit facilities by the banking institution to Mindteck, Inc., a subsidiary of the Company.	-	1,297.61	1,325.12

33. Auditors' remuneration

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Statutory audit	35.70	37.50
Tax audit	3.00	1.00
Other certification services	4.00	1.90
Reimbursement of expenses	1.89	2.03
Total	**44.59**	**42.43**

Notes:
a) Remuneration for the year ended March 31, 2017 represents fee and reimbursements paid to the predecessor auditor.
b) Remuneration for the year ended March 31, 2018 includes Rs. 8.70 lakhs paid to the predecessor auditor.

34. Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net profit for the year attributable to equity holders	191.45	440.20
Earnings per share, basic (in Rs.)	0.75	1.74
Earnings per share, diluted (in Rs.)	0.71	1.71

35. Operating leases

The Company leases office under operating lease arrangements.

Lease rental expense for office facilities are given below:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cancellable	215.22	676.48
Non-cancellable	269.45	55.37
Total	**484.67**	**731.85**

The future minimum lease rental payable under non-cancellable operating leases in aggregate are as follows:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than one year	283.48	283.48
Later than one year and not later than five years	566.96	850.44
Total	**850.44**	**1,133.92**

36. Expenditure on corporate social responsibility activities

Amount in Rs. lakhs

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
a. Gross amount required to be spent by the Company during the year		26.33	33.79
b. Amount spent during the year ending on March 31, 2018:	In Cash	Yet to be paid in the cash	Total
i) construction acquistion of any asset	-	-	-
ii) on the purpose other than (i) above	27.00	-	27.00
c. Amount spent during the year ending on March 31, 2017:	In Cash	Yet to be paid in the cash	Total
i) construction acquistion of any asset	-	-	-
ii) on the purpose other than (i) above	33.80	-	33.80

37. 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, 2018	Year ended March 31, 2017
Current tax	329.03	298.19
Deferred tax credit	(92.10)	(45.28)
Income tax expense reported in the statement of profit or loss	**236.93**	**252.91**
Income tax recognised in other comprehensive income		
- Tax arising on income and expense recognised in other comprehensive income	3.59	(1.58)
Total	**3.59**	**(1.58)**

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, 2018	Year ended March 31, 2017
Profit before tax	428.38	693.11
Enacted income tax rate in India	33.06%	33.06%
Computed expected tax expense	141.62	229.14
Effect of:		
Tax effect on changes in enacted tax rate to 27.82%	54.05	-
Non-deductible expenses for tax purpose	21.87	21.13
Others	19.39	2.64
Total income tax expense	**236.93**	**252.91**

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, 2018	As at March 31, 2017	As at April 01, 2016	Year ended March 31, 2018	Year ended March 31, 2017
Property, plant and equipment and intangible assets	27.34	24.76	12.10	2.58	12.66
Provision for doubtful debts, loss allowance and deposits	42.81	18.76	18.18	24.05	0.58
Compensated absences	26.60	28.02	29.90	(1.42)	(1.88)
Gratuity	64.75	60.08	46.01	4.69	14.08
Others	125.17	59.70	41.44	65.79	18.26
Deferred tax assets (net)	**286.67**	**191.32**	**147.63**	**95.69**	**43.70**

38. 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, 2018 and March 31, 2017:

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Change in benefit obligations		
Benefit obligations at the beginning	257.75	234.98
Service cost	61.51	40.69
Interest expense	19.64	14.79
Actuarial loss/ (gain) due to change in financial assumptions	(6.18)	9.33
Actuarial loss/ (gain) due to change in demographic assumptions	-	(11.25)
Actuarial loss/ (gain) due to experience adjustments	16.55	(2.65)
Benefits paid	(47.95)	(28.14)
Benefit obligations at the end	**301.32**	**257.75**
Change in plan assets		
Fair value of plan assets at the beginning	76.04	102.05
Contribution	39.74	-
Interest income	6.84	5.76
Actuarial loss/ (gain) due to experience adjustments	(3.59)	(3.66)
Return on plan assets excluding amounts included in interest income	(2.52)	0.03
Benefits paid	(47.94)	(28.14)
Fair value of plan assets at the end	**68.57**	**76.04**
Reconciliation of fair value of assets and defined benefit obligations		
Fair value of plan assets as at the end of the year	68.57	76.04
Present value of obligation as at the end of the year	301.32	257.75
Amount recognised in the Standalone Balance Sheet	**(232.75)**	**(181.71)**

	Year ended March 31, 2018	Year ended March 31, 2017
Expense recognised in profit or loss		
Current service cost	61.51	40.69
Interest cost	16.39	12.69
	77.90	**53.38**
Remeasurement gain/ (loss) recognised in other comprehensive income		
Actuarial loss/ (gain) due to change in financial assumptions	(6.18)	9.33
Actuarial loss/ (gain) due to change in demographic assumptions	-	(11.25)
Actuarial loss/ (gain) due to experience adjustments	16.55	(2.65)
Return on plan assets excluding amounts included in interest income	2.52	(0.03)
	12.89	**(4.60)**

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Five year pay-outs			
Year 1	48.60	41.81	36.76
Year 2	41.93	37.93	31.75
Year 3	41.73	33.79	32.93
Year 4	39.61	33.26	29.94
Year 5	37.60	30.82	29.93
After 5th Year	247.10	199.00	212.67
Actuarial assumptions			
Discount rate	7.20%	6.69%	7.46%
Salary growth rate	10.00%	10.00%	10.00%
Attrition rate	20.00%	20.00%	19.00%
Retirement age	58 years	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, 2018		Year ended March 31, 2017	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(13.87)	15.22	(17.78)	22.94
Salary growth rate (1% movement)	15.66	(14.76)	19.59	(14.17)
Attrition rate (1% movement)	(6.98)	7.85	(6.70)	4.64

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. Nil (March 31, 2017: 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. 240.93 lakhs (year ended March 31, 2017: Rs. 231.23 lakhs).

39. 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.

Mindteck Netherlands BV, Netherlands

Mindteck Germany GmbH, Germany

Chendle Holdings Ltd, BVI

Hitech Parking Solutions Private Limited w.e.f. March 14, 2018

C. Enterprises where control exists - Other than subsidiaries

Mindteck Employees Welfare Trust

D. Key management personnel

Meenaz Dhanani	Non- Executive Director (Appointed with effect from June 16, 2017) Executive Director for the year ended March 31, 2017
Sanjeev Kathpalia	Managing Director and Chief Executive Officer (Appointed with effect from March 01, 2017)
Narayan A. Menon	Independent director (Deceased on December 11, 2017)
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 (Appointed with effect from April 01, 2017) and was Chairman and Managing Director for the year ended March 31, 2017
Anand Balakrishnan	Chief Financial Officer (Resigned with effect from July 21, 2017)
Prashanth Idgunji	Chief Financial Officer (Appointed with effect from November 08, 2017)
Shivarama Adiga S.	Company Secretary

(ii) Related party transactions:

Amount in Rs. lakhs

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a.	**Income from software and IT-enabled services:**		
	Mindteck, Inc., USA	3,921.77	3,460.88
	Mindteck (UK) Limited	1,228.27	1,116.28
	Mindteck Singapore Pte. Limited	132.76	252.36
	Mindteck Middle East Limited SPC	14.92	5.20
	Mindteck Software Malaysia SDN. BHD	100.69	52.40
	Mindteck Germany GmbH	59.54	58.73
	Total	**5,457.95**	**4,945.85**
b.	**Recovery of expenses from:**		
	Mindteck, Inc., USA	182.43	352.57
	Mindteck (UK) Limited	69.78	55.85
	Mindteck Singapore Pte. Limited	10.67	36.03
	Mindteck Middle East Limited SPC	5.03	15.85
	Mindteck Software Malaysia SDN. BHD	16.22	48.26
	Mindteck Solutions Philippines, Inc.	-	0.11
	Mindteck Germany GmbH	34.84	13.36
	Total	**318.97**	**522.03**
c.	**Reimbursement of expenses to:**		
	Mindteck, Inc., USA	-	151.20
	Mindteck (UK) Limited	21.18	0.14
	Mindteck Singapore Pte. Limited	59.27	43.16
	Mindteck Middle East Limited SPC	-	2.00
	Mindteck Germany GmbH	-	0.01
	Total	**80.45**	**196.51**
d.	**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 *	226.76	213.09
	Share-based payment transactions	124.12	4.76
	Benefits paid to Non-executive directors / independent directors	27.25	13.70
	Total	**378.13**	**231.55**

* 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.

e. In respect of ceiling on managerial remuneration prescribed under section 197 of the Companies Act, 2013, read with Schedule V of the Act, the Company has relied on opinion obtained from external legal counsel for non-inclusion of perquisite value of Employee Stock Options exercised during the year by non-executive director in managerial remuneration computation.

f. Refer to Note no. 41 (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, 2018	As at March 31, 2017	As at April 01, 2016
	Balance due to/ due from subsidiaries:			
a.	**Amounts receivable:**			
	Mindteck, Inc., USA	472.59	347.56	510.43
	Mindteck (UK) Limited	154.89	101.93	82.05
	Mindteck Singapore Pte. Limited	78.76	88.84	14.55
	Mindteck Software Malaysia SDN. BHD	40.24	6.09	-
	Mindteck Middle East Limited SPC	8.12	2.83	2.58
	Mindteck Germany GmbH	106.46	22.01	1.22
	Total	**861.05**	**569.26**	**610.83**
b.	**Other current assets:**			
	Mindteck, Inc., USA	3.14	29.62	24.12
	Mindteck (UK) Limited	22.24	6.34	5.27
	Mindteck Singapore Pte. Limited	10.48	5.40	3.14
	Mindteck Middle East Limited SPC	18.30	3.82	10.93
	Mindteck Software Malaysia SDN. BHD	15.31	5.35	4.10
	Mindteck Solutions Philippines, Inc.	0.10	0.10	-
	Mindteck Germany GmbH	52.67	39.70	40.79
	Total	**122.24**	**90.33**	**88.35**
c.	**Amounts payable:**			
	Mindteck, Inc., USA	133.84	46.95	233.15
	Mindteck (UK) Limited	20.83	0.13	29.93
	Mindteck Singapore Pte. Limited	95.19	31.40	0.86
	Mindteck Germany GmbH	0.01	0.01	-
	Mindteck Software Malaysia SDN. BHD	0.50	0.44	0.51
	Total	**250.37**	**78.93**	**264.45**
d.	**Loans and advances:**			
	Mindteck Employees Welfare Trust	401.14	401.14	401.14

40. Segment information

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

41. Employee stock options

As at March 31, 2018, 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 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, 2018, the Company has granted 9,600 options on May 22, 2017 at an exercise price of Rs. 81.55 per share and 30,900 options on August 08, 2017 at an exercise price of Rs. 71.85 per share.

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

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 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, 2018, the Company has granted 118,600 options on November 08, 2017 at an exercise price of Rs. 79.65 per share and 193,400 options on February 13, 2018 at an exercise price of Rs.73.60 per share.

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

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 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, 2018, the Company has granted 250,000 options on April 10, 2017 at an exercise price of Rs. 81.30 per share.

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

e. Employees' Stock Options details as on the balance sheet date are:

	2017-18		2016-17	
Particulars	**Option (no.)**	**Weighted average exercise price per stock option**	**Option (no.)**	**Weighted average exercise price per stock option**
Options outstanding at the beginning of the year				
ESOP 2005	200,100	71.56	282,500	63.17
ESOP 2008	605,624	65.42	482,686	39.83
ESOP 2014	250,000	78.10	-	-
Options granted during the year				
ESOP 2005	40,500	74.15	28,800	88.58
ESOP 2008	312,000	75.90	308,600	93.72
ESOP 2014	250,000	81.30	250,000	78.10
Cancelled, surrendered or lapsed during the year				
ESOP 2005	57,300	90.25	51,900	77.87
ESOP 2008	80,867	79.13	34,168	85.24
ESOP 2014	-	-	-	-
Exercised during the year on exercise of employee stock options/ restricted shares+				
ESOP 2005	10,500	37.64	59,300	36.64
ESOP 2008	163,204	33.45	151,494	37.04
ESOP 2014	-	-	-	-
Options outstanding at the end of the year				
ESOP 2005	172,800	68.03	200,100	71.56
ESOP 2008	673,553	76.37	605,624	65.42
ESOP 2014	500,000	79.70	250,000	78.10
Options exercisable at the end of the year				
ESOP 2005	97,400	58.66	99,600	59.24
ESOP 2008	201,020	65.61	210,016	40.42
ESOP 2014	83,333	78.10	-	-

+ The weighted average share price at the date of exercise:

Particulars	2017-18	2016-17
ESOP 2005	73.47	93.53
ESOP 2008	72.63	88.12
ESOP 2014	-	-

f. Details of Weighted average remaining contractual life and range of exercise prices for the options outstanding at the balance sheet date

	Weighted average remaining contractual life (years)*		Range of exercise prices		Fair value of options granted during the year	
Particulars	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
ESOP 2005	3.3	5.5	13.55 - 92.10	13.55 - 130.80	39.18	44.17
ESOP 2008	4.6	5.6	43.60 - 130.80	30.35 - 130.80	33.96	47.38
ESOP 2014	6.9	7.0	78.10 - 84.45	78.10 - 78.10	42.37	39.11

* 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, 2018 and March 31, 2017, respectively:

	March 31, 2018			March 31, 2017		
Particulars	**ESOP 2005**	**ESOP 2008**	**ESOP 2014**	**ESOP 2005**	**ESOP 2008**	**ESOP 2014**
Risk-free interest rate	7.89%	7.50%	6.83%	8.11%	8.13%	6.77%
Expected volatility of share	62.60%	62.98%	62.73%	62.78%	63.78%	62.76%
Expected dividend yield	2.13%	2.53%	1.91%	2.20%	2.98%	1.91%
Expected life (years)	4.69	4.59	4.50	5.11	4.89	4.50
Model used	Black scholes	Black scholes	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, 2018**	**For the year ended March 31, 2017**
Expense arising from equity-settled share-based payment transactions	160.69	63.83
Total expense arising from share-based payment transactions	**160.69**	**63.83**

Further, as a part of the above schemes, stock options are also granted to employees of the Company and its subsidiaries. Below is the entity-wise break-up:

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Mindteck (UK) Limited	0.18	0.91
Mindteck, Inc., USA	21.96	19.58
Mindteck Singapore Pte. Ltd	0.45	1.36
Mindteck Software Malaysia SDN. BHD	(1.21)	1.88
Total	**21.38**	**23.73**

Accordingly, Rs. 21.38 lakhs (March 31, 2017: Rs. 23.73 lakhs, April 01, 2016: Rs. 10.85 lakhs) is treated as investments made in subsidiaries.
Refer Note no. 6.

42. Service concession arrangement (SCA)

a. Significant terms of Service concession arrangement are provided below:

Particulars	**Authorisation agreement signed between Municipal Corporation Bhopal ("MCB")**
Nature of the asset recognised under SCA accounting	Intangible assets
Carrying value as at March 31, 2018 (Rs. in lakhs)	563.42
Year when SCA granted	FY 2017-18
Concession period	10 years
Extension of concession period	Not applicable
Work in progress - status	Phase 1 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 development under SCA

Amount in Rs. lakhs

Particulars	As at March 31, 2018
Opening Balance	-
Add: Cost of supplies including profit margin	90.89
Provision towards obligation under service concession arrangements	481.13
Less: Amortization till March 31, 2018	8.60
Total	**563.42**

43. Financial instruments

The carrying value of financial instruments by categories is as below:

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets - Non-current (measured at amortized cost)			
Security deposits ^	215.89	147.86	397.29
Advances to related party	401.14	401.14	401.14
Fixed deposits bank with original maturity of more than 12 months	26.61	26.30	30.19
Financial assets - Current (measured at fair value through profit & loss)			
Investments in mutual funds $	810.40	-	-
Financial assets - Current (measured at amortized cost)			
Trade receivables	1,894.97	1,470.29	1,416.52
Cash and cash equivalents #	953.39	2,537.75	3,038.39
Other bank balances #	345.77	8.63	2.21
Employee advances	82.85	49.54	62.70
Security deposits ^	60.70	418.90	11.84
Advances to Related Party	122.24	90.33	88.35
Claimable expenses	176.46	47.83	13.18
Unbilled revenue	389.72	310.20	131.82
Accrued interest #	4.48	18.02	51.99
Total assets	**5,484.62**	**5,526.79**	**5,645.62**
Financial liabilities - Non-current (measured at amortized cost)			
Rental deposit ^	18.59	17.31	16.12
Financial liabilities - Current (measured at amortized cost)			
Bank overdraft	1.34	100.68	-
Trade payables	560.97	441.75	893.84
Unpaid dividend	13.82	8.63	2.21
Others	18.68	101.38	38.08
Total liabilities	**613.40**	**669.75**	**950.25**

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.

44 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 April 01, 2016, March 31, 2017 and March 31, 2018

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to past payment history, security by way of deposits, external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables and unbilled revenue:

Amount in Rs. lakhs

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gross amount	Provision and loss allowance	Gross amount	Provision and loss allowance	Gross amount	Provision and loss allowance
Trade receivables and unbilled revenue	2,388.55	103.86	1,807.41	26.92	1,571.89	23.55
Total	**2,388.55**	**103.86**	**1,807.41**	**26.92**	**1,571.89**	**23.55**

Reconciliation of provision for doubtful debts and loss allowance:

Amount in Rs. lakhs

Particulars	Amount
Provision and loss allowance on April 01, 2016	23.55
Changes in provision and loss allowance	3.37
Provision and loss allowance on March 31, 2017	26.92
Changes in provision and loss allowance	76.94
Provision and loss allowance on March 31, 2018	103.86

ii) Other financial assets and deposits with banks:

Credit risk on cash and cash equivalent is limited as (including bank balances, fixed deposits and margin money with banks) 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, 2018 Amount in Rs. lakhs	As at March 31, 2017 Amount in Rs. lakhs	As at April 01, 2016 Amount in Rs. lakhs
Trade receivables towards services rendered	USD	661.52	402.22	516.98
	GBP	139.02	92.44	81.77
	BHD	5.20	2.83	2.58
	EUR	37.97	4.46	-
	MYR	15.14	-	-
	SGD	44.86	86.66	9.50
Advances recoverable	USD	60.47	52.89	47.71
	EUR	47.56	37.44	40.65
	SGD	3.37	-	-
	GBP	10.84	-	-
Trade payables for services availed	USD	156.84	46.26	290.55
	GBP	0.91	0.81	-
	MYR	0.51	0.44	0.51
	SGD	95.19	31.40	0.86

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Company would cause the profit before tax in proportion to revenue to decrease or increase respectively by 1.80% (profit before exceptional items for the year ended March 31, 2017 by 0.90%).

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, 2018		Year ended March 31, 2017	
	Change in interest rate	Effect on profit before tax	Change in interest rate	Effect on profit before tax
Borrowings	+1%	(0.02)	+1%	(0.00)
	-1%	0.02	-1%	0.00

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, 2018					
Rental deposit	20.21	20.21	-	-	20.21
Bank overdraft	1.34	1.34	-	1.34	-
Trade payables	560.97	560.97	560.97	-	-
Unpaid dividend	13.82	13.82	13.82	-	-
Others	18.68	18.68	18.68	-	-
	615.02	**615.02**	**593.47**	**1.34**	**20.21**
March 31, 2017					
Rental deposit	20.21	20.21	-	-	20.21
Bank overdraft	100.68	100.68	-	100.68	-
Trade payables	441.75	441.75	441.75	-	-
Unpaid dividend	8.63	8.63	8.63	-	-
Others	101.38	101.38	101.38	-	-
	672.65	**672.65**	**551.76**	**100.68**	**20.21**
April 01, 2016					
Rental deposit	20.21	20.21	-	-	20.21
Trade payables	893.84	893.84	893.84	-	-
Unpaid dividend	2.21	2.21	2.21	-	-
Others	38.08	38.08	38.08	-	-
	954.34	**954.34**	**934.13**	**-**	**20.21**

45 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, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
Total equity attributable to shareholders of the Company (A)	17,995.97	17,878.84	17,572.65
Total borrowings (B)*	1.34	100.68	-
Total Capital (C) = (A)+(B)	**17,997.31**	**17,979.52**	**17,572.65**
Total borrowings as a percentage of total capital (B/C)	0.01%	0.56%	0.00%
Total equity as a percentage of total capital (A/C)	99.99%	99.44%	100.00%

*Total borrowings represents bank overdraft.

46 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, have been prepared in accordance with Ind AS. For the periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP' or ' Previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2018 together with the comparative period data, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

A. Exemptions availed

In preparing these standalone financial statements, the Company has applied the below mentioned exemptions:

(i) Property, plant & equipment, intangible assets and investment properties

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets and investment property also.

(ii) Leases

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

(iii) Investments in subsidiaries

The Company has chosen to avail the exemption provided by Ind AS 101 and value all its investments in subsidiaries at deemed cost being the previous GAAP carrying amount at the transition date subject to adjustments made due to adoption of other Ind AS.

(iv) Share-based payments

Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 01, 2016.

B. Reconciliation of total equity between previous GAAP and Ind AS as at April 01, 2016 and March 31, 2017

Amount in Rs. lakhs

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Equity reported under previous GAAP		**17,898.26**	**17,276.52**
Effect of transition to Ind AS:			
(i) Interest income on security deposits	2	125.81	92.84
(ii) Provision for expected credit loss	5	(24.40)	(21.04)
(iii) Straight lining of lease rental	2	(55.37)	-
(iv) Amortization of prepaid expenses	2	(128.95)	(99.21)
(v) Other Ind AS adjustments	6, 7 & 4	34.79	314.06
(vi) Deferred taxes on all temperory differences	3	28.70	9.48
Equity as per Ind AS		**17,878.84**	**17,572.65**

C. Reconciliation of total comprehensive income for the year ended March 31, 2017

Amount in Rs. lakhs

Particulars	Note	Year ended March 31, 2017
Net profit under previous GAAP		**543.34**
Effect of transition to Ind AS		
(i) Interest income on security deposits	2	32.97
(ii) Provision for expected credit loss	5	(3.36)
(iii) Straight lining of lease rental	2	(55.37)
(iv) Amotisation of prepaid expenses	2	(29.74)
(v) Other Ind AS adjustments	6, 7 & 4	(68.44)
(vi) Deferred taxes on all temperory differences	3	20.80
Net profit after tax as per Ind AS		**440.20**
Other comprehensive income		3.01
Total comprehensive income as per Ind AS		**443.21**

D. Reconciliation of Cash flow for the year ended March 31, 2017

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Note 1: Investment property

Based on Ind AS 40, the Company has reclassified the leased assets office premise to investment property. Under the previous GAAP, this was disclosed as a part of property, plant and equipment.

Note 2: Security deposits and rent equalization reserve

Under Ind AS interest free security deposits are carried at amortized cost by, discounting the same using interest rates applicable to the counter party. The difference between transaction cost and fair value is recognised as prepaid lease and amortized over the period of the lease on a straight-line basis. Further, interest income is recognised on the amortized cost of the security deposits over the lease period.

Under pervious GAAP operating lease expenses were recognised in the 'standalone statement of profit and loss' on a straight line basis over the lease term. The difference between lease expense recognised in the 'standalone statement of profit and loss' and contractual lease payments was recognised as 'rent equalization reserve'.

Note 3: Deferred taxes

Under Ind AS, deferred taxes are accounted using balance sheet approach based on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. Under IGAAP, the deferred taxes are accounted using income statement approach i.e. differences between taxable profits and accounting profits for the period.

Note 4: Leased deposit

The Company receives interest free refundable lease deposit from its customer. Under previous GAAP, these deposits were recorded at the transaction value. However, in accordance with Ind AS 109, financial liabilities in the form of lease deposits are recorded initially at the fair value and subsequently discounted over the lock-in period using the effective interest rate method.

Note 5: Provision for expected credit loss

Under the previous GAAP, the Company had provided for trade receivables based on managements assessment regarding recoverability of such balances as at March 31, 2017. Under Ind AS, the Company has provided for the expected credit loss on aged trade receivables based on past history of losses and forward looking information. Provision for expected losses on trade receivables as at April 01, 2016 was charged to 'Surplus/ (deficit) in the statement of profit and loss' as provision for doubtful receivables (expected credit loss).

Note 6: Employee benefits

Under previous GAAP, actuarial gains and losses were recognized in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized in other comprehensive income in the respective periods.

Note 7: Employee share based payments

Under previous GAAP, employee share based payments were recognized based on intrinsic value method. Under Ind AS, the same has been recognized as per fair value method.

47. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The Appendix clarifies that, 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 an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The standard is effective for annual periods beginning on or after April 01, 2018. The Company is currently evaluating the requirements and impact of the aforesaid on its financial statements.

(ii) Ind AS 115 - Revenue from contracts with customers:

Ind AS 115 was notified on March 28, 2018 and is applicable to the Company from financial year 2018-19 beginning April 01, 2018.

The core principle of Ind AS 115 is to recognize revenues to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five-step model to identify the contract(s) with the customers, identifying performance obligations, estimating variable consideration included in the transaction price and allocating the transaction price to each separate performance obligation and recognizing revenue when (or as) each performance obligation is satisfied. The new standard also provides guidance on recognition of incremental cost of obtaining and fulfilling a contract with a customer.

Ind AS 115 will supersede all current revenue recognition requirements under Ind AS. The standard permits two methods of transition: i) full retrospective method: retrospective application to each prior reporting period with the option to elect certain practical expedients as defined within Ind AS 115; or, ii) modified retrospective method: retrospective application with cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (i.e. April 01, 2018) and providing certain additional disclosures as defined in Ind AS 115.

The Company will adopt the new standard effective April 01, 2018 using the modified retrospective method and is in the process of evaluating its contractual arrangements as per the five-step model required by Ind AS 115. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company is currently assessing the impact of adopting Ind AS 115 on the financial statements.

48. 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, 2018 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 attached
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 29, 2018

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

Yusuf Lanewala *Chairman* DIN - 01770426	**Sanjeev Kathpalia** *Managing Director and CEO* DIN - 05257060	**Jagdish Malkani** *Director* DIN - 00326173
Prashanth Idgunji *Chief Financial Officer*	**Shivarama Adiga S** *Company Secretary*	

Place: Bengaluru
Date: May 29, 2018

Independent Auditor's Report

To the Members of Mindteck (India) Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Mindteck (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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 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, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 22, 2017 and May 20, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

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 purpose 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;

c. The consolidated Balance Sheet, 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 accountmaintained 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 Standard) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and of its subsidiary company incorporated in India, none of the directors of the Group's companies, is disqualified as on March 31, 2018 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 1" to this report;

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 33 to the consolidated Ind AS financial statements.

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

   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 incorporated in India during the year ended March 31, 2018.

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 29, 2018

Annexure 1 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")

We have audited the internal financial controls over financial reporting of Mindteck (India) Limited ("the Holding Company") and its Subsidiary Company, which is incorporated in India, as of and for the year ended March 31, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of Mindteck (India) Limited and its Subsidiary Company as of and for the year then ended.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls over financial reporting criteria established by the Holding Company and its Subsidiary 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 ("the Guidance Note"). 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 Holding Company and its Subsidiary 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 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, both 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 consolidated Ind AS financial statements were 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 qualified audit opinion on the Holding Company and its Subsidiary Company's 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 controls 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 the financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial controls 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 disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the 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 controls 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls over financial reporting as at March 31, 2018:

a) The Holding Company's internal control system with respect to its financial statement close process were not operating effectively, which may result in potential misstatement in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company and its Subsidiary Company, which is 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, 2018 based on the internal controls over financial reporting criteria established by the Holding Company and its Subsidiary Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company and its Subsidiary Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the consolidated Ind AS financial statements of the Holding Company which comprise the consolidated Balance Sheet as at March 31, 2018, and the related 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 a summary of significant accounting policies and other explanatory information. The material weaknesses was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 consolidated Ind AS financial statements of Mindteck (India) Limited and this report does not affect our report dated May 29, 2018, which expressed an unqualified opinion on those consolidated Ind AS financial statements.

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 29, 2018

Consolidated Balance Sheet as at March 31, 2018

All amounts in Rs. lakhs unless otherwise stated

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	283.21	84.19	187.61
Capital work in progress	3	-	37.21	-
Investment property	4	70.04	71.69	73.34
Intangible assets	5	871.59	349.96	339.58
Goodwill on consolidation	6	8,481.33	8,481.33	8,481.33
Financial assets				
Loans	7	239.30	175.58	432.78
Other financial assets	8	26.61	50.39	30.19
Deferred tax assets (net)	38	286.67	411.79	147.63
Income tax assets (net)	9	728.87	568.88	321.09
Other non-current assets	10	298.31	293.77	267.32
		11,285.93	**10,524.79**	**10,280.87**
Current assets				
Financial assets				
Investments	11	810.40	-	-
Trade receivables	12	5,734.17	7,020.38	5,692.39
Cash and cash equivalents	13	2,772.31	3,905.84	5,051.88
Other bank balances	13	347.65	8.63	2.21
Loans	14	122.93	449.43	40.74
Other financial assets	15	2,102.33	1,646.19	1,449.85
Other current assets	16	377.57	481.88	512.30
		12,267.36	**13,512.35**	**12,749.37**
Total assets		**23,553.29**	**24,037.14**	**23,030.24**

Consolidated Balance Sheet as at March 31, 2018 (Contd.)

All amounts in Rs. lakhs unless otherwise stated

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	17	2,520.59	2,496.79	2,475.71
Other equity	18	16,654.82	17,157.30	16,654.82
Equity attributable to equity holders of the parent		**19,175.41**	**19,654.09**	**19,130.53**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	19	18.59	17.31	16.12
Other non-current liabilities	20	28.69	43.89	3.72
Provisions	21	657.50	181.71	132.93
		704.78	**242.91**	**152.77**
Current liabilities				
Financial liabilities				
Borrowings	22	1.35	100.68	-
Trade and other payables	23	987.92	1,468.11	1,630.89
Other financial liabilities	24	688.88	821.01	630.45
Provisions	25	858.18	799.67	751.68
Income tax liabilities (net)	9	499.31	444.14	271.02
Other current liabilities	26	637.46	506.53	462.90
		3,673.10	**4,140.14**	**3,746.94**
Total liabilities		**4,377.88**	**4,383.05**	**3,899.71**
Total equity and liabilities		**23,553.29**	**24,037.14**	**23,030.24**
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 attached
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 29, 2018

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

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

All amounts in Rs. lakhs unless otherwise stated

	Notes	Year ended March 31 2018	Year ended March 31 2017
INCOME			
Revenue from operations	27	29,684.21	34,165.64
Other income	28	208.26	259.88
Total income		**29,892.47**	**34,425.52**
EXPENSES			
Cost of technical sub-contractors		5,368.55	6,965.25
Employee benefits expense	29	20,437.92	22,282.41
Finance costs	30	54.99	38.64
Depreciation and amortization expense	3, 4 & 5	129.73	170.04
Other expenses	31	3,750.93	3,820.43
Total expenses		**29,742.12**	**33,276.77**
Profit/(Loss) before tax and exceptional items		**150.35**	**1,148.75**
Exceptional items	32	162.73	-
Profit/ (Loss) before tax		**(12.38)**	**1,148.75**
Tax expense (net):			
Current tax	**38**	431.13	485.73
Deferred tax charge/(credit)		121.54	(265.74)
Total tax expense		**552.67**	**219.99**
Profit/ (Loss) for the year		**(565.05)**	**928.76**
Other comprehensive income (OCI),			
Items that will be reclassified subsequently to profit or loss			
Net exchange difference on translation of foreign operation		156.74	(275.34)
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain/(loss) on defined benefit plan		(12.89)	4.59
Income tax relating to items that will not be reclassed to profit or loss		3.59	(1.58)
Other comprehensive income for the year (net of taxes)		**147.44**	**(272.33)**
Total comprehensive income for the year attributable to equity holders of the parent		**(417.61)**	**656.43**
Earning per share (equity shares, par value Rs. 10 each) (March 31, 2017: Rs. 10 each) attributable to equity holders of the parent	35		
Basic (in Rs.)		(2.26)	3.74
Diluted (in Rs.)		(2.26)	3.60
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 attached
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 29, 2018

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

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

A. Equity share capital

All amounts in Rs. lakhs unless otherwise stated

	Number	Amount
Balance at the beginning of the year - As at April 01, 2016	24,757,101	2,475.71
Changes in equity share capital during the year: 2016-17	210,794	21.08
Balance at the end of the year March 31, 2017	**24,967,895**	**2,496.79**
Changes in equity share capital during the year: 2017-18	238,003	23.80
Balance at the end of the year March 31, 2018	**25,205,898**	**2,520.59**

B. Other equity

All amounts in Rs. lakhs unless otherwise stated

	Share application money pending allotment	Reserves & Surplus				Foreign currency translation reserve	Total other equity
		Capital reserve	Securities premium	Retained earnings	Employee stock options reserve		
Balance at the beginning of the reporting period - April 01, 2016	**75.66**	**798.14**	**9,963.16**	**4,798.11**	**-**	**817.55**	**16,452.62**
Ind AS Adjustments as on April 01, 2016	-	-	6.49	123.38	72.33	-	202.20
Restated balance at the beginning of the reporting period - April 01, 2016	**75.66**	**798.14**	**9,969.65**	**4,921.49**	**72.33**	**817.55**	**16,654.82**
Add: Profit for the year	-	-	-	928.76	-	-	928.76
Add: Changes in remeasurement of defined benefit plan through other comprehensive income, net of taxes	-	-	-	3.01	-	-	3.01
Less: Exchange difference on translating the financial statement through other comprehensive income	-	-	-	-	-	(275.34)	(275.34)
Less: Cash dividend	-	-	-	(247.85)	-	-	(247.85)
Less: Dividend distribution tax	-	-	-	(51.29)	-	-	(51.29)
Add/ (less): Additions during the year on exercise of employee stock options	-	-	76.27	-	(18.65)	-	57.62
Add/ (less): Transfer to retained earnings in the expiry or lapse of employee stock options after vesting	-	-	-	5.74	(5.74)	-	-
Add: Employee share-based expenses	-	-	-	-	87.57	-	87.57
Balance at the end of the reporting period March 31, 2017	**75.66**	**798.14**	**10,045.92**	**5,559.86**	**135.51**	**542.21**	**17,157.30**
Less: Profit/ (Loss) for the year	-	-	-	(565.05)	-	-	(565.05)
Less: Changes in remeasurement of defined benefit plan through other comprehensive income, net of taxes	-	-	-	(9.30)	-	-	(9.30)
Add: Exchange difference on translating the financial statement through other comprehensive income	-	-	-	-	-	156.74	156.74
Less: Cash dividend	-	-	-	(250.00)	-	-	(250.00)
Less: Dividend distribution tax	-	-	-	(51.70)	-	-	(51.70)
Add/ (less): Additions during the year on exercise of employee stock options	-	-	67.77	-	(26.59)	-	41.18
Add/ (less): Transfer to retained earnings in the expiry or lapse of employee stock options after vesting	-	-	-	19.34	(19.34)	-	-
Add/ (less): Allotment of shares	(47.29)	-	40.86	-	-	-	(6.43)
Add: Employee share-based expense		-	-	-	182.08	-	182.08
Balance at the end of the reporting period March 31, 2018	**28.37**	**798.14**	**10,154.55**	**4,703.15**	**271.66**	**698.95**	**16,654.82**

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

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

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

per Rajeev Kumar
Partner
Membership number: 213803

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Place: Bengaluru
Date: May 29, 2018

Consolidated Statement of cash flows for the year ended March 31, 2018

All amounts in Rs. lakhs unless otherwise stated

	Year ended March 31, 2018	Year ended March 31, 2017
Operating activities		
Profit/(Loss) before taxation	(12.38)	1,148.76
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	129.73	170.03
Finance cost	4.67	2.68
Interest income	(132.53)	(229.76)
Unrealised exchange differences	5.23	6.85
Loss on sale of fixed assets	1.35	-
Provision for doubtful allowance	34.78	287.28
Provision for doubtful input credit receivable	78.85	-
Share based payment expenses	182.08	87.57
Rental income	(1.17)	(1.17)
Rent expense	4.74	85.89
Fair value gain on mutual funds	(7.11)	-
Changes in operating assets and liabilities		
(Increase)/Decrease in trade receivables	1,390.20	(1,871.90)
(Increase)/Decrease in loans and advances and other assets	(270.95)	(511.26)
Increase/(Decrease) in current liabilities and provisions	(491.61)	246.04
Net cash from/(used in) operating activities before taxes	**915.88**	**(578.99)**
Income taxes paid (net)	(528.78)	(580.40)
Net cash from/(used in) operating activities	**387.10**	**(1,159.39)**
Investing activities		
Purchase of property, plant and equipment, intangible assets and capital work in progress	(247.86)	(100.76)
Movement in fixed deposits	23.78	-
Investment in mutual funds	(1,000.00)	-
Proceeds from sale of mutual fund	196.71	-
Interest income received	128.30	229.97

Consolidated Statement of Cash Flows for the year ended March 31, 2018 (Contd.)

All amounts in Rs. lakhs unless otherwise stated

	Year ended March 31, 2018	Year ended March 31, 2017
Net cash from/(used in) investing activities	**(899.07)**	**129.21**
Financing activities		
Issue of share capital	58.55	78.70
Proceeds from secured loans	-	100.68
Movement in working capital loans (net)	(99.33)	-
Finance cost paid	(0.22)	(1.48)
Dividends paid (including distribution tax)	(296.31)	(292.71)
Net cash used in financing activities	**(337.31)**	**(114.81)**
Net decrease in cash and cash equivalents	**(849.28)**	**(1,144.99)**
Cash and cash equivalents at the beginning of the year	3,914.47	5,054.09
Effect of exchange differences on translation of foreign currency cash and cash equivalents	54.77	5.37
Cash and cash equivalents at the end of the year (refer Note no. 13)	**3,119.96**	**3,914.47**
Supplementary information		
Restricted cash balance (refer Note no.13)	**347.65**	**8.63**

Cash and cash equivalent net off bank overdraft

Corporate information and significant accounting policies (refer Note no. 1 & 2)

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

As per our report of even date attached
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 29, 2018

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

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Notes To Consolidated Financial Statements for the year ended March 31, 2018

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 four global delivery centers located in the United States, India and Singapore and has sixteen offices across India, the United States, United Kingdom, Netherlands, Germany, Bahrain, Singapore, Philippines and Malaysia.

Mindteck has subsidiaries (including step-down subsidiaries) in the United States of America, Singapore, Philippines, Malaysia, Bahrain, United Kingdom, Netherlands and Germany. 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, 2018, March 31, 2017 and April 01, 2016**
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 Netherlands	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	99.99
Hitech Parking Solutions Private Limited	A subsidiary of Mindteck (India) Limited from March 14, 2018, incorporated under Companies Act, 2013. As of March 31, 2018, there is no investment made in Hitech.	-
Mindteck Canada, Inc.	A subsidiary of Mindteck, Inc. USA from January 10, 2018, incorporated under Canadian law	100

The Group has created an Employee Welfare Trust for providing share-based payments to it 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, 2018 are approved by the Board of Directors on May 29, 2018.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of preparation:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards ('Ind AS') notified under The Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

The consolidated financial statements of the Group have been prepared and presented in accordance with Ind AS. Previous year numbers in the consolidated financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented a reconciliation from the presentation of consolidated financial statements under Accounting Standards notified under section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2014 ("Previous GAAP") to Ind AS in respect of Shareholders' equity as at March 31, 2017 and April 01, 2016 and in respect of the comprehensive net income for the year ended March 31, 2017 (refer note no. 47 for reconciliations and effects of transition).

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 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 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.

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:

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 no. 42.

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 no. 39.

Determination of applicability of Appendix A of Service Concession Arrangement ('SCA'), under Ind AS - 11 'Construction contracts'):
The Company has entered into concession arrangement in relation to smart/IT 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 A of Service Concession Arrangement ('SCA'), under Ind AS - 11 'Construction contracts') applies. Refer note no. 43.

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 no. 44 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(j) and 2(l).

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 note 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 at March 31, 2018 as disclosed in note no. 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 re-assesses 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 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 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 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 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.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, plant and equipment recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Property, plant and equipment.

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. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation.

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 and Printers	3 years
Office equipment	5 years
Motor Car	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. Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognized as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

iii. 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 affect 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 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 recognized in the consolidated statement of profit and loss when the asset is derecognized.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

j. Impairment of non-financial assets:

Non-financial assets including Property, plant and equipment 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. Lease:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognized as an expense in the consolidated statement of Profit and Loss on a straight-line basis unless the lease escalations are linked to inflation, in such a case the lease expense is recognized as per the terms of the lease arrangement.

Group as a lessor:

In the case of investment property which is given under operating lease, operating lease receipts are recognized as other income in the consolidated statement of profit and loss on a straight-line basis.

l. Business combination and goodwill:

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with no adjustment.

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 operations

The Group derives its revenues from software and IT-enabled service.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. 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 A of Service Concession Arrangement ('SCA'), under Ind AS - 11 'Construction contracts').

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' included in the current liabilities represent billings in excess of revenues recognized.

The Group collects goods and services tax, service tax, sales 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.

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.

Rental Income from investment property is recognized as part of other income in the consolidated statement of profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognized as an integral part of the total rental income, over the term of lease.

iii. Service concession arrangements (SCA):

The Company implement or upgrades infrastructure (implementation or upgrade services) used to provide the smart/IT-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 A to Ind AS 11 – Service Concession Arrangements, 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 contract¬ual 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 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.

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.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 01, 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 01, 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

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 in accordance with the Income-tax Act, 1961. 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 recognized outside profit and loss is recognized outside the consolidated statement of profit and loss (either in OCI or in equity). Current tax items are recognized 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. Tax liability under Minimum Alternate Tax ('MAT') is considered as current tax. MAT entitlement is considered as deferred tax.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

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 re-assessed 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.

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 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. 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 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. 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 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 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 others 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.

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.

v. 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.

Transition to Ind AS
Effective April 01, 2017, the Group adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material effect on the consolidated financial statements.

w. 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.

3. Property, plant and equipment

Amount in Rs. lakhs

Particulars	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total	Capital work in progress*
Cost							
As at April 01, 2016 (Deemed Cost)	111.55	37.51	35.37	3.18	-	187.61	-
Additions	21.35	7.77	6.37	-	-	35.49	37.21
Foreign exchange difference	(15.74)	(0.88)	(10.22)	(0.22)		(27.06)	-
As at March 31, 2017	**117.16**	**44.40**	**31.52**	**2.96**	**-**	**196.04**	**37.21**
Additions	12.41	65.49	8.15	-	129.63	215.68	-
Disposals/Adjustments	16.08	30.09	(9.91)	-	-	36.26	
Transfer from capital work-in progress	-	-	-	-	37.21	37.21	(37.21)
Foreign exchange difference	7.76	0.82	3.69	(0.03)		12.24	-
As at March 31, 2018	**153.41**	**140.80**	**33.45**	**2.93**	**166.84**	**497.43**	**-**
Accumulated depreciation							
As at April 01, 2016	-	-	-	-	-	-	-
Charge for the year	95.22	23.28	12.48	2.95	-	133.93	-
Disposals/Adjustments	-	-	-	-	-	-	-
Foreign exchange difference	(14.72)	(0.63)	(6.51)	(0.22)		(22.08)	
As at March 31, 2017	**80.50**	**22.65**	**5.97**	**2.73**	**-**	**111.85**	**-**
Charge for the year	26.81	32.64	10.91	0.24	20.92	91.52	-
Disposals/Adjustments	14.35	(3.21)	(11.89)	-	-	(0.75)	-
Foreign exchange difference	7.46	0.57	3.61	(0.04)		11.60	
As at March 31, 2018	**129.12**	**52.65**	**8.60**	**2.93**	**20.92**	**214.22**	**-**
Net block as at April 01, 2016	**111.55**	**37.51**	**35.37**	**3.18**	**-**	**187.61**	**-**
Net block as at March 31, 2017	**36.66**	**21.75**	**25.55**	**0.23**	**-**	**84.19**	**37.21**
Net block as at March 31, 2018	**24.29**	**88.15**	**24.85**	**-**	**145.92**	**283.21**	**-**

* Capital work in progress of Rs. 37.21 lakhs as at March 31, 2017 represents cost incurred towards leasehold improvements at AMR Tech Park located at Hosur Main Road, Bengaluru which has been capitalized during financial year 2017-18.

4. Investment property

Amount in Rs. lakhs

Particulars	Building - Asset given under operating lease
Cost	
As at April 01, 2016 (Deemed Cost)	73.34
Additions	-
As at March 31, 2017	**73.34**
Additions	-
As at March 31, 2018	**73.34**
Accumulated depreciation	
As at April 01, 2016	-
Charge for the year	1.65
As at March 31, 2017	**1.65**
Charge for the year	1.65
As at March 31, 2018	**3.30**
Net block as at April 01, 2016	**73.34**
Net block as at March 31, 2017	**71.69**
Net block as at March 31, 2018	**70.04**

Information regarding income and expenditure of Investment property

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental income derived from investment property	26.02	25.66
Less: Direct operating expenses from property that did not generate rental income (including repairs and maintenance)	(0.60)	0.72
Profit arising from investment properties before depreciation and indirect expenses	**25.42**	**24.94**
Less: Depreciation and amortization	(1.65)	(1.65)
Profit arising from investment property before indirect expenses	**23.77**	**23.29**

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, 2018	March 31, 2017	April 01, 2016
		Area of subject unit (sq. ft.)	3,000.66	3,000.66	3,000.66
		Adopted market rent per sq.ft. per month	68	68	68
		Derived unit rate (per sq.ft.)	11,000	10,800	10,800
		Estimated rental value (per sq. ft.)	Rs. 65 - 70	Rs. 65 - 70	Rs. 65 - 70
		Discount rate	7.50%	7.45%	7.42%

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.

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.

Reconciliation of fair value

Amount in Rs. lakhs

Particulars	Amount
Opening balance as at April 01, 2016	324.10
Fair value differences	-
Closing balance as at March 31, 2017	**324.10**
Fair value differences	5.90
Closing balance as at March 31, 2018	**330.00**

5. Intangible assets

Amount in Rs. lakhs

Particulars	Computer software	Service concession arrangement	Goodwill (acquisition of Business)*	Total
Cost				
As at April 01, 2016 (Deemed Cost)	76.82	-	262.76	339.58
Additions	55.57	-	-	55.57
Disposals/Adjustments	-	-	-	-
Foreign exchange difference	1.22	-	(14.56)	(13.34)
As at March 31, 2017	**133.61**	**-**	**248.20**	**381.81**
Additions	7.23	572.02	-	579.25
Disposals/Adjustments	(51.44)	-	-	(51.44)
Foreign exchange difference	3.04	-	17.20	20.24
As at March 31, 2018	**92.44**	**572.02**	**265.40**	**929.86**
Accumulated depreciation				
As at April 01, 2016	-	-	-	-
Charge for the year	34.46	-	-	34.46
Disposals/Adjustments	-	-	-	-
Foreign exchange difference	(2.61)	-	-	(2.61)
As at March 31, 2017	**31.85**	**-**	**-**	**31.85**
Charge for the year	27.96	8.60	-	36.56
Disposals/Adjustments	(13.08)	-	-	(13.08)
Foreign exchange difference	2.94	-	-	2.94
As at March 31, 2018	**49.67**	**8.60**	**-**	**58.27**
Net block as at April 01, 2016	**76.82**	**-**	**262.76**	**339.58**
Net block as at March 31, 2017	**101.76**	**-**	**248.20**	**349.96**
Net block as at March 31, 2018	**42.77**	**563.42**	**265.40**	**871.59**

* Also, refer Note no. 6(a)

6. Goodwill on consolidation

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Following is the movement of carrying value of goodwill:			
Balance at the beginning of the year	8,481.33	8,481.33	8,481.33
Add/(less): Movement during the year	-	-	-
Balance at the end of the year	**8,481.33**	**8,481.33**	**8,481.33**

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill:

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Mindteck, Inc., USA	7,786.14	7,786.14	7,786.14
Mindteck Singapore Pte. Ltd	352.89	352.89	352.89
Mindteck (UK) Limited	258.53	258.53	258.53
Mindteck Middle East Limited SPC	83.77	83.77	83.77
Total goodwill	**8,481.33**	**8,481.33**	**8,481.33**

a. 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, 2018	As at March 31, 2017	As at April 01, 2016
Growth rate	2% to 5 %	2% to 5 %	2% to 5 %
Operating margin	2% to 10 %	2% to 9 %	2% to 10 %
Discount rate	12% to 15%	11% to 14%	11% to 14%

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.

Based on the above testing, no impairment was identified as at March 31, 2018, March 31, 2017 and April 01, 2016 as the recoverable value of the CGUs exceeded the carrying value.

7. Loans - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security deposits	239.30	175.58	432.78
Unsecured, considered doubtful			
Security deposits	50.00	54.23	50.00
Provision for doubtful deposits*	(50.00)	(54.23)	(50.00)
Total	**239.30**	**175.58**	**432.78**

* Balance of Rs. 4.23 lakhs has been written off during the year ended March 31, 2018 (March 31, 2017 - Nil, April 01, 2016- Nil).

8. Other financial assets - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed deposits with bank with original maturity of more than 12 months*	26.61	50.39	30.19
Total	**26.61**	**50.39**	**30.19**

*Represents restricted bank balances of Rs. 26.61 lakhs (March 31, 2017: Rs. 50.39 lakhs, April 01, 2016: Rs. 30.19 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, 2018	As at March 31, 2017	As at April 01, 2016
Income tax assets (net) - Non-current	728.87	568.88	321.09
Income tax liabilities (net) - Current	499.31	444.14	271.02

Also, refer to Note no. 38 for further details.

10. Other non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Taxes paid under protest	249.00	249.00	229.00
Prepaid expense	49.31	44.77	38.32
Total	**298.31**	**293.77**	**267.32**

11. Investments - Current

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Quoted mutual funds measured at fair value through statement of profit and loss			
20,069.901 Units (March 31, 2017; April 01, 2016 - Nil) in AXIS Liquid Fund - Daily Dividend	200.98	-	-
1,071,593.138 Units (March 31, 2017; April 01, 2016 - Nil) in AXIS Short Term Fund - Growth	201.97	-	-
10,407.427 Units (March 31, 2017; April 01, 2016 - Nil) in AXIS Treasury Advantage Fund - Growth	201.54	-	-
38,911.729 Units (March 31, 2017; April 01, 2016 - Nil) in ICICI Prudential savings Fund - Direct Plan- Growth	105.20	-	-
660,044.223 Units (March 31, 2017; April 01, 2016 - Nil) in HSBC Low Duration Fund - Growth	100.71	-	-
Aggregate amount of quoted investments in mutual funds	**810.40**	**-**	**-**

12. Trade receivables - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, carried at amortized cost			
Considered good			
Other than related parties	5,734.17	7,020.38	5,692.39
Considered doubtful	503.63	441.76	204.75
Less: Provision for doubtful debts and loss allowance	(503.63)	(441.76)	(204.75)
Total	**5,734.17**	**7,020.38**	**5,692.39**

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, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	5.93	2.60	2.95
Balances with banks			
in current accounts	2,244.34	1,420.83	2,313.49
in fixed deposits with original maturity for less than three months	522.04	2,482.41	2,735.44
	2,772.31	**3,905.84**	**5,051.88**
Other bank balances			
Balances with banks			
Fixed deposits with original maturity > 3 months but less than 12 months	333.83	-	-
Unpaid dividend account	13.82	8.63	2.21
	347.65	**8.63**	**2.21**
Total*	**3,119.96**	**3,914.47**	**5,054.09**

Cash and cash equivalents as at March 31, 2018, March 31, 2017 and April 01, 2016 include restricted cash and bank balances of Rs. 347.65 lakhs, Rs. 8.63 lakhs and Rs. 2.21 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:

Amount in Rs. lakhs

Particulars	As at April 01, 2017	Cash flows	As at March 31, 2018
Borrowings	100.68	(99.33)	1.35
Total liabilities from financing activities	**100.68**	**(99.33)**	**1.35**

Amount in Rs. lakhs

Particulars	As at April 01, 2016	Cash flows	As at March 31, 2017
Borrowings	-	100.68	100.68
Total liabilities from financing activities	**-**	**100.68**	**100.68**

14. Loans - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Security deposits	122.93	449.43	40.74
Total	**122.93**	**449.43**	**40.74**

15. Other financial assets - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Claimable expenses	151.96	66.92	29.61
Unbilled revenue	1,789.21	1,480.62	1,299.43
Accrued interest	4.48	18.02	51.99
Employee advances	156.68	80.63	68.82
Total	**2,102.33**	**1,646.19**	**1,449.85**
Break up of financial assets carried at amortized cost:			
Trade receivable (current) (Note no. 12)	5,734.17	7,020.38	5,692.39
Cash and cash equivalents (current) (Note no. 13)	2,772.31	3,905.84	5,051.88
Other bank balances (current) (Note no. 13)	347.65	8.63	2.21
Fixed deposits with bank with original maturity of more than 12 months (Note no. 8)	26.61	50.39	30.19
Claimable expenses (current) (Note no. 15)	151.96	66.92	29.61
Unbilled revenue (current) (Note no. 15)	1,789.21	1,480.62	1,299.43
Accrued interest (current) (Note no. 15)	4.48	18.02	51.99
Employee advances (current) (Note no. 15)	156.68	80.63	68.82
Security deposits (non-current) (Note no. 7)	239.30	175.58	432.78
Security deposits (current) (Note no. 14)	122.93	449.43	40.74
Total	**11,345.30**	**13,256.44**	**12,700.04**

16. Other current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances recoverable in cash or kind	44.92	33.75	7.73
Balances with government authorities *	259.90	268.02	378.84
Less: Provision for doubtful input credit receivable	(78.85)	-	-
Net balance with government authorities	**181.05**	**268.02**	**378.84**
Prepaid expenses	151.60	180.11	125.73
Total	**377.57**	**481.88**	**512.30**

* Represents amount of service tax input credit receivable

17. Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised capital			
Equity shares			
28,000,000 (March 31, 2017: 28,000,000; April 01, 2016: 28,000,000) equity shares of Rs 10 each	2,800.00	2,800.00	2,800.00
Preference shares			
500,000 (March 31, 2017: 500,000, April 01, 2016: 500,000) cumulative, non-convertible, redeemable preference shares of Rs 100 each	500.00	500.00	500.00
Issued, subscribed and paid-up share capital			
25,621,898 (March 31, 2017: 25,383,895; April 01, 2016: 25,173,101) equity shares of Rs 10 each	2,562.19	2,538.39	2,517.31
Less: 416,000 (March 31, 2017: 416,000; April 01, 2016: 416,000) equity shares of Rs. 10 each fully paid-up held by the Mindteck Employees Welfare Trust	41.60	41.60	41.60
Total	**2,520.59**	**2,496.79**	**2,475.71**

Notes:

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, 2017: 102,878 equity shares, April 01, 2016: 102,878 equity shares) have been reserved for allotment to certain shareholders of Chendle Holdings, subject to the furnishing of Permanent Account Number ('PAN') and other requirements by these shareholders. The submission of PAN is a pre-requisite to complete the allotment of shares. The Company is in the process of following up with the shareholders of Chendle Holdings to obtain the PAN and upon receiving the PAN, the Company would allot the 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:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Outstanding at the beginning of the year	24,967,895	2,496.79	24,757,101	2,475.71	24,646,971	2,464.70
Add: Additions during the year on exercise of employee stock options (refer Note no. 42)	173,704	17.37	210,794	21.08	110,130	11.01
Add: Shares issued to shareholders of Chendle Holdings (refer Note no. 17(b))*	64,299	6.43	-	-	-	-
Outstanding at the end of the year	**25,205,898**	**2,520.59**	**24,967,895**	**2,496.79**	**24,757,101**	**2,475.71**

* Represents shares issued for consideration other than cash or kind

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, 2018		As at March 31, 2017		As at April 01, 2016	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	16,431,604	64.13%	16,431,604	64.73%	16,431,604	65.27%

f. **Equity shareholders holding more than 5 percent shares in the Company:**

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	16,431,604	64.13%	16,431,604	64.73%	16,431,604	65.27%
First Asian Investments S.A	1,390,569	5.43%	1,390,569	5.48%	1,390,569	5.52%

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

h. **Shares reserved for issue**
Terms attached to stock options granted to employees are described in Note no. 42 regarding share based payments. Also, refer Note no. 17(b) above.

18. Other Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital reserve	798.14	798.14	798.14
Securities premium	10,154.55	10,045.92	9,969.65
Retained earnings	4,703.15	5,559.86	4,921.49
Other component of equity (Share application money pending allotment)	28.37	75.66	75.66
Employee stock option reserve	271.66	135.51	72.33
Foreign currency translation reserve	698.95	542.21	817.55
Total	**16,654.82**	**17,157.30**	**16,654.82**

Notes:

i. **Capital reserve**
The Company has in the past created capital reserve in accordance with the provisions of the Act.

ii. **Securities premium reserve**
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 options reserve**
The Company has established various equity settled share based payment plans for certain categories of employees of the Company and subsidiaries. Refer Note no. 42 for further details on these plans.

iv. **Distribution made and proposed**

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash dividends on equity shares declared and paid			
Final dividend	250.00	247.85	0.02
Tax on dividend distribution	51.70	51.29	-
Total	**301.70**	**299.14**	**0.02**
Dividend proposed			
Final dividend	252.06	250.00	247.85
Dividend distribution tax (DDT)	52.17	51.70	51.29
Total	**304.23**	**301.70**	**299.14**

On May 29, 2018, the Board of Directors of the Company proposed final dividend of Re. 1 per equity share for the year ended March 31, 2018. The total dividend payable amounting to Rs. 304.23 lakhs (including dividend distribution tax) is not recognised as a liability as at March 31, 2018.

19. Other non-current financial liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Rental deposit	18.59	17.31	16.12
Total	**18.59**	**17.31**	**16.12**

20. Other non-current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred lease rental income	1.37	2.55	3.72
Rent equalization reserve	27.32	41.34	-
Total	**28.69**	**43.89**	**3.72**

21. Provision - Non- current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provisions for employees benefits			
Provision for Gratuity (Refer Note no.39)	232.75	181.71	132.93
Other provisions			
Provision towards obligation under service concession arrangements	424.75	-	-
Total	**657.50**	**181.71**	**132.93**

22. Borrowings - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Loan repayable on demand from banks (Secured)			
Bank overdraft	1.35	100.68	-
Total	**1.35**	**100.68**	**-**

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, 2018	As at March 31, 2017	As at April 01, 2016
Dues to Micro, Small and Medium Enterprises (refer note below)	0.91	3.62	-
Others	987.01	1,464.49	1,630.89
Total	**987.92**	**1,468.11**	**1,630.89**

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 no. 44

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.91	3.62	-
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 - Current

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unpaid dividend	13.82	8.62	2.21
Employee related liabilities	675.06	812.39	628.24
Total	**688.88**	**821.01**	**630.45**
Break up of financial liabilities carried at amortized cost:			
Rental deposit (non-current) (Note no. 19)	18.59	17.31	16.12
Borrowings (current) (Note no. 22)	1.35	100.68	-
Trade and other payables (current) (Note no. 23)	987.92	1,468.11	1,630.89
Unpaid dividend (current) (Note no. 24)	13.82	8.62	2.21
Employee related liabilities (current) (Note no. 24)	675.06	812.39	628.24
Total	**1,696.74**	**2,407.11**	**2,277.46**

25. Provisions - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for compensated absences	401.59	490.89	430.83
Provision towards obligation under service concession arrangements	47.18	-	-
Other provision	409.41	308.78	320.85
Total	**858.18**	**799.67**	**751.68**

26. Other current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unearned income	153.05	51.42	101.58
Capital creditors	2.57	27.52	-
Statutory dues	467.81	413.56	361.32
Rent equalization reserve	14.03	14.03	-
Total	**637.46**	**506.53**	**462.90**

27. Revenue from operations

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of services	29,684.21	34,165.64
Total	**29,684.21**	**34,165.64**

28. Other income

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance income (includes interest income on deposits for year ended March 31, 2018 : Rs. 116.7; March 31, 2017 : Rs. 196.00)	132.53	229.76
Rental income	26.02	25.66
Fair value gain on mutual fund	7.11	-
Gain on sale of investments in mutual funds	3.29	-
Other non-operating income	39.31	4.46
Total	**208.26**	**259.88**

29. Employee benefits expense

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	18,353.15	19,991.55
Contribution to provident and other funds	1,117.26	1,273.85
Staff welfare expenses	707.53	876.06
Gratuity (refer Note no. 39)	77.90	53.38
Share-based payment expense	182.08	87.57
Total	**20,437.92**	**22,282.41**

30. Finance cost

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on deposits for premises	4.45	1.19
Interest expense and bank charges	50.54	37.45
Total	**54.99**	**38.64**

31. Other expenses

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	719.02	959.23
Hiring charges	57.81	47.06
Travel expenses	591.18	495.25
Foreign exchange loss, net	8.52	21.51
Power and fuel	148.82	112.23
Communication expenses	142.66	159.54
Professional charges	546.52	588.06
Repairs and maintenance		
-Buildings	0.39	-
-Others	147.40	156.58
Project supply and services	446.53	241.34
Rates and taxes	75.08	35.94
Insurance	44.72	44.75
Remuneration to auditors (refer Note no. 34)	51.59	42.43
Membership and subscription	255.40	355.19
Printing and stationery	19.06	23.06
Recruitment expenses	97.95	137.35
Provision for doubtful advances (net)	-	4.23
Provision for doubtful debts (net) and loss allowance	39.01	283.05
Contribution towards corporate social responsibility (refer Note no. 37)	27.00	33.80
Loss on sale of fixed assets	1.35	-
Bad debt written off	160.55	-
Miscellaneous expenses	91.52	79.83
Provision for doubtful input credit receivable	78.85	-
Total	**3,750.93**	**3,820.43**

32. Exceptional items

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Exceptional item (*)	162.73	-
Total	**162.73**	**-**

(*) Exceptional item represents specific bad debt written off during the year amounting Rs. 162.73 lakhs for receivables from a company/customer which had filed for bankruptcy.

33. Contingent liabilities and commitments

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Income tax matters: The Company is involved in certain tax disputes pertaining to transfer pricing and other adjustments in relation to AY: 2006-07, AY: 2009-10, AY: 2010-11 and AY: 2012-13 which are pending at various forms. Management is confident that the Company has a good case to defend as such cases are not tenable and no liability is expected in this regard.	859.78	328.14	1,231.17
(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.	513.74	125.79	88.69
(iii) Corporate Guarantee has been provided by the Company in favour of a banking institution in the United States of America with respect to the extension of credit facilities by the banking institution to Mindteck, Inc., a subsidiary of the Company.	-	1,297.61	1,325.12

34. Auditors' remuneration

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Statutory audit	42.70	37.50
Tax audit	3.00	1.00
Other certification services	4.00	1.90
Reimbursement of expenses	1.89	2.03
Total	**51.59**	**42.43**

Notes:
a) Remuneration for the year ended March 31, 2017 represents fee and reimbursements paid to the predecessor auditor.
b) Remuneration for the year ended March 31, 2018 includes Rs. 8.70 lakhs paid to the predecessor auditor.

35. Earnings/(Loss) per share

The following table sets forth the computation of basic and diluted earnings per share :

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net (Loss)/profit for the year attributable to equity shareholders (amount in Rs. Lakhs)	(565.05)	928.76
(Loss)/earnings per share, basic (in Rs.)	(2.26)	3.74
(Loss)/earnings per share, diluted (in Rs.)	(2.26)	3.60

36. Operating leases

The Company leases office under operating lease arrangements.
Lease rental expense for office facilities are given below:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cancellable	315.66	764.73
Non-cancellable	403.36	194.50
Total	**719.02**	**959.23**

The future minimum lease rental payable under non-cancellable operating leases in aggregate are as follows:

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	421.02	422.26
Later than one year and not later than five years	681.29	1,102.01
Total	**1,102.31**	**1,524.27**

37. Expenditure on corporate social responsibility activities

Amount in Rs. lakhs

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
a. Gross amount required to be spent by the Company during the year		26.33	33.79
b. Amount spent during the year ending on March 31, 2018:	**In Cash**	**Yet to be paid in the cash**	**Total**
i) construction acquistion of any asset	-	-	-
ii) on the purpose other than (i) above	27.00	-	27.00
c. Amount spent during the year ending on March 31, 2017:	**In Cash**	**Yet to be paid in the cash**	**Total**
i) construction acquistion of any asset	-	-	-
ii) on the purpose other than (i) above	33.80	-	33.80

38. 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, 2018	Year ended March 31, 2017
Current tax	431.13	485.73
Deferred tax charge/(credit)	121.54	(265.74)
Income tax expense reported in the statement of profit or loss	**552.67**	**219.99**
Income tax recognised in other comprehensive income		
- Tax arising on income and expense recognised in other comprehensive income	3.59	(1.58)
Total	**3.59**	**(1.58)**

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, 2018	Year ended March 31, 2017
(Loss) / Profit before tax	(12.38)	1,148.75
Enacted income tax rate in India	33.06%	33.06%
Computed expected tax expense	-	379.81
Impact due to:		
tax expense on taxable income of profitable subsidiaries	102.10	(255.74)
other subsidiaries	213.64	98.12
tax expense on taxable income of Company	236.93	(2.20)
Total income tax expense	**552.67**	**219.99**

Deferred tax

Deferred tax relates to the following:

Amount in Rs. lakhs

Particulars	Balance sheet			Statement of profit and loss and other comprehensive income	
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	Year ended March 31, 2018	Year ended March 31, 2017
Property, plant and equipment and intangible assets	27.34	48.67	12.10	(21.33)	36.57
Provision for doubtful debts, loss allowance and deposits	42.81	26.90	18.18	15.91	8.72
Compensated absences	26.60	117.68	29.90	(91.08)	87.78
Gratuity	64.75	60.08	46.01	4.67	14.07
Others	125.17	158.46	41.44	(33.30)	117.02
Deferred tax assets (net)	**286.67**	**411.79**	**147.63**	**(125.13)**	**264.16**

39. 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, 2018 and March 31, 2017:

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Change in benefit obligations		
Benefit obligations at the beginning	257.75	234.98
Service cost	61.51	40.69
Interest expense	19.64	14.79
Actuarial loss/ (gain) due to change in financial assumptions	(6.18)	9.33
Actuarial loss/ (gain) due to change in demographic assumptions	-	(11.25)
Actuarial loss/ (gain) due to experience adjustments	16.55	(2.65)
Benefits paid	(47.95)	(28.14)
Benefit obligations at the end	**301.32**	**257.75**
Change in plan assets		
Fair value of plan assets at the beginning	76.04	102.05
Contribution	39.74	-
Interest income	6.84	5.76
Actuarial loss/ (gain) due to experience adjustments	(3.59)	(3.66)
Return on plan assets excluding amounts included in interest income	(2.52)	0.03
Benefits paid	(47.94)	(28.14)
Fair value of plan assets at the end	**68.57**	**76.04**
Reconciliation of fair value of assets and obligation		
Fair value of plan assets as at the end of the year	68.57	76.04
Less: Present value of obligation as at the end of the year	301.32	257.75
Amount recognised in the Balance Sheet	**(232.75)**	**(181.71)**
	Year ended March 31, 2018	**Year ended March 31, 2017**
Expense recognised in profit or loss		
Current service cost	61.51	40.69
Interest cost	16.39	12.69
	77.90	**53.38**
Remeasurement gain/ (loss) recognised in other comprehensive income		
Actuarial loss/ (gain) due to change in financial assumptions	(6.18)	9.33
Actuarial loss/ (gain) due to change in demographic assumptions	-	(11.25)
Actuarial loss/ (gain) due to experience adjustments	16.55	(2.65)
Return on plan assets excluding amounts included in interest income	2.52	(0.03)
	12.89	**(4.60)**

Experience adjustment on gratuity:

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Five year pay-outs			
Year 1	48.60	41.81	36.76
Year 2	41.93	37.93	31.75
Year 3	41.73	33.79	32.93
Year 4	39.61	33.26	29.94
Year 5	37.60	30.82	29.93
After 5th Year	247.10	199.00	212.67
Actuarial assumptions			
Discount rate	7.20%	6.69%	7.46%
Salary growth rate	10.00%	10.00%	10.00%
Attrition rate	20.00%	20.00%	19.00%
Retirement age	58 years	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, 2018		Year ended March 31, 2017	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(13.87)	15.22	(17.78)	22.94
Salary growth rate (1% movement)	15.66	(14.76)	19.59	(14.17)
Attrition rate (1% movement)	(6.98)	7.85	(6.70)	4.64

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. Nil lakhs (March 31, 2017: 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. 240.93 lakhs (year ended March 31, 2017: Rs. 231.23 lakhs).

40. 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 - Other than subsidiaries

Mindteck Employees Welfare Trust

c. Key management personnel

Meenaz Dhanani	Non- Executive Director (Appointed with effect from June 16, 2017) Executive Director for the year ended March 31, 2017
Sanjeev Kathpalia	Managing Director and Chief Executive Officer (Appointed with effect from March 01, 2017)
Narayan A. Menon	Independent director (Deceased on December 11, 2017)
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 (Appointed with effect from April 01, 2017) and was Chairman and Managing Director for the year ended March 31, 2017
Anand Balakrishnan	Chief Financial Officer (Resigned with effect from July 21, 2017)
Prashanth Idgunji	Chief Financial Officer (Appointed with effect from November 08, 2017)
Shivarama Adiga S.	Company Secretary

(ii) Related party transactions:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a. 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 *	359.87	341.34
Share-based payment transactions	143.17	4.76
Benefits paid to Non-executive directors/independent directors	27.25	13.70
Total	**530.29**	**359.81**

* 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.

b. In respect of ceiling on managerial remuneration prescribed under section 197 of the Companies Act, 2013, read with Schedule V of the Act, the Company has relied on opinion obtained from external legal counsel for non-inclusion of perquisite value of Employee Stock Options exercised during the year by non-executive director in managerial remuneration computation.

41. 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.

b. Geographical Segments

Amount in Rs. lakhs

Revenue	Year ended March 31, 2018	Year ended March 31, 2017
United States of America (USA)	19,274.41	24,267.49
India	3,383.58	3,417.97
Rest of the world	7,026.22	6,480.18
Total	**29,684.21**	**34,165.64**

Revenue from one customer amounting to Rs. 10,648.92 (March 31, 2017: Rs. 12,280.18) is more than 10% of the total revenue of the Group for the year ended March 31, 2018.

Amount in Rs. lakhs

Carrying amount of segment assets by location of assets	Year ended March 31, 2018	Year ended March 31, 2017
United States of America (USA)	5,526.16	6,773.05
India	6,337.70	6,247.42
Rest of the world	3,208.10	2,535.34
Unallocated Corporate asset - Goodwill on consolidation	8,481.33	8,481.33
Total	**23,553.29**	**24,037.14**

Amount in Rs. lakhs

Cost to acquire tangible and intangible fixed assets by location of assets	Year ended March 31, 2018	Year ended March 31, 2017
United States of America (USA)	-	9.32
India	829.99	69.30
Rest of the world	2.15	12.44
Total	**832.14**	**91.06**

42. Employee stock options

As at March 31, 2018, 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 Company's employees, based on the recommendations made by the Company's Nomination & Remuneration Committee. No equity shares have been distributed under the ESIS 2000 and therefore, no stock compensation expense has been recorded.

b. Mindteck Employee Stock Option Scheme 2005 (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, 2018, the Company has granted 9,600 options on May 22, 2017 at an exercise price of Rs. 81.55 per share and 30,900 options on August 08, 2017 at an exercise price of Rs. 71.85 per share.

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

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 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, 2018, the Company has granted 118,600 options on November 08, 2017 at an exercise price of Rs. 79.65 per share and 193,400 options on February 13, 2018 at an exercise price of Rs. 73.60 per share.

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

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 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, 2018, the Company has granted 250,000 options on April 10, 2017 at an exercise price of Rs. 81.30 per share.

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

e. Employees' Stock Options details as on the balance sheet date are:

	2017-18		2016-17	
Particulars	Option (no.)	Weighted average exercise price per stock option	Option (no.)	Weighted average exercise price per stock option
Options outstanding at the beginning of the year				
ESOP 2005	200,100	71.56	282,500	63.17
ESOP 2008	605,624	65.42	482,686	39.83
ESOP 2014	250,000	78.10	-	-
Options granted during the year				
ESOP 2005	40,500	74.15	28,800	88.58
ESOP 2008	312,000	75.90	308,600	93.72
ESOP 2014	250,000	81.30	250,000	78.10
Cancelled, surrendered or lapsed during the year				
ESOP 2005	57,300	90.25	51,900	77.87
ESOP 2008	80,867	79.13	34,168	85.24
ESOP 2014	-	-	-	-
Exercised during the year on exercise of employee stock options				
ESOP 2005	10,500	37.64	59,300	36.64
ESOP 2008	163,204	33.45	151,494	37.04
ESOP 2014	-	-	-	-
Options outstanding at the end of the year				
ESOP 2005	172,800	68.03	200,100	71.56
ESOP 2008	673,553	76.37	605,624	65.42
ESOP 2014	500,000	79.70	250,000	78.10
Options exercisable at the end of the year				
ESOP 2005	97,400	58.66	99,600	59.24
ESOP 2008	201,020	65.61	210,016	40.42
ESOP 2014	83,333	78.10	-	-

+ The weighted average share price at the date of exercise:

Particulars	2017-18	2016-17
ESOP 2005	73.47	93.53
ESOP 2008	72.63	88.12
ESOP 2014	-	-

f. Details of Weighted average remaining contractual life and range of exercise prices for the options outstanding at the balance sheet date

	Weighted average remaining contractual life (years)*		Range of exercise prices		Fair value of options granted during the year	
Particulars	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
ESOP 2005	3.3	5.5	13.55 - 92.10	13.55 - 130.80	39.18	44.17
ESOP 2008	4.6	5.6	43.60 - 130.80	30.35 - 130.80	33.96	47.38
ESOP 2014	6.9	7.0	78.10 - 84.45	78.10 - 78.10	42.37	39.11

* 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, 2018 and March 31, 2017, respectively:

Particulars	March 31, 2018			March 31, 2017		
	ESOP 2005	ESOP 2008	ESOP 2014	ESOP 2005	ESOP 2008	ESOP 2014
Risk-free interest rate	7.89%	7.50%	6.83%	8.11%	8.13%	6.77%
Expected volatility of share	62.60%	62.98%	62.73%	62.78%	63.78%	62.76%
Expected dividend yield	2.13%	2.53%	1.91%	2.20%	2.98%	1.91%
Expected life (years)	4.69	4.59	4.50	5.11	4.89	4.50
Model used	Black scholes	Black scholes	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.

43. Service concession arrangement (SCA)

a. Significant terms of Service concession arrangement are provided below:

Particulars	Authorisation agreement signed between Municipal Corporation Bhopal ("MCB")
Nature of the asset recognised under SCA accounting	Intangible assets
Carrying value as at March 31, 2018 (Rs. in lakhs)	563.42
Year when SCA granted	FY 2017-18
Concession period	10 years
Extension of concession period	Not applicable
Work in progress - status	Phase 1 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 development under SCA

Amount in Rs. lakhs

Particulars	As at March 31, 2018
Opening balance	-
Add: Cost of supplies including profit margin	90.89
Provision towards obligation under service concession arrangements	481.13
Less: Amortization till March 31, 2018	8.60
Total	**563.42**

44. Financial instruments

The carrying value of financial instruments by categories is as below:

Amount in Rs. lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets - Non-current (measured at amortized cost)			
Security deposits ^	239.30	175.58	432.78
Fixed deposits bank with original maturity of more than 12 months	26.61	50.39	30.19
Financial assets - Current (measured at fair value through profit & loss)			
Investments in mutual funds $	810.40	-	-
Financial assets - Current (measured at amortized cost)			
Trade receivables	5,734.17	7,020.38	5,692.39
Cash and cash equivalents #	2,772.31	3,905.84	5,051.88
Other bank balances #	347.65	8.63	2.21
Employee advances	156.68	80.63	68.82
Security deposits ^	122.93	449.43	40.74
Claimable expenses	151.96	66.92	29.61
Unbilled revenue	1,789.21	1,480.62	1,299.43
Accrued interest #	4.48	18.02	51.99
Total assets	**12,155.70**	**13,256.44**	**12,700.04**
Financial liabilities - Non-current (measured at amortized cost)			
Rental deposit ^	18.59	17.31	16.12
Financial liabilities - Current (measured at amortized cost)			
Bank overdraft	1.35	100.68	-
Trade payables	987.92	1,468.11	1,630.89
Unpaid dividend	13.82	8.62	2.21
Others	675.06	812.39	628.24
Total liabilities	**1,696.74**	**2,407.11**	**2,277.46**

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.

45. 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 April 01, 2016, March 31, 2017 and March 31, 2018

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to past payment history, security by way of deposits, external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables and unbilled revenue:

Amount in Rs. lakhs

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Particulars	Gross amount	Provision and loss allowance	Gross amount	Provision and loss allowance	Gross amount	Provision and loss allowance
Trade receivables and unbilled revenue	8,027.01	503.63	8,942.76	441.76	7,196.57	204.75
Total	**8,027.01**	**503.63**	**8,942.76**	**441.76**	**7,196.57**	**204.75**

Reconciliation of provision for doubtful debts and loss allowance:

Amount in Rs. lakhs

Particulars	Amount
Provision and loss allowance on April 01, 2016	204.75
Changes in provision and loss allowance	237.01
Provision and loss allowance on March 31, 2017	441.76
Changes in provision and loss allowance	61.87
Provision and loss allowance on March 31, 2018	503.63

ii) Other financial assets and deposits with banks:

Credit risk on cash and cash equivalent is limited as (including bank balances, fixed deposits and margin money with banks) 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. 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:

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Particulars	Currency	Amount in Rs. lakhs	Amount in Rs. lakhs	Amount in Rs. lakhs
Trade receivables towards services rendered	EUR	-	8.51	40.11
	QAR	19.93	13.55	-
	USD	128.14	58.13	9.83
	Total	**148.07**	**80.19**	**49.94**
Trade payables for services availed	EUR	1.12	0.66	-
	USD	9.85	0.28	31.75
	SGD	0.78	-	-
	Total	**11.75**	**0.94**	**31.75**

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Company would cause the profit before exceptional items in proportion to revenue to decrease or increase respectively by 0.91% (profit before exceptional items for the year ended March 31, 2017 by 0.07%).

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, 2018		Year ended March 31, 2017	
	Change in interest rate	Effect on profit before tax	Change in interest rate	Effect on profit before tax
Borrowings	+1%	(0.02)	+1%	(0.00)
	-1%	0.02	-1%	0.00

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

Particulars	Carrying value	Contractual cash flows			
		Total	On demand	< 1 Yr	>1 Yr
March 31, 2018					
Rental deposit	20.21	20.21	-	-	20.21
Bank overdraft	1.35	1.35	-	1.35	-
Trade payables	987.92	987.92	987.92	-	-
Unpaid dividend	13.82	13.82	13.82	-	-
Others	675.06	675.06	-	675.06	-
	1,698.36	**1,698.36**	**1,001.74**	**676.41**	**20.21**
March 31, 2017					
Rental deposit	20.21	20.21	-	-	20.21
Bank overdraft	100.68	100.68	-	100.68	-
Trade payables	1,468.11	1,468.11	1,468.11	-	-
Unpaid dividend	8.62	8.62	8.62	-	-
Others	812.39	812.39	-	812.39	-
	2,410.01	**2,410.01**	**1,476.73**	**913.07**	**20.21**
April 01, 2016					
Rental deposit	20.21	20.21	-	-	20.21
Trade payables	1,630.89	1,630.89	1,630.89	-	-
Unpaid dividend	2.21	2.21	2.21	-	-
Others	628.24	628.24	-	628.24	-
	2,281.55	**2,281.55**	**1,633.10**	**628.24**	**20.21**

46. 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, 2018	As at March 31, 2017	As at April 01, 2016
Total equity attributable to shareholders of the Company (A)	19,175.41	19,654.09	19,130.53
Total borrowings (B)*	1.35	100.68	-
Total Capital (C) = (A)+(B)	**19,176.76**	**19,754.77**	**19,130.53**
Total loans and borrowings as a percentage of total capital (B/C)	0.01%	0.51%	0.00%
Total equity as a percentage of total capital (A/C)	99.99%	99.49%	100.00%

*Total borrowings represents bank overdraft.

47. First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, have been prepared in accordance with Ind AS. For the periods upto and year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP' or ' Previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2018 together with the comparative period data, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

A. Exemptions availed

In preparing these consolidated financial statements, the Company has applied the below mentioned exemptions:

(i) Property, plant & equipment, intangible assets and investment properties

As permited by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets and investment property also.

(ii) Leases

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

(iii) Investments in subsidiaries

The Company has chosen to avail the exemption provided by Ind AS 101 and value all its investments in subsidiaries at deemed cost being the previous GAAP carrying amount at the transition date subject to adjustments made due to adoption of other Ind AS.

(iv) Share-based payments

Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 01, 2016.

(v) Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the transition. After the date of the transition, measurement is in accordance with respective Ind AS.

B. Reconciliation of total equity between previous GAAP and Ind AS as at March 31, 2017 and April 01, 2016

Amount in Rs. lakhs

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Equity reported under previous GAAP		**19,978.04**	**18,928.38**
Effect of transition to Ind AS:			
(i) Interest income on security deposits	2	128.45	94.70
(ii) Provision for expected credit loss	5	(371.34)	(107.17)
(iii) Straight lining of lease rental	2	(55.37)	-
(iv) Amotisation of prepaid expenses	2	(131.66)	(101.13)
(v) Other Ind AS adjustments	6, 7 & 4	41.32	306.40
(vi) Deferred taxes on all temperory differences	3	64.65	9.35
Equity as per Ind AS		**19,654.09**	**19,130.53**

C. Reconciliation of total comprehensive income for the year ended March 31, 2017

Amount in Rs. lakhs

Particulars	Note	Year ended March 31, 2017
Net profit under previous GAAP		**1,242.41**
Effect of transition to Ind AS		
(i) Interest income on security deposits	2	33.75
(ii) Provision for expected credit loss	5	(264.17)
(iii) Straight lining of lease rental	2	(55.37)
(iv) Amotisation of prepaid expenses	2	(30.51)
(v) Other Ind AS adjustments	6, 7 & 4	(54.23)
(vi) Deferred taxes on all temperory differences	3	56.88
Net profit after tax as per Ind AS		**928.76**
Other comprehensive income		(272.33)
Total comprehensive income as per Ind AS		**656.43**

D. Reconciliation of Cash flow for the year ended March 31, 2017

There were no reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Note 1: Investment property

Based on Ind AS 40, the Company has reclassified the leased assets office premise to investment property. Under the previous GAAP, this was disclosed as a part of property, plant and equipment. Further, brokerage costs incurred by the Company in negotiating and arranging the lease are added to the carrying amount of the leased assets, to be amortized over the leased period. Under the previous GAAP, these costs were expensed in the period in which they were incurred.

Note 2: Security deposits and rent equalization reserve

Under Ind AS interest free security deposits are carried at amortized cost by, discounting the same using interest rates applicable to the counter party. The difference between transaction cost and fair value is recognised as prepaid lease and amortized over the period of the lease on a straight-line basis. Further, interest income is recognised on the amortized cost of the security deposits over the lease period.

Under previous GAAP operating lease expenses were recognised in the 'consolidated statement of profit and loss' on a straight line basis over the lease term. The difference between lease expense recognised in the 'consolidated statement of profit and loss' and contractual lease payments was recognised as 'rent equalization reserve'.

Note 3: Deferred taxes

Under Ind AS, deferred taxes are accounted using balance sheet approach based on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. Under IGAAP, the deferred taxes are accounted using income statement approach i.e. differences between taxable profits and accounting profits for the period.

Note 4: Leased deposit

The Company receives interest free refundable lease deposit from its customer. Under previous GAAP, these deposits were recorded at the transaction value. However, in accordance with Ind AS 109, financial liabilities in the form of lease deposits are recorded initially at the fair value and subsequently discounted over the lock-in period using the effective interest rate method.

Note 5: Provision for expected credit loss

Under the previous GAAP the Company had provided for trade receivables based on managements assessment regarding recoverability of such balances as at March 31, 2017. Under Ind AS the Company has provided for the expected credit loss on aged trade receivables based on past history of losses and forward looking information. Provision for expected losses on trade receivables as at April 01, 2016 was charged to 'Surplus/ (deficit) in the statement of profit and loss' as provision for doubtful receivables (expected credit loss).

Note 6: Employee benefits
Under previous GAAP, actuarial gains and losses were recognized in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized in other comprehensive income in the respective periods.

Under the previous GAAP, the Company had provided for trade receivables based on managements assessment regarding recoverability of such balances as at March 31, 2017. Under Ind AS, the Company has provided for the expected credit loss on aged trade receivables based on past history of losses and forward looking information. Provision for expected losses on trade receivables as at April 01, 2016 was charged to 'Surplus/(deficit) in the statement of profit and loss' as provision for doubtful receivables (expected credit loss).

Note 7: Employee share based payments
Under previous GAAP, employee share based payments were recognized based on intrinsic value method. Under Ind AS, the same has been recognized as per fair value method.

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

	As at March 31, 2018		As at March 31, 2017	
Particulars	**Amount**	**% of total**	**Amount**	**% of total**
Parent				
Mindteck (India) Limited	13,736.95	72%	13,637.04	70%
Foreign subsidairies				
Mindteck, Inc.	3,907.38	20%	4,779.82	24%
Mindteck Singapore Pte Ltd.	1,000.32	5%	721.68	4%
Mindteck Software Malaysia SDN. BHD	485.39	3%	407.97	2%
Mindteck (UK) Limited	205.67	1%	180.51	1%
Mindteck Middle East Ltd S.P.C.	(6.79)	0%	7.68	0%
Mindteck Solutions Philippines, Inc.	41.36	0%	79.59	0%
Mindteck Canada, Inc.	2.00	0%	0.00	0%
Mindteck Netherlands BV	(6.31)	0%	(5.36)	0%
Mindteck Germany GmbH	(190.56)	-1%	(154.84)	-1%
Indian subsidiary				
Hitech Parking Solutions Private Ltd.	0.00	0%	0.00	0%
Total	**19,175.41**	**100%**	**19,654.09**	**100%**

b. Contribution of profit/(loss) in the consolidated financial statements:

Amount in Rs. lakhs

	As at March 31, 2018		As at March 31, 2017	
Particulars	**Amount**	**% of total**	**Amount**	**% of total**
Parent				
Mindteck (India) Limited	191.45	-34%	440.20	47%
Foreign subsidairies				
Mindteck, Inc.	(858.98)	152%	629.40	68%
Mindteck Singapore Pte Ltd.	191.92	-34%	164.47	18%
Mindteck Software Malaysia SDN. BHD	(17.04)	3%	(19.45)	-2%
Mindteck (UK) Limited	11.83	-2%	(123.14)	-13%
Mindteck Middle East Ltd S.P.C.	(15.69)	3%	(52.02)	-6%
Mindteck Solutions Philippines, Inc.	(39.34)	7%	(42.78)	-5%
Mindteck Canada, Inc.	(0.28)	0%	-	0%
Mindteck Netherlands BV	(0.11)	0%	0.24	0%
Mindteck Germany GmbH	(28.81)	5%	(68.16)	-7%
Indian subsidiary				
Hitech Parking Solutions Private Ltd.	-	0%	-	0%
Total	**(565.05)**	**100%**	**928.76**	**100%**

c. Share in other Comprehensive income:

Amount in Rs. lakhs

	As at March 31, 2018		As at March 31, 2017	
Particulars	**Amount**	**% of total**	**Amount**	**% of total**
Parent				
Mindteck (India) Limited	(9.30)	-6%	3.01	-1%
Foreign subsidairies				
Mindteck, Inc.	11.21	8%	(110.00)	40%
Mindteck Singapore Pte Ltd.	59.41	40%	(39.73)	15%
Mindteck Software Malaysia SDN. BHD	92.51	64%	(83.17)	30%
Mindteck (UK) Limited	22.64	15%	(43.77)	16%
Mindteck Middle East Ltd S.P.C.	(0.04)	0%	0.10	0%
Mindteck Solutions Philippines, Inc.	(2.22)	-2%	(10.77)	4%
Mindteck Canada, Inc.	0.00	0%	0.00	0%
Mindteck Netherlands BV	(0.85)	-1%	0.46	0%
Mindteck Germany GmbH	(25.92)	-18%	11.54	-4%
Indian subsidiary				
Hitech Parking Solutions Private Ltd.	-	0%	-	0%
Total	**147.44**	**100%**	**(272.33)**	**100%**

d. Share in total Comprehensive income:

Amount in Rs. lakhs

	As at March 31, 2018		As at March 31, 2017	
Particulars	**Amount**	**% of total**	**Amount**	**% of total**
Parent				
Mindteck (India) Limited	182.15	-44%	443.21	68%
Foreign subsidairies				
Mindteck, Inc.	(847.77)	203%	519.40	79%
Mindteck Singapore Pte Ltd.	251.33	-60%	124.74	19%
Mindteck Software Malaysia SDN. BHD	75.47	-18%	(102.62)	-16%
Mindteck (UK) Limited	34.47	-8%	(166.91)	-25%
Mindteck Middle East Ltd S.P.C.	(15.73)	4%	(51.92)	-8%
Mindteck Solutions Philippines, Inc.	(41.56)	10%	(53.55)	-8%
Mindteck Canada, Inc.	(0.28)	0%	-	0%
Mindteck Netherlands BV	(0.96)	0%	0.70	0%
Mindteck Germany GmbH	(54.73)	13%	(56.62)	-9%
Indian subsidiary				
Hitech Parking Solutions Private Ltd.	-	0%	-	0%
Total	**(417.61)**	**100%**	**656.43**	**100%**

49. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The Appendix clarifies that, 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 an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The standard is effective for annual periods beginning on or after April 01, 2018. The Company is currently evaluating the requirements and impact of the aforesaid on its financial statements.

(ii) **Ind AS 115 - Revenue from contracts with customers:**

Ind AS 115 was notified on March 28, 2018 and is applicable to the Company from financial year 2018-19 beginning April 01, 2018. The core principle of Ind AS 115 is to recognize revenues to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. Ind AS 115 establishes a five-step model to identify the contract(s) with the customers, identifying performance obligations, estimating variable consideration included in the transaction price and allocating the transaction price to each separate performance obligation and recognizing revenue when (or as) each performance obligation is satisfied. The new standard also provides guidance on recognition of incremental cost of obtaining and fulfilling a contract with a customer.

Ind AS 115 will supersede all current revenue recognition requirements under Ind AS. The standard permits two methods of transition: i) full retrospective method: retrospective application to each prior reporting period with the option to elect certain practical expedients as defined within Ind AS 115; or, ii) modified retrospective method: retrospective application with cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (i.e. April 01, 2018) and providing certain additional disclosures as defined in Ind AS 115.

The Company will adopt the new standard effective April 01, 2018 using the modified retrospective method and is in the process of evaluating its contractual arrangements as per the five-step model required by Ind AS 115. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company is currently assessing the impact of adopting Ind AS 115 on the financial statements.

50. 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, 2018 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 attached
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 29, 2018

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

Yusuf Lanewala
Chairman
DIN - 01770426

Sanjeev Kathpalia
Managing Director and CEO
DIN - 05257060

Jagdish Malkani
Director
DIN - 00326173

Prashanth Idgunji
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 29, 2018

Notice of Annual General Meeting

(CIN: L30007KA1991PLC039702)

NOTICE is hereby given that the **TWENTY-SEVENTH ANNUAL GENERAL MEETING** of the Members of Mindteck (India) Limited will be held on Friday, September 28, 2018 at 12:00 Noon at Hotel Paraag, #3, Rajbhavan Road, Bengaluru 560001, Karnataka, India, to transact the following business:

AS ORDINARY BUSINESS:

1. **Adoption of Financial Statements.**
   To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Board's Report and Auditor's Report thereon.

2. **Declaration of Dividend.**
   To declare dividend of Re. 1/- per Equity Share for the financial year ended March 31, 2018.

3. **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:

4. **Appointment of Mr. Satish Menon as an Independent Director.**
   To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** Mr. Satish Menon (DIN- 00114149), appointed as an Additional Director under Article 66 of Articles of Association of the Company and Section 161 of the Companies Act, 2013 by the Board on May 14, 2018 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. Satish Menon, as a candidate for the office of Independent Director of the Company.

   RESOLVED FURTHER THAT pursuant to Section 149, 152 read with Schedule IV of the Companies Act, 2013 and Rules made thereunder, Mr. Satish Menon, an existing Additional Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and is eligible for appointment, be and is hereby appointed as an Independent Director for a term of five (5) years from May 14, 2018 up to May 13, 2023 and the Director shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT any Director and/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."

5. **Appointment of Mr. Subhash Bhushan Dhar as an Independent Director.**
   To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** Mr. Subhash Bhushan Dhar (DIN- 03603891), appointed as an Additional Director under Article 66 of Articles of Association of the Company and Section 161 of the Companies Act, 2013 by the Board on May 29, 2018 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. Subhash Bhushan Dhar, as a candidate for the office of Independent Director of the Company.

   RESOLVED FURTHER THAT pursuant to Section 149, 152 read with Schedule IV of the Companies Act, 2013 and Rules made thereunder, Mr. Subhash Bhushan Dhar, an existing Additional Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and is eligible for appointment, be and is hereby appointed as an Independent Director for a term of five (5) years from May 29, 2018 up to May 28, 2023 and the Director shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT any Director and/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:	**BY ORDER OF THE BOARD**
A. M. R. Tech Park Block -1	**for Mindteck (India) Limited**
3rd Floor, # 664, 23/24,	
Hosur Main Road	Shivarama Adiga S.
Bommanahalli	Vice President
Bengaluru -560068 India.	Legal and Company Secretary

May 29, 2018

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a Member of the Company. A person can act as a proxy for not more than 50 Members and holding not more than 10% of the total share capital. Proxies, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
2. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business is annexed hereto.
3. Corporate Members intending to depute their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
4. A blank Attendance Slip is annexed to this Annual Report. Members/proxies are requested to fill in their particulars on the attendance slip, affix their signature in the appropriate place and hand it to Company's officials/Registrar at the entrance of the meeting venue.
5. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Register shall remain closed from September 15, 2018 to September 28, 2018 (both

days inclusive) for the purpose of Annual General Meeting and payment of dividend.

6. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear on the Register of Members as on September 14, 2018

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.

8. The Register of Contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company.

9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their updated e-mail IDs, Bank details, Electronic Clearing Services (ECS) or (NECS) compliant bank account numbers, mandates, nominations, Power of Attorney, change of address, change of name, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records that will help the Company and its RTA to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to 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. Attached please find a format to update your Electronic Clearing Services (ECS) and e-mail IDs in the last page of this Annual Report.

10. AS PER SEBI CIRCULAR NO. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED APRIL 20, 2018, **MEMBERS HOLDING SHARES IN PHYSICAL FORM** ARE REQUESTED TO SUBMIT 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 OUR 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, IN RESPECT OF WHICH SEPARATE COMMUNICATION HAS ALREADY BEEN SENT TO SUCH SHAREHOLDERS BY THE COMPANY.

11. **MEMBERS HOLDING SHARES IN PHYSICAL FORM** ARE REQUESTED TO CONSIDER CONVERTING THEIR HOLDING TO DEMATERIALIZED FORM TO ELIMINATE RISKS ASSOCIATED WITH THE PHYSICAL SHARES AND FOR EASE IN PORTFOLIO MANAGEMENT. MEMBERS CAN CONTACT UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED IN THIS REGARD

12. Members intending to seek explanation/clarification/copy of any document at the meeting about the information contained in the Annual Report are requested to inform the Company at least a week in advance of their intention to do so, in order to make relevant information available, if the Chairman permits such information to be furnished.

13. Members who have not yet encashed their dividends for the previous years and wish to claim any outstanding dividends are requested to write to the Company's Registrar. Members' attention is particularly drawn to the "Corporate Governance Report" of the Annual Report in respect of Unclaimed Dividends.

14. Pursuant to Schedule VII read with Regulation 40(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory to furnish a PAN card copy of both transferor and transferee for the registration of transfer of shares in physical form with the Company's RTA.

15. As per Section 101 and 136 read with applicable Rules of the Companies Act, 2013 in addition to the Ministry of Corporate Affairs Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, a 'Green Initiative in Corporate Governance' has allowed companies to send documents to shareholders through electronic mode. Further, in terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a Company may give notice through electronic mode addressed to the person entitled to receive such e-mail as per the records of the Company or as provided by the depository, provided that the Company shall provide an advance opportunity at least once in a financial year, to the Members to register their e-mail address and changes therein and such request may be made by only those Members who have not got their email id recorded or to update a fresh email id and not from the Members whose e-mail ids are already registered. Accordingly, the complete set of the Annual Report along with the AGM notice has been sent by e-mail to those Members who have provided their e-mail addresses. Members are requested to support this initiative in full measure and contribute towards a greener environment by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the RTA. Those Members for whom the e-mail copies of Annual Reports were sent may write to the Company Secretary for a physical copy if needed. Members requiring any information or copies of financials of Subsidiary may write to the Company Secretary or inspect the same on the website of the Company under the Investors Section.

16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facility to cast their vote electronically through the e-voting services provided by NSDL on all resolutions set forth in this Notice. The instructions for e-voting are as under:

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

    i. Open the e-mail and also open PDF file named "**MINDTECK e-voting.pdf**" with your Client ID or Folio No. as the password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

    ii. Open the internet browser and type the following URL: **https://www.evoting.nsdl.com/**

    iii. Click on Shareholder–Login.

    iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password.

    v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.

    vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take the utmost care to keep your password confidential.

vii. Once the e-voting home page opens, click on e-voting: Active Voting Cycles.

viii. Select **“EVEN”** (E-Voting Event Number) of Mindteck (India) Limited. Now you are ready for e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on **“Submit”** and also **“Confirm”** when prompted.

x. Upon confirmation, the message “Vote cast successfully” will be displayed.

xi. Once the vote on the Resolution is cast, the Member shall not be allowed to change it subsequently.

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **mindteck.scrutinizer@gmail.com** with a copy marked to **evoting@nsdl.co.in**

xiii. In case of any queries, you may refer to Frequently Asked Questions (FAQs) -Shareholders and e-voting user manual-Shareholders, available at the downloads section of **www.evoting.nsdl.com** or call on Toll Free Number- 1800 222 990.

B. In case a Member receives a physical copy of the Notice of AGM (for Members whose e-mail addresses are not registered with the Company/Depositories):

i. Initial password is provided in the enclosed ballot form: **EVEN** (E-Voting Event Number), user ID and password.

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast a vote.

C. Other Instructions:

i. The e-voting period commences on Tuesday, September 25, 2018 (9.00 a.m.) and ends on Thursday, September 27, 2018 (5.00 p.m.). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on September 14, 2018 **(Cut-off date)**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

ii. The voting rights of Members shall be in proportion to their shares of the paid- up equity share capital of the Company as on September 14, 2018 **(Cut-off date)**.

iii. Those investors who became shareholders of the Company after dispatch of the AGM Notice and holding shares as of September 14, 2018 **(Cut-off Date)** may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or **shivarama.adiga@mindteck.com**. However, if you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.

iv. Mr. Gopalakrishnaraj H H., Practicing Company Secretary (Membership No. FCS 5654), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members, who do not have access to the e-voting process) in a fair and transparent manner.

v. The Scrutinizer shall, within a period not exceeding 24 hours from the conclusion of the Annual General Meeting, unblock all the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

vi. Members who do not have access to the e-voting facility may send a duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company - Mr. Gopalakrishnaraj H H., Practicing Company Secretary (Membership No. FCS 5654) at the Registered Office of the Company not later than Thursday, September 27, 2018 (5.00 p.m.).

vii. Members have the option to request a physical copy of the Ballot Form by sending an e-mail to **investors@mindteck.com** or **shivarama.adiga@mindteck.com** by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Thursday, September 27, 2018 (5.00 p.m.).

viii. Any Ballot Form received after this date shall be treated as invalid.

ix. A Member may opt for only one mode of voting – either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

x. The results declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website **(www.mindteck.com)** and on the website of NSDL **(www.evoting.nsdl.com)** within 48 hours of the passing of the Resolutions at the Twenty-Seventh AGM of the Company on September 28, 2018 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. 4: Appointment of Mr. Satish Menon as an Independent Director.

Mr. Satish Menon (DIN- 00114149) was appointed as an Additional Independent Director of the Company with effect from May 14, 2018, pursuant to Section 161 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 AGM.

Pursuant to the provisions of Sections 152 and 161 of the Companies Act, 2013, Mr. Satish Menon, 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. Satish Menon for the office of Independent Director.

Mr. Satish Menon has given a declaration to the Board of the Company that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, he has also provided the Company his consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board, the Director fulfills the conditions specified in the Companies Act, 2013 and Rules framed there under as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is Independent of the Management.

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

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

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Satish Menon and his relatives, are in any way concerned or interested in the resolution set out at Item No. 4 of the Notice.

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

Information as per Secretarial Standards

Name	Mr. Satish Menon
Age	60 years
Date of Appointment	May 14, 2018
Qualifications	B.Com and Fellow Member of The Institute of Company Secretaries of India
Experience	Over 40 years
Remuneration last drawn	Not Applicable
Shareholding in the Company	NIL
Relationship with other Directors/KMP of the Company	NIL
Number of Board Meetings attended during the FY 2017-18	NIL
Directorships in other Companies	NIL
Chairman/Member of the Committee(s) of Board of Directors in other Companies in which he is a Director	NIL
Terms and Conditions of Appointment	Mr. Satish Menon is appointed as an Independent Director of the Company for a period of Five (5) years from May 14, 2018 to May 13, 2023 by the Board subject to the approval of the shareholders in the ensuing AGM.
Remuneration to be paid	Mr. Menon 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.
Justification for Appointment	Mr. Menon has rich experience of various types of industries including IT industry and has vast knowledge in compliance, Corporate Governance and Board practices. As such in order to strengthen the diversity in the Board, Mr. Menon has been appointed.

Item No. 5: Appointment of Mr. Subhash Bhushan Dhar as an Independent Director.

Mr. Subhash Bhushan Dhar (DIN-03603891) was appointed as an Additional Independent Director of the Company with effect from May 29, 2018, pursuant to Section 161 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 of the Companies Act, 2013, Mr. Subhash Bhushan Dhar, 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. Subhash Bhushan Dhar for the office of Independent Director.

Mr. Subhash Bhushan Dhar has given a declaration to the Board of the Company that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, he has also provided the Company his consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board, the Director fulfills the conditions specified in the Companies Act, 2013 and Rules framed there under as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is Independent of the Management.

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

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

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

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

Information as per Secretarial Standards

Name	**Mr. Subhash Bhushan Dhar**
Age	52 years
Date of Appointment	May 29, 2018
Qualifications	PGDM from IIM Bangalore and Bachelor's in Computer Science from the Birla Institute of Technology, Mesra.
Experience	Over 25 years
Remuneration last drawn	Not Applicable
Shareholding in the Company	NIL
Relationship with other Directors/KMP of the Company	NIL
Number of Board Meetings attended during the FY 2017-18	NIL
Directorships in other Companies	1. Enterprise Nube Services Private Limited 2. Brandacc Services Private Limited 3. Commence Mint Ventures Private Limited
Chairman/Member of the Committee(s) of Board of Directors in other Companies in which he is a Director	NIL
Terms and Conditions of Appointment	Mr. Dhar is appointed as an Independent Director of the Company for a period of Five (5) years from May 29, 2018 to May 28, 2023 by the Board subject to the approval of the shareholders in the ensuing AGM.
Remuneration to be paid	Mr. Dhar 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.
Justification for Appointment	Mr. Dhar has rich experience of various types of industries predominantly IT industry and has vast technical knowledge in the domain of Information Technology. As such in order to strengthen the diversity in the Board, Mr. Dhar has been appointed.

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

May 29, 2018

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. Satish Menon	Mr. Subhash Bhushan Dhar	Mr. Yusuf Lanewala
Appointment/ Re-appointment	Appointment	Appointment	Re-appointment
Brief Resume and nature of expertise in specific functional areas	Mr. Satish Menon is a seasoned professional with over 40 years of experience covering diverse industries, including technology, healthcare, biotech, hospitality, FMCG, engineering, financial services and e-commerce. Since 2003, he has served as an independent advisor to a select corporate clientele on matters relating to private equity and venture capital investments, acquisitions, joint ventures and corporate restructuring. Previously, Mr. Menon made significant and valuable contributions at Wipro Limited, where he held the role of Corporate Vice President – Legal and Company Secretary. Over the course of 18 years, his successful achievements include exemplary management of the legal and tax departments at strategic levels to help sustain competitive advantage. Mr. Menon is a regular speaker at industry seminars and conferences where he shares practical experience and knowledge on complex corporate transactions, as well as on the implementation of global standards for corporate governance and board practices. He is also a Fellow Member of the Institute of Company Secretaries of India.	Mr. Subhash Bhushan Dhar is Co-founder & CEO of Commence Mint Ventures, a venture development firm focused on early stage startups. In 2012, Mr. Dhar founded Gudville, an online social impact startup that connects consumption to causes. From 1997 to 2011, Mr. Dhar worked with Infosys Ltd., a leading global IT services and consulting firm. His last role at Infosys was Senior Vice President and Head of Comms, Media & Entertainment industry unit – a $1Billion business unit that contributed approximately 20% of Infosys revenues in Fiscal 2010-11. Also, as a member of Infosys' first executive council, he was responsible for the company-wide sales and marketing function. Mr. Dhar spent most of his tenure at Infosys in the San Francisco Bay Area. Mr. Dhar is an alumnus of the Indian Institute of Management, Bangalore. He served on IIMB's Board of Governors from 2009-2016. He has a Bachelor's in Computer Science from the Birla Institute of Technology, Mesra. In 2007, the World Economic Forum selected Mr. Dhar to its prestigious Young Global Leaders group that affords him the privilege of working closely with some of the world's top leaders across the professional spectrum on multiple WEF initiatives.	Yusuf Lanewala is a seasoned IT Strategy and Management professional with 37 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.
List of other Listed Companies in which Directorship is held	NIL	NIL	NIL
Chairman/Member of the Committee(s) of Board of Directors of other Listed Companies in which he is a Director	NIL	NIL	NIL
Shareholding/ Stock Options in the Company	NIL	NIL	107,264 Equity Shares as on March 31, 2018 and holds 100,000 Stock Options.
Relationship with other Directors/KMP of the Company	NIL	NIL	NIL

MINDTECK (INDIA) LIMITED

(CIN: L30007KA1991PLC039702)
Registered Office: A. M. R. Tech Park, Block-1, 3rd Floor
#664, 23/24, Hosur Main Road, Bommanahalli
Bengaluru - 560068

ATTENDANCE SLIP

Please complete this attendance slip in all respects and hand it over at the entrance of the meeting hall.

REGD. FOLIO NO./CLIENT ID:
DP ID NO.:
NAME:
ADDRESS:
NUMBER OF SHARES:
EMAIL ID:

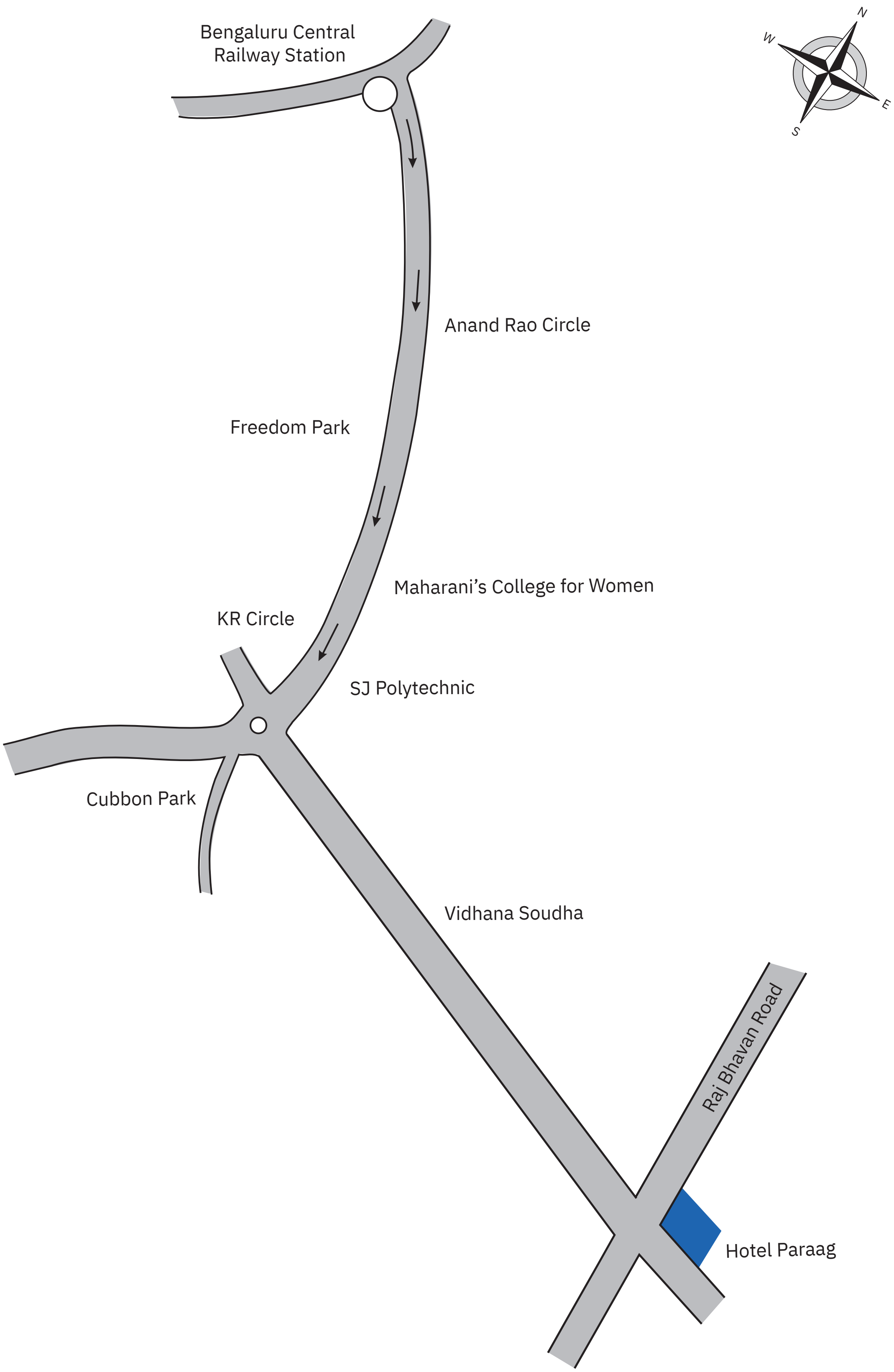
I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Company at Hotel Paraag, #3, Rajbhavan Road, Bengaluru–560 001, Karnataka, India on Friday, September 28, 2018 at 12:00 Noon.

SHAREHOLDER'S EMAIL ID	SIGNATURE OF THE SHAREHOLDER/PROXY

Note: A Proxy attending on behalf of the Member(s) shall write the name of the Member(s) from whom he holds Proxy.

Route Map to AGM Venue



MINDTECK (INDIA) LIMITED

(CIN: L30007KA1991PLC039702)
Registered Office: A.M. R. Tech Park, Block -1, 3rd Floor,
664, 23/24, Hosur Main Road, Bommanahalli
Bengaluru-560068, India

PROXY FORM (MGT-11)

Name of the Member(s):

Registered Address:

E-mail ID:

Registered Folio No./Client ID No.:

DP ID No.:

Number of Shares:

I/We..of .... in the district of .... being a Member/Members of MINDTECK (INDIA) LIMITED, hereby appoint Mr./Mrs... of .... in the district of .... or failing him/her, Mr./Mrs. .... of .... in the district of .... as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held on Friday, September 28, 2018 at 12:00 Noon at Hotel Paraag, #3, Rajbhavan Road, Bengaluru–560 001, Karnataka, India and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Resolution	(Please mention no. of shares)	For	Against
Ordinary business				
1	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Directors and Auditor's thereon.			
2	To declare dividend of Re 1/- Per Equity Share for the financial year ended March 31, 2018.			
3	To appoint Mr. Yusuf Lanewala, who retires by rotation and being eligible, offers himself for re-appointment.			
Special business				
4	To appoint Mr. Satish Menon as an Independent Director of the Company			
5	To appoint Mr. Subhash Bhushan Dhar as an Independent Director of the Company			

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

Signature of the Shareholder: ....   Signature of the Proxy: ....

Note: The proxy form duly signed across the revenue stamp of One Rupee must reach the Company's Registered Office not less than 48 hours before the time of the meeting

Dear Shareholder,

Green Initiative

The Ministry of Corporate Affairs ("MCA") has taken a "Green initiative" by allowing paperless compliances by the companies through electronic mode.

We, at Mindteck, believe in Going Green and would like to avail this opportunity for sending all future correspondence such as notices, Annual Reports, financial statements and all other statutory documents in electronic mode. The documents sent to you in electronic mode shall also be available on the Company's website: **www.mindteck.com.**

You are requested to register/update changes of your email address with your Depository Participant or with Universal Capital Securities Pvt. Ltd., our RTA **(mindteck.investors@unisec.in)** or to the Company **(shivarama.adiga@mindteck.com)** to ensure receipt of future communications and avoid loss and delays in postal transit.

Please note, as a valued shareholder, you are always entitled to request and receive, free of cost, a printed copy of the Annual Report of the Company and all other documents. If you wish to receive future communications in physical form, please inform by writing to us at **shivarama.adiga@mindteck.com** or to the Registered Office of the Company. In case you do not communicate your preference of receiving the documents in physical form, it shall be deemed that you have consented to receive the same in electronic mode by e-mail.

We solicit your patronage and support in helping the Company to implement the Green initiatives of the Government.

Thanking you,
Yours faithfully,
for Mindteck (India) Limited

sd/-

Shivarama Adiga S.
Vice President, Legal and Company Secretary

MINDTECK (INDIA) LIMITED

(CIN: L30007KA1991PLC039702)
Registered Office: A.M. R. Tech Park, Block -1, 3rd Floor,
664, 23/24, Hosur Main Road, Bommanahalli
Bengaluru-560068, India

BALLOT FORM (MGT-12)

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

Name of the Member(s):

Registered Address:

E-mail ID:

Registered Folio No./Client ID No.:

DP ID No.:

Number of Shares:

I/We hereby excercise my/our vote in respect of Ordinary/Special Resolution enumerated below by recording any assent/dissent to the said resolution given below:

Resolution Number	Resolution	(Please mention no. of shares)	For	Against
Ordinary business				
1	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Directors and Auditor’s thereon.			
2	To declare dividend of Re 1/- per Equity Share for the financial year ended March 31, 2018.			
3	To appoint Mr. Yusuf Lanewala, who retires by rotation and being eligible, offers himself for re-appointment.			
Special business				
4	To appoint Mr. Satish Menon as an Independent Director of the Company			
5	To appoint Mr. Subhash Bhushan Dhar as an Independent Director of the Company			

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

Signature of the Shareholder: ....

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

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

Signature of the 1st 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 credited through the Electronic Clearing Service (ECS). The particulars are as under:

1) Folio No. : ______________________________
2) Name of the 1st Registered Holder : ______________________________
3) E-mail ID of the 1st Registered Holder : ______________________________
4) Bank Details

- Name of the Bank : ______________________________
- Full Address of the Branch : ______________________________

____

- Complete Account number : ______________________________
- Account type: (Please tick the relevant box for Savings Account or Current Account

☐ Savings Account	☐ Current Account

- 9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank
(Please attach a cancelled or photocopy of cheque)

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

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

Date:__/__/____

Name: ___________________________________

Address: ___________________________________

Note:

1. This form should be submitted to Mindteck (India) Limited at the address given above to reach them **on or before September 28, 2018** for the receipt of dividend declared, if any, for the financial year 2017-18.
2. This form is meant for shareholders holding shares in physical mode.
3. Shareholders holding shares in Demat mode should register their ECS particulars with their Depository Participants (DPs).


SMART PARKING • STORAGE TESTING • INTERNET OF THINGS • INDUSTRY 4.0 • TECH TALENT
EMBEDDED ENGINEERING • APPLICATION DEVELOPMENT • SMART HEALTHCARE
SMART LIGHTING • CONNECTIVITY SOLUTIONS • MECHANICAL ENGINEERING
SOFTWARE ENGINEERING • SMART CITIES • ENTERPRISE MOBILITY
MINDTECK ACADEMY • DATA ANALYTICS/AI • SMART GRID
SYSTEM SOLUTIONS • APPLICATION SUPPORT

Global Locations

INDIA, MIDDLE EAST

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

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

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

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

UNITED STATES

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

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

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

Texas
5600 Tennyson Parkway
Suite 185
Plano, Texas 75024
Tel: 1 888 459 2632
Fax: 1 888 467 0768

Ohio
8044 Montgomery Road
Suite 700
Cincinnati, OH 45236
Tel: 1 513-427-7001

Missouri
CityPlace Drive
Suite 200
St. Louis, MO 63141

CANADA

Ontario
2-215 Traders Boulevard East
Mississauga, ON L4Z 3K5

APAC

Singapore
7B Keppel Road
#05-09 PSA Tanjong
Pagar Complex
Singapore 089055
Tel: 65 6225 4516, 6372 0067
Fax: 65 6225 4517

Malaysia
Galleria@Cyberjaya Unit 16-5
Jalan Tecknokrat 6, Cyber 5
63000 Cyberjaya
Selangor Darul Ehsan, Malaysia
Tel: 603 8325 1365
Fax: 603 8325 1364

Philippines
U802, BSA Twin Towers
Bank Drive, Ortigas Center
Mandaluyong City
1550 Metro Manila
Philippines
Tel: 63 91 7563 4298

EUROPE

United Kingdom
4 Imperial Place
Maxwell Road,
Borehamwood
Hertfordshire WD6 1JN
United Kingdom
Tel: 44 (0) 208 213 3121
Fax: 44 (0) 208 213 3001

Germany
Herriotstrasse 1
60528 Frankfurt am Main
Germany
Tel: 49 (0) 696 7733 488
Fax: 49 (0) 696 7733 200

Netherlands
Schipholweg 103
2316 XC Leiden
Netherlands
Tel: 31 (0) 71 524 9370
Fax: 31 (0) 71 524 9250

Turkey
BYOFİS Plaza
Sarı Kanarya Sokak
No:14 Kat:7
Kozyatağı Mahallesi
Kadıköy, İstanbul, Turkiye
Tel: 90 (216) 906 00 37

Mindteck, a global technology company established in 1991, provides Product Engineering solutions and Information Technology services to top-tier Fortune 1000 companies, start-ups, leading universities and government entities worldwide. Its depth of knowledge and niche expertise in embedded systems and enterprise applications is complemented by dedicated Centers of Excellence in wireless design and storage testing. The company is among a select group of global companies appraised at Maturity Level 5, Version 1.3 of the CMMI Institute's Capability Maturity Model Integration (CMMI). It is also a Founding Member of the Atlas of Economic Complexity (www.atlas.cid.harvard.edu) for the Center for International Development (CID) at Harvard University.

Office Locations: *India, US, Canada, UK, Germany, the Netherlands, Singapore, Malaysia, Philippines, Turkey, and Bahrain*
Development Centers: *India (Kolkata and Bengaluru) and Singapore*

www.mindteck.com
info@mindteck.com

CMMIDEV/5 SM
Exp. 2019-10-01 / Appraisal #27386
Mindteck (India) Limited